City of Azle
Regular Meeting Agenda
City Council

505 W. Main Street
Azle, Texas 76020

March 3, 2026 | **6:00 PM** | **Council Chambers**

Pursuant to Section 551.071 of the Texas Government Code, the Council may convene into Executive Session(s) from time to time as deemed necessary during the meeting for any posted agenda item and may receive advice from its attorney as permitted by law.

CALL TO ORDER

INVOCATION

The City of Azle is accepting volunteers from all Religions and Denominations to provide the invocation at the beginning of the City Council meeting. If you are interested in giving the invocation at a future meeting, please call the city secretary's office at 817-444-7101 or email: yhoffman@cityofazle.org

Rev. Josh Tollison — Senior Pastor, Lighthouse Harbor Church.

PLEDGE OF ALLEGIANCE

PUBLIC PARTICIPATION

This is an opportunity for the public to address the City Council on posted agenda items or non-agenda items. In order to address the Council, please complete a Speaker's Request Form and submit to the City Secretary prior to the start of the council meeting. All comments must be directed to the Presiding Officer, rather than an individual council member or city staff. All speakers must refrain from personal attacks toward any individual. Comments are limited to three (3) minutes and must pertain to the subject matter listed on the Speaker's Request Form. Speakers requiring the assistance of a translator shall be provided four (4) minutes. Council may not comment publicly on non-agenda items, but may direct the City Manager to resolve the matter or request the matter be placed on a future agenda. Public comments regarding non-agenda items shall not include any "deliberation" as defined by Chapter 551 of the Government Code, as now or hereafter amended. If you have a subject that may require City Council action, you may obtain a form from the City Secretary and request the item be placed on a future agenda.

PRESENTATIONS

1. Azle Senior Center Update
   Kyle Culwell, Parks Superintendent
2. FY 2026 1st Quarter Investment Report
   Stephen Barnes, Finance Director
3. Hornets Wrestling Team
   Randa Goode, Mayor

ACTION ITEMS

4. Consider any action on the 02-17-2026 regular council meeting minutes, 02-23-2026, and 02-24-2026 Strategic Planning meetings.
   Yael Hoffman, City Secretary
5. Consider any action of Resolution 2026-04 authorizing the City's participation in the U.S. Immigration and Customs Enforcement (ICE) 287(g) Task Force Model Program and authorizing the City Manager to execute the memorandum of agreement (MOA) and all necessary documents.
   Ben Hall, Police Chief
6. Consider any action on the Facade and Signage Improvement Program application for 1413 Southeast Parkway.
   Kristen Pegues, Community & Marketing Specialist
7. Consider any action on Ordinance No. 2026-06, declaring each unopposed candidate in the May

2, 2026, General Election elected to office and canceling the General Election
Yael Hoffman, City Secretary

8. Consider any action on acceptance of the auditor's opinion and the Annual Comprehensive Financial Report for the fiscal year ended September 30, 2025.
Stephen Barnes, Finance Director
9. Consider any action on Ordinance No. 2026-04 regarding the adoption of the 2024 International Building Codes and the 2023 National Electrical Code with North Central Texas Council of Governments (NCTCOG) amendments.
David Hawkins, Director of Planning and Development
10. Consider any action on Ordinance No. 2026-05 regarding the adoption of the 2024 International Fire Code with North Central Texas Council of Governments (NCTCOG) amendments.
David Hawkins, Director of Planning and Development

ITEMS TO BE PLACED ON FUTURE MEETING AGENDAS

MAYOR/COUNCIL COMMENTS OF COMMUNITY INTEREST

EXECUTIVE SESSION

- **551.071 CONSULTATION WITH THE CITY ATTORNEY**
The City Council may conduct a private consultation with its attorney when the City Council seeks the advice of its attorney concerning any item on this agenda, about pending and contemplated litigation, or a settlement offer, or on a matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Board of Texas clearly conflicts with Chapter 551.

    - U.S Realty 87 Azle Associates, LP vs. City of Azle
    - City of Reno`s attempt to annex property within the Extraterritorial Jurisdiction (ETJ) of the City of Azle.

- **551.074 PERSONNEL MATTERS**

    - Deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of City Manager.

11. Take any action pursuant to Executive Session.

ADJOURNMENT

I, the undersigned authority, do hereby certify the above Agenda was posted at City Hall on 02-25-2026, at the City's official bulletin board and is readily accessible to the public at all times in accordance with V.T.C.A. Chapter 551, Texas Government Code.

Yael Hoffman, TRMC, MMC
City Secretary

This facility is wheelchair accessible and handicapped parking spaces are available. Auxiliary aids and services are available to a person when necessary to afford an equal opportunity to participate in city functions and activities. Auxiliary aids and services or accommodations should be requested forty-eight hours prior to the scheduled starting time by calling the City Secretary's Office at 817-444-7101. Complete City Council agenda packet is available for review at the City Secretary's Office and on our website www.cityofazle.org.

Presenter: **Kyle Culwell, Parks Superintendent**

Agenda Item: **Azle Senior Center Update**

Background and Explanation:

Amanda Scott, Special Events Coordinator, will be presenting an update on upcoming events and big anniversary announcement.

Board/Commission/Committee Recommendation:

N/A.

Staff Recommendation:

N/A.

Attachments:

None

Presenter: **Stephen Barnes, Finance Director**

Agenda Item: **FY 2026 1st Quarter Investment Report**

Background and Explanation:

FY 2026 1st Quarter Investment Report

Board/Commission/Committee Recommendation:

N/A

Staff Recommendation:

N/A

Attachments:

1. FY 2026 1st Quarter Investment Report

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2025

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of Azle is in compliance with the Public Funds Investment Act and the City of Azle Investment Policy.

Stephen Barnes
Investment Officer

Angela Garrett
Investment Officer

Disclaimer: These reports were compiled using information provided by the City of Azle. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment adviser fees.

Summary

Quarter End Results by Investment Category:

Asset Type	September 30, 2025 Book Value	September 30, 2025 Market Value	December 31, 2025 Book Value	December 31, 2025 Market Value	Ave. Yield
DDA/MMA/NOW	$ 14,613,297	$ 14,613,297	$ 14,936,898	$ 14,936,898	3.23%
Pools/MMMF	22,003,005	22,003,005	23,823,891	23,823,891	3.83%
CDs/Securities	13,886,417	13,886,417	13,207,900	13,207,900	4.17%
Totals	**$ 50,502,720**	**$ 50,502,720**	**$ 51,968,689**	**$ 51,968,689**	3.74%

Current Quarter Portfolio Performance (1)	
Average Quarterly Yield	3.74%
Rolling Three Month Treasury	3.85%
Rolling Six Month Treasury	3.89%
TexPool	3.83%

Fiscal Year-to-Date Portfolio Performance (2)	
Average Quarter-End Yield	3.74%
Rolling Three Month Treasury	3.85%
Rolling Six Month Treasury	3.89%
Average Quarter-End TexPool Yield	3.83%

Interest Earnings (Approximate)	
Quarterly Interest Earnings	$ 485,972
Fiscal YTD Interest Earnings	$ 485,972

Bank Fee Offsets	
Quarterly Bank Fee Offsets	$ 1,381
Fiscal YTD Bank Fee Offsets	$ 1,381

(1) **Current Quarter Weighted Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market balances.

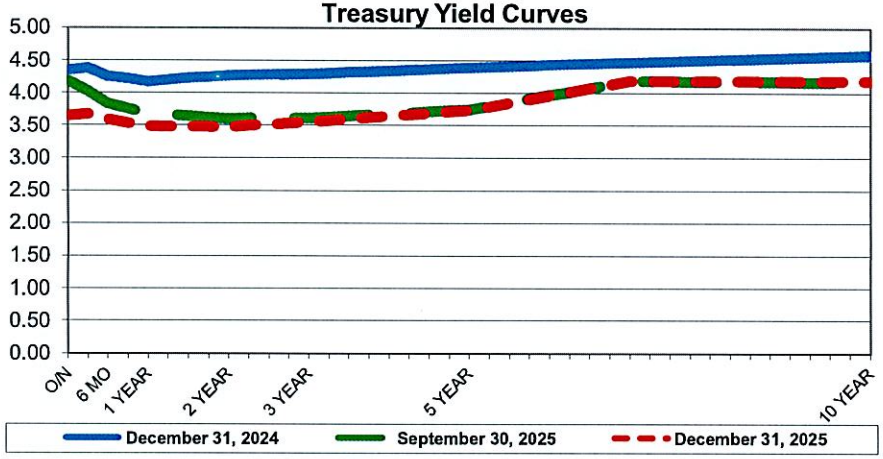
(2) **Fiscal Year-to-Date Weighted Average Yields** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

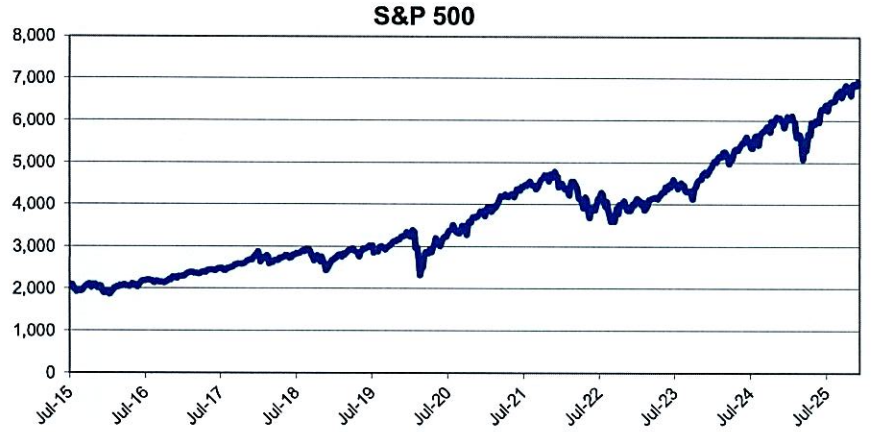
Valley View Consulting, L.L.C.

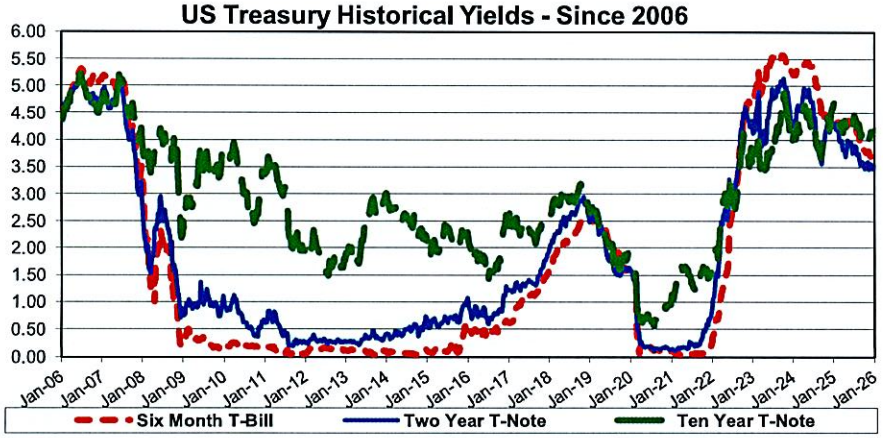
Economic Overview

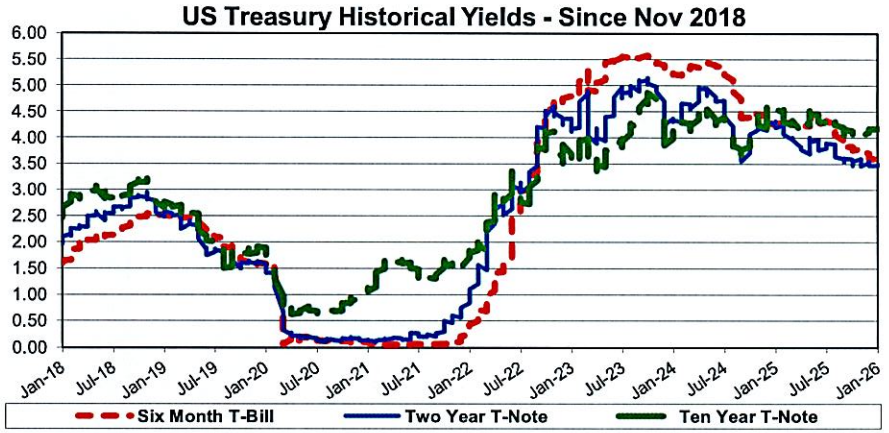
12/31/2025

The Federal Open Market Committee (FOMC) cut the Fed Funds target again 12/10 to 3.50% - 3.75% (Effective Fed Funds trade +/-3.64%). Additional rate cuts during 2026 are uncertain, but could include one spring and one fall. December Non-Farm Payroll only added 50k (slightly below 60k expectation). 2025 averaged 49k per month. The S&P 500 Stock Index almost reached 7,000. The yield curve dips between 1 and 2 years rising thereafter. Crude Oil held steady below $60. Inflation continues above the FOMC 2% target (Core PCE +/-2.8% September). The Markets have had muted reactions to uncertain economic and political events.









Investment Holdings

December 31, 2025

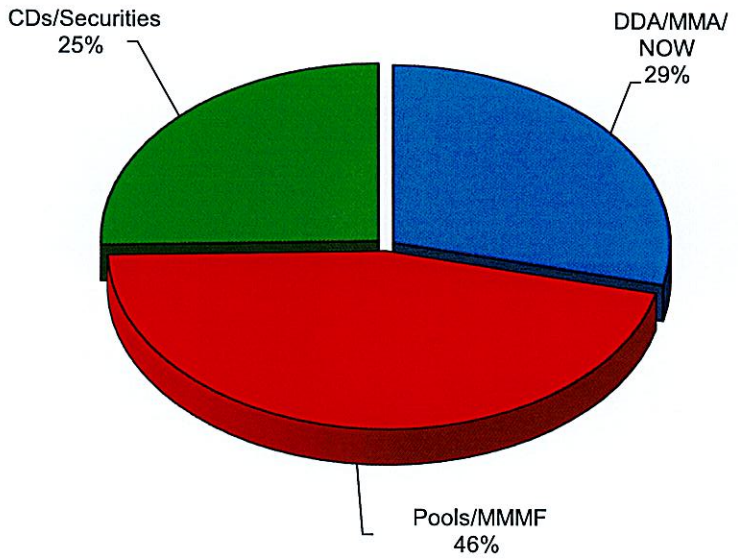
Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Original Face\ Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
Herring Bank		1.21%	01/01/26	12/31/25	$ 240,942	$ 240,942	1.00	$ 240,942	1	1.21%
PNC Bank (3)		0.19%	01/01/26	12/31/25	2,514,837	2,514,837	1.00	2,514,837	1	0.19%
NexBank MMA		3.90%	01/01/26	12/31/25	12,181,119	12,181,119	1.00	12,181,119	1	3.90%
TexSTAR	AAAm	3.82%	01/01/26	12/31/25	13,791,392	13,791,392	1.00	13,791,392	1	3.82%
TexPool	AAAm	3.83%	01/01/26	12/31/25	10,032,499	10,032,499	1.00	10,032,499	1	3.83%
East West Bank CD		4.10%	03/04/26	03/04/25	1,718,532	1,718,532	100.00	1,718,532	63	4.18%
East West Bank CD		4.19%	05/28/26	05/28/25	1,644,189	1,644,189	100.00	1,644,189	148	4.28%
BOK Financial CDARS		4.21%	06/18/26	06/20/25	1,128,501	1,128,501	100.00	1,128,501	169	4.30%
BOK Financial CDARS		4.21%	06/25/26	06/26/25	1,127,569	1,127,569	100.00	1,127,569	176	4.30%
American Nat'l Bank & Trust CDARS		4.30%	08/20/26	08/21/25	1,015,791	1,015,791	100.00	1,015,791	232	4.39%
East West Bank CD		3.93%	08/26/26	08/26/25	530,058	530,058	100.00	530,058	238	4.01%
ExtraCo Bank CD		4.43%	08/28/26	02/28/25	516,751	516,751	100.00	516,751	240	4.50%
First Nat'l Bank CDARS		3.96%	09/10/26	09/12/24	1,052,996	1,052,996	100.00	1,052,996	253	4.04%
ExtraCo Bank CDARS		4.40%	03/04/27	03/06/25	1,036,966	1,036,966	100.00	1,036,966	428	4.50%
BOK Financial CDARS		3.99%	03/18/27	03/20/25	1,031,866	1,031,866	100.00	1,031,866	442	4.07%
American Nat'l Bank & Trust CDARS		4.00%	05/20/27	08/21/25	1,014,681	1,014,681	100.00	1,014,681	505	4.07%
American Nat'l Bank & Trust CDARS		3.50%	12/23/27	12/25/25	1,390,000	1,390,000	100.00	1,390,000	722	3.56%
					$ 51,968,689	**$ 51,968,689**		**$ 51,968,689**	**76**	**3.74%**
									(1)	**(2)**

(1) Weighted average life - Pools, Money Market Funds, and Bank Deposits are assumed to have a one day maturity.

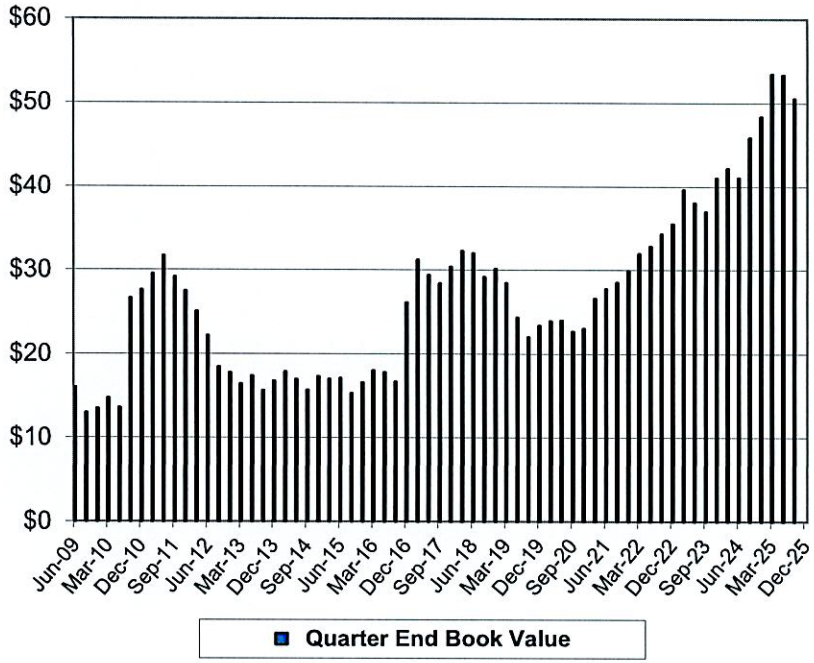
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on Adjusted Book Value, adviser fees and realized and unrealized gains/losses are not considered. The pool and mutual fund yields are the average for the last month of the quarter. Bank deposit yields are estimated from the monthly allocated earnings.

(3) Compensating Balances - PNC Bank Balances generate earnings credit to offset most bank fees.

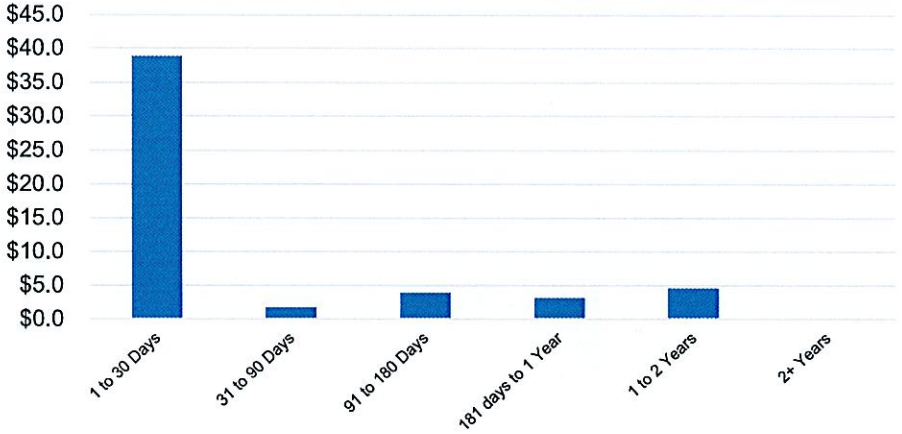
Portfolio Composition



Total Portfolio (Millions)



Distribution by Maturity Range (Millions)



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 09/30/25	Increases	Decreases	Book Value 12/31/25	Market Value 09/30/25	Change in Market Value	Market Value 12/31/25
Herring Bank	1.21%	01/01/26	$ 240,171	$ 771	$ –	$ 240,942	$ 240,171	$ 771	$ 240,942
PNC Bank (3)	0.19%	01/01/26	2,627,628	–	(112,790)	2,514,837	2,627,628	(112,790)	2,514,837
NexBank MMA	3.90%	01/01/26	11,745,499	435,620	–	12,181,119	11,745,499	435,620	12,181,119
TexSTAR	3.82%	01/01/26	12,247,443	1,543,949	–	13,791,392	12,247,443	1,543,949	13,791,392
TexPool	3.83%	01/01/26	9,755,562	276,937	–	10,032,499	9,755,562	276,937	10,032,499
East West Bank CD	4.44%	11/26/25	1,618,682	–	(1,618,682)	–	1,618,682	(1,618,682)	–
East West Bank CD	4.33%	12/22/25	572,870	–	(572,870)	–	572,870	(572,870)	–
East West Bank CD	4.18%	03/04/26	1,700,865	17,667	–	1,718,532	1,700,865	17,667	1,718,532
East West Bank CD	4.28%	05/28/26	1,626,917	17,272	–	1,644,189	1,626,917	17,272	1,644,189
BOK Financial CDARS	4.30%	06/18/26	1,116,589	11,912	–	1,128,501	1,116,589	11,912	1,128,501
BOK Financial CDARS	4.30%	06/25/26	1,115,666	11,902	–	1,127,569	1,115,666	11,902	1,127,569
American Nat'l Bank & Trust CDARS	4.39%	08/20/26	1,004,842	10,949	–	1,015,791	1,004,842	10,949	1,015,791
East West Bank CD	4.01%	08/26/26	524,834	5,224	–	530,058	524,834	5,224	530,058
ExtraCo Bank CD	4.50%	08/28/26	511,044	5,706	–	516,751	511,044	5,706	516,751
First Nat'l Bank CDARS	4.04%	09/10/26	1,042,539	10,457	–	1,052,996	1,042,539	10,457	1,052,996
ExtraCo Bank CDARS	4.50%	03/04/27	1,025,525	11,441	–	1,036,966	1,025,525	11,441	1,036,966
BOK Financial CDARS	4.07%	03/18/27	1,021,542	10,324	–	1,031,866	1,021,542	10,324	1,031,866
American Nat'l Bank & Trust CDARS	4.07%	05/20/27	1,004,503	10,178	–	1,014,681	1,004,503	10,178	1,014,681
American Nat'l Bank & Trust CDARS	3.56%	12/23/27	–	1,390,000	–	1,390,000	–	1,390,000	1,390,000
TOTAL			**$ 50,502,720**	**$ 3,770,311**	**$ (2,304,343)**	**$ 51,968,689**	**$ 50,502,720**	**$ 1,465,969**	**$ 51,968,689**

Presenter: **Randa Goode, Mayor**

Agenda Item: **Hornets Wrestling Team**

Background and Explanation:

Recognize the success of the girls and boys wrestling teams at the State tournament. The girls team are the State Champions and boys team are the State Runners-Up.

Board/Commission/Committee Recommendation:

N/A.

Staff Recommendation:

N/A.

Attachments:

None

Item Number: 4

Presenter:	**Yael Hoffman, City Secretary**
Agenda Item:	**Consider any action on the 02-17-2026 regular council meeting minutes, 02-23-2026, and 02-24-2026 Strategic Planning meetings.**

Background and Explanation:

Procedural.

Board/Commission/Committee Recommendation:

Staff Recommendation:

Attachments:

1. 02-17-2026 Minutes
2. 02-23-2026 Strategic Planning Minutes
3. 03-24-2026 Strategic Planning Minutes

MINUTES
Regular Meeting
Azle City Council

505 W. Main Street
Azle, Texas 76020

February 17, 2026 | **6:00 PM** | **Council Chambers**

CALL TO ORDER

Mayor Goode called the meeting to order at 6:05 PM.

Members Present:

Mayor Randa Goode
Mayor Pro-tem Stacy Peek
Councilmember Derrick Nelson
Councilmember Amy Estes
Councilmember Josh Berry
Councilmember Rouel Rothenberger
Councilmember Brian Conner - Left the meeting at 6:45 PM.

Members Absent:

Staff Present:

Tom Muir	City Manager
Amber Beard	Assistant City Manager
Andrea Russell	City Attorney
Yael Hoffman	City Secretary
Curren McLane	Library Director
Will Scott	Fire Chief
Lee Godbold	Assistant Fire Chief
Ben Hall	Police Chief
David Hawkins	Director of Planning and Development

INVOCATION

Rev. Brandon Geary - Lead Pastor, Merge Community Church, gave the invocation.

PLEDGE OF ALLEGIANCE

Mayor Goode led the Pledge of Allegiance.

PUBLIC PARTICIPATION

None.

PRESENTATIONS

1. **Community Waste Disposal Annual Report and Service Action Plan**

   Jason Romer, CWD President, and Robert Medigovich, CWD Municipal Coordinator, presented an overview of CWD's services and future service plan for the City of Azle. During the presentation, Mr. Medigovich thanked City Manager Tom Muir for his 10-year partnership with CWD, commended him for his active participation in city activities, and wished him the best in his retirement.

2. **Texas Municipal Library Directors Association Achievement in Library Excellence Award to the Azle Memorial Library**

   Mayor Goode presented the Texas Municipal Library Directors Association Achievement in Library Excellence Award to Curren McLane, Director of the Azle Memorial Library, and thanked her, the library staff, and the Library Board for a job well done.

3. **Azle Memorial Library Annual Survey Results**

   Mayor Goode recognized Library Director Curren McLane, who presented the Annual library survey results and provided an overview of all survey findings.

4. **Police Department and Animal Shelter annual report.**

   The Mayor recognized Police Chief Hall, who provided a brief presentation on the activities of the Police Department and the Animal Shelter over the past year.

ACTION ITEMS

5. **Consider any action on the February 3, 2026 council meeting minutes.**

   Councilmember Rothenberger moved to approve the February 3, 2026 council meeting minutes, as presented. Councilmember Berry seconded the motion.

   Yes: (6) Randa Goode, Derrick Nelson, Amy Estes, Stacy Peek, Rouel Rothenberger, Josh Berry

6. **Consider a petition for release from the City's Extraterritorial Jurisdiction (ETJ) for property legally described as a 3.282-acre tract of land situated in the T&P R.R. CO. Survey No. 23, Abstract No. 1432, Parker County, Texas, being described as Lots 1, 2, & 3, Block 5, Thomas Len Estates, an addition recorded in Plat Cabinet F, Slide 497, Plat Records, Parker County, Texas, a portion of all of that tract of land described by deed to 2HM Investments, LLC, recorded in Document No. 202309577, County Records, Parker County, Texas and addressed as 1016, 1020, and 1024 Neal Road.**

   Mayor Goode recognized David Hawkins, Director of Planning and Development, who explained the petition request to release a property from the City's ETJ. He noted the request is authorized under Senate Bill 2038 and the City's 2023 ordinance establishing the ETJ release procedure and has met all the requirements.

   Councilmember Rothenberger moved to approve the petition for release from the City's Extraterritorial Jurisdiction (ETJ) for property legally described as a 3.282-acre tract of land situated in the T&P R.R. CO. Survey No. 23, Abstract No. 1432, Parker County, Texas, being described as Lots 1, 2, & 3, Block 5, Thomas Len Estates, an addition recorded in Plat Cabinet F, Slide 497, Plat Records, Parker County, Texas, a portion of all of that tract of land described by deed to 2HM Investments, LLC, recorded in Document No. 202309577, County Records, Parker County, Texas and addressed as 1016, 1020, and 1024 Neal Road, as presented. Councilmember Nelson seconded the motion.

   Yes: (6) Randa Goode, Derrick Nelson, Amy Estes, Stacy Peek, Rouel Rothenberger, Josh Berry

PUBLIC HEARING

7. **Conduct a public hearing and consider any action on Ordinance No. 2026-03 regarding a Specific Use Permit request to operate tattoo services for an existing business for property located at 1169 Southeast Parkway and also known as Lot 1A & 2A1A, Block 1, Luke Estates Addition. The property is located on the northeast corner of the Southeast Parkway (Hwy. 199) and Lori Lane intersection. The applicant is requesting a Specific Use Permit to allow the existing business named CopperMoon Body Essentials to add cosmetic tattoo services to their**

business at this location. Case No. SUP2025-03.

Mayor Goode recognized Planning and Development Director David Hawkins, who explained the request for a Special Use Permit, noting the Planning and Zoning Commission recommended approval of the request with the following condition: if the occupant moves or sells the business, the SUP will expire.

Mayor Goode opened the public hearing at 7:29 PM.

Korina Acosta, 1169 Southeast Parkway, tattoo artist, spoke about the services she will provide at the salon and answered questions from the Council.

Mayor Goode closed the public hearing at 7:36 PM.

Councilmember Berry moved to approve Ordinance No. 2026-03 regarding a Specific Use Permit request to operate tattoo services for an existing business for property located at 1169 Southeast Parkway and also known as Lot 1A & 2A1A, Block 1, Luke Estates Addition. The property is located on the northeast corner of the Southeast Parkway (Hwy 199) and Lori Lane intersection. The applicant is requesting a Specific Use Permit to allow the existing business, CopperMoon Body Essentials, to add cosmetic tattoo services to their business at this location with the condition that the tattooing services shall not operate past 10 PM. Case No. SUP2025-03. Councilmember Estes seconded the motion.

Yes: (6) Randa Goode, Derrick Nelson, Amy Estes, Stacy Peek, Rouel Rothenberger, Josh Berry

ITEMS TO BE PLACED ON FUTURE MEETING AGENDAS

- SUP updates
- Signs ordinance update
- Homelessness, Sex Offenders Ordinance
- Hwy 199 exit to Denver Trail

MAYOR/COUNCIL COMMENTS OF COMMUNITY INTEREST

- Texas Primaries early voting began today, February 17; election day is March 3.
- 02-19-2026 Azle Area Chamber of Commerce Annual Banquet.
- 02/23-24/2026 Strategic planning starts at 6 PM at Azle Fire Station.
- 03-05-2026 ACFR will be presented to the council for acceptance.

EXECUTIVE SESSION

No Executive Session.

551.071 CONSULTATION WITH THE CITY ATTORNEY
U.S Realty 87 Azle Associates, LP vs. City of Azle

551.074 PERSONNEL MATTERS
Deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of City Manager.

8. Take any action pursuant to Executive Session.

None

ADJOURNMENT

Mayor Goode adjourned at 7:45 PM.

Presented and approved on 03-03-2026.

_____
Randa Goode, Mayor

Attest:

_____
Yael Hoffman, TRMC, MMC
City Secretary

MINUTES
Stratigic Planning
Azle City Council

Fire Department Station
900 Lakeview Drive
Azle, Texas 76020

February 23, 2026 | **6:00 PM** | **Training Room**

CALL TO ORDER

Mayor Goode called the meeting to order at 6:04 PM.

Members Present:

Mayor Randa Goode
Mayor Pro-tem Stacy Peek
Councilmember Derrick Nelson
Councilmember Amy Estes
Councilmember Rouel Rothenberger
Councilmember Brian Conner

Members Absent:

Councilmember Josh Berry

Staff Present:

Tom Muir	City Manager
Amber Beard	Assistant City Manager
Yael Hoffman	City Secretary
Susie Hiles	Assistant to the City Manager
Will Scott	Fire Chief
Lee Godbold	Assistant Fire Chief
Kevin Rogers	Police Lieutenant
Dora Grissom	Police Lieutenant
David Hawkins	Director of Planning and Development
Rick White	Director of Public Services
Stephen Barnes	Finance Director
Cat Schlueter	Human Resources Director
Curren McLane	Library Director
Victor Gonzales	Assistant Library Director
Matt Sommerfield	Golf Course Manager

PUBLIC PARTICIPATION

None.

PRESENTATIONS / DISCUSSION

1. **Strategic Planning for FY 2026-27**

   Mayor Goode recognized Dr. Mike Mowery, Strategic Government Resources (SGR), who led the Strategic Planning presentation and discussion.

   Convened for break at 7:00 PM.
   Reconvened to open session at 7:10 PM.

ADJOURNMENT

Mayor Goode adjourned at 8:41 PM.

Presented and approved on 03-03-2026

_____
Randa Goode, Mayor

Attest:

_____
Yael Hoffman, TRMC, MMC
City Secretary

MINUTES
Strategic Planning Agenda
Azle City Council

Fire Department Station
900 Lakeview Drive
Azle, Tx7 6020

February 24, 2026 | **6:00 PM** | **Training Room**

CALL TO ORDER

Mayor Goode called the meeting to order at 6:01 PM.

Members Present:

Mayor Randa Goode
Mayor Pro-tem Stacy Peek
Councilmember Derrick Nelson
Councilmember Amy Estes
Councilmember Josh Berry
Councilmember Rouel Rothenberger
Councilmember Brian Conner

Staff Present:

Tom Muir	City Manager
Amber Beard	Assistant City Manager
Yael Hoffman	City Secretary
Susie Hiles	Assistant to the City Manager
Will Scott	Fire Chief
Lee Godbold	Assistant Fire Chief
Kevin Rogers	Police Lieutenant
Dora Grissom	Police Lieutenant
David Hawkins	Director of Planning and Development
Rick White	Director of Public Services
Stephen Barnes	Finance Director
Cat Schlueter	Human Resources Director
Curren McLane	Library Director
Victor Gonzales	Assistant Library Director
Matt Sommerfield	Golf Course Manager

PUBLIC PARTICIPATION

None.

PRESENTATIONS / DISCUSSION

1. **Strategic Planning for FY 2026-27.**

   Mayor Goode recognized Dr. Mike Mowery, Strategic Government Resources (SGR), who led the Strategic Planning presentation and discussion.

   Convened for break at 7:00 PM.
   Reconvened to open session at 7:12 PM.

ADJOURNMENT

Mayor Goode adjourned at 8:50 PM.

Presented and approved on 03-03-2026

_____
Randa Goode, Mayor

Attest:

_____
Yael Hoffman, TRMC, MMC
City Secretary

Item Number: 5

Presenter:	**Ben Hall, Police Chief**
Agenda Item:	**Consider any action of Resolution 2026-04 authorizing the City's participation in the U.S. Immigration and Customs Enforcement (ICE) 287(g) Task Force Model Program and authorizing the City Manager to execute the memorandum of agreement (MOA) and all necessary documents.**

Background and Explanation:

Currently, the Azle Police Department performs limited immigration enforcement when a compelling community interest is served by initiating the detainer and removal process (criminal charges such as domestic violence, trafficking, etc.).

ICE has developed the 287(g) program which allows similar limited federal enforcement by local law enforcement. The proposed MOA provides for federal reimbursement of costs associated with this type of enforcement, as well as additional funds of up to $7,500 per quarter per active program officer. Additionally, upon initiation of the agreement and completion of training, the department will be provided with up to $100,000 to be used towards equipment, such as a vehicle.

The program requires that local officers receive the requisite training and, once trained, be allowed to initiate the detainer process for offenders taken into custody (which are similar functions already being performed by the Azle Police Department). Through this program, the initiation of detainers will be entirely at the discretion of the Azle Police Department.

Board/Commission/Committee Recommendation:

N/A.

Staff Recommendation:

Authorize the City Manager to execute the MOA and all other documents.

Attachments:

1. Resolution 2026-04
2. 287g Flyer and Informational Email
3. Memorandum of Agreement_287g Task Force Model

RESOLUTION NO. 2026-04

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AZLE, TEXAS, AUTHORIZING PARTICIPATION IN THE U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT 287(G) WARRANT SERVICE OFFICER MODEL PROGRAM; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY AGREEMENTS AND DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 287(g) of the Immigration and Nationality Act authorizes the U.S. Department of Homeland Security to enter into agreements with state and local law enforcement agencies to perform certain immigration enforcement functions under federal supervision; and

WHEREAS, the Task Force Model of the 287(g) program allows designated local law enforcement officers to identify and report suspected aliens not charged with crimes (under ICE oversight) and exercise limited immigration authority on ICE-led task forces.

WHEREAS, the City Council of the City of Azle Task Force Model finds that participation in the 287(g) Task Force Model will enhance cooperation with federal partners, support public safety, and ensure the City's continued commitment to lawful and professional law enforcement practices; and

WHEREAS, participation in this program will be limited to designated local officers who have met the mandated requirements and are granted limited immigration authority under the defined parameters set forth in the 287g agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AZLE, TEXAS THAT:

SECTION 1

The City Council hereby authorizes participation by the City of Azle in the U.S. Immigration and Customs Enforcement 287(g) Task Force Model program.

SECTION 2

The City Manager is hereby authorized to execute all necessary agreements, memoranda of understanding, and related documents with U.S. Immigration and Customs Enforcement (ICE) and the U.S. Department of Homeland Security to implement and maintain participation in the 287(g) Task Force Model program, including any renewals or amendments thereto, in a form approved by the City Attorney.

This Resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF AZLE TEXAS ON MARCH 3, 2026 REGULAR MEETING

_____
Randa Goode, Mayor

ATTEST:

_____
Yael Hoffman, City Secretary

287(g) Benefits

U.S. Immigration and Customs Enforcement

Your Agency + Federal Law Enforcement = SAFER COMMUNITIES

ICE's 287(g) Program empowers your law enforcement agency to enforce some aspects of U.S. immigration law to make your community safer. Under this program's designated authorities, your agency can:

- **Identify** and process removable aliens with pending or active criminal charges.
- **Enforce** limited immigration law with ICE oversight during routine duties.
- **Serve** and execute administrative warrants on aliens in your jail.

287(g) Benefits:

- Enhanced public safety
- Free training
- Possible eligibility for federal payments through a DOJ program

How to Sign Up for the 287(g) Program:

- Complete a signed letter of interest.
- Fill out a memorandum of agreement for the program model you want to use.
- Submit your letter of interest and memorandum of agreement to **ERO287g@ICE.dhs.gov.**

3 WAYS Your Agency Can Join Forces With ICE

Jail Enforcement Model	Task Force Model	Warrant Service Officer Program
Allows your officers to identify and process removable aliens who have pending or active criminal charges.	Allows your officers to identify and report suspected aliens not charged with crimes (under ICE oversight) and exercise limited immigration authority on ICE-led task forces.	Allows your officers to serve and execute administrative warrants on aliens in your custody.

- These programs are only available to officers and agencies with signed MOAs with ICE.

Task Force Model Reimbursement Plan Benefits
If LEAs sign the TFM MOA they will receive:

- $7,500 for equipment per trained TFO, per quarter
- $7,500 for Information Technology (IT) per trained TFO, per quarter
- $100,000 for new vehicles per MOA
- Salary and benefits reimbursed per trained TFO
- Overtime funds up to 25% of salary

Good Afternoon Chief,

Dallas Immigration and Customs Enforcement (ICE) Enforcement and Removal Operations (ERO) is reaching out to you today regarding ICE's 287(g) Task Force Model (TFM) Program. The Immigration and Nationality Act (INA) authorizes ICE to delegate state and local law enforcement officers the authority to perform specified immigration officer functions under the direction and oversight of ICE.

The 287(g) TFM program enhances the safety and security of local communities by allowing ICE ERO to partner with your law enforcement agency to identify and remove criminal aliens who are amenable to removal from the United States.

After completion of training, the TFM allows your officers to enforce limited immigration authority while performing their routine police duties.

Below are some key benefits:

- $7,500 equipment stipend per trained task force officer (TFO), paid out quarterly.
- $7,500 information technology (IT) stipend per trained TFO, paid out quarterly.
- $100,000 one-time fund for transportation (patrol vehicles, transport vehicles, and/or other transportation needs of the agency).
- Paid salaries along with up to 25% in overtime compensation for trained TFO, while conducting immigration enforcement.
- Training is an on-line 40hr self-paced course, completed at a location designated by your department (30 days to complete).
- 287g Task Force serves as a force multiplier between federal and local LEA's.
- Most importantly, TFOs that are 287g certified will continue with their everyday job duties and will use immigration authority when needed.

Thank you for your time and if you would like more information on the program, we would love to meet in person or phone to answer any questions you may have. Please see the attached brochure and visit www.ice.gov/287g for more information.

Thank You,

Carlos Abeyta
287(g) Liaison Officer
Dallas Field Office
Enforcement and Removal Operations
U.S. Immigration and Customs Enforcement
(c) 214-557-8582

MEMORANDUM OF AGREEMENT
287(g) Task Force Model

This Memorandum of Agreement (MOA) constitutes an agreement between United States Immigration and Customs Enforcement (ICE), a component of the Department of Homeland Security (DHS), and the_____, pursuant to which ICE delegates to nominated, trained, and certified officers or employees of the (hereinafter interchangeably referred to as "Law Enforcement Agency" (LEA)), the authority to perform certain immigration enforcement functions as specified herein. The LEA represents _____ in the implementation and administration of this MOA. The LEA and ICE enter into this MOA in good faith and agree to abide by the terms and conditions contained herein. The ICE and LEA points of contact for purposes of this MOA are identified in Appendix A.

I. PURPOSE

The purpose of this MOA is to set forth the terms and conditions pursuant to which selected LEA personnel (participating LEA personnel) will be nominated, trained, and thereafter be approved by ICE to perform certain functions of an immigration officer under the direction and supervision of ICE within the LEA's jurisdiction. This MOA sets forth the scope of the immigration officer functions that DHS is authorizing the participating LEA personnel to perform. Nothing contained herein shall otherwise limit the jurisdiction and powers normally possessed by participating LEA personnel as members of the LEA. However, the exercise of the immigration enforcement authority granted under this MOA to participating LEA personnel shall occur only as provided in this MOA. This MOA also describes the complaint procedures available to members of the public regarding immigration enforcement actions taken pursuant to this agreement by participating LEA personnel.

II. AUTHORITY

Section 287(g) of the Immigration and Nationality Act (INA), codified at 8 U.S.C. § 1357(g), as amended by the Homeland Security Act of 2002, Public Law 107-296, authorizes the Secretary of Homeland Security, or her designee, to enter into written agreements with a State or any political subdivision of a State so that qualified officers and employees can perform certain functions of an immigration officer. This MOA constitutes such a written agreement.

III. POLICY

This MOA sets forth the scope of the immigration officer functions that DHS is authorizing the participating LEA personnel to perform. It sets forth with specificity the duration of the authority conveyed and the specific lines of authority, including the requirement that participating LEA personnel be subject to ICE direction and supervision while performing delegated immigration officer functions pursuant to this MOA. For the purposes of this MOA, ICE officers will provide direction and supervision for participating LEA personnel only as to immigration enforcement functions as authorized in this MOA. The LEA retains supervision of all other aspects of the employment and performance of duties of participating LEA personnel.

IV. TRAINING AND ASSIGNMENTS

Before participating LEA personnel receive authorization to perform immigration officer functions granted under this MOA, they must successfully complete mandatory training on relevant administrative, legal, and operational issues tailored to the immigration enforcement functions to be performed as provided by ICE instructors and thereafter pass examinations equivalent to those given to ICE officers. The mandatory training may be made available to the LEA in both in-person and online, recorded or virtual-meeting formats, as determined by ICE. Only participating LEA personnel who are nominated, trained, certified, and authorized, as set out herein, have authority pursuant to this MOA to conduct the delegated immigration officer functions, under ICE direction and supervision, enumerated in this MOA.

Upon the LEA's agreement, participating LEA personnel performing immigration-related duties pursuant to this MOA will be assigned to various units, teams, or task forces designated by ICE.

V. DESIGNATION OF AUTHORIZED FUNCTIONS

For the purposes of this MOA, participating LEA personnel are authorized to perform the following functions pursuant to the stated authorities, subject to the limitations contained in this MOA:

- The power and authority to interrogate any alien or person believed to be an alien as to his right to be or remain in the United States (INA § 287(a)(1) and 8 C.F.R. § 287.5(a)(l)) and to process for immigration violations those individuals who have been arrested for State or Federal criminal offenses.

- The power and authority to arrest without a warrant any alien entering or attempting to unlawfully enter the United States in the officer's presence or view, or any alien in the United States, if the officer has reason to believe the alien to be arrested is in the United States in violation of law and is likely to escape before a warrant can be obtained. INA § 287(a)(2) and 8 C.F.R. § 287.5(c)(1). Subsequent to such arrest, the arresting officer must take the alien without unnecessary delay for examination before an immigration officer having authority to examine aliens as to their right to enter or remain in the United States.

- The power to arrest without warrant for felonies which have been committed and which are cognizable under any law of the United States regulating the admission, exclusion, expulsion, or removal of aliens, if the officer has reason to believe the alien to be arrested is in the United States in violation of law and is likely to escape before a warrant can be obtained. INA § 287(a)(4) and 8 C.F.R. § 287.5(c)(2).

- The power to serve and execute warrants of arrest for immigration violations under INA § 287(a) and 8 C.F.R. § 287.5(e)(3).

- The power and authority to administer oaths and to take and consider evidence (INA § 287(b) and 8 C.F.R. § 287.5(a)(2)) to complete required alien processing to include fingerprinting,

photographing, and interviewing, as well as the preparation of affidavits and the taking of sworn statements for ICE supervisory review.

- The power and authority to prepare charging documents (INA § 239, 8 C.F.R. § 239.1; INA § 238, 8 C.F.R § 238.1; INA § 241(a)(5), 8 C.F.R § 241.8; INA § 235(b)(l), 8 C.F.R. § 235.3) including the preparation of the Notice to Appear (NTA) or other charging document, as appropriate, for the signature of an ICE officer for aliens in categories established by ICE supervisors.

- The power and authority to issue immigration detainers (8 C.F.R. § 287.7) and I-213, Record of Deportable/Inadmissible Alien, for aliens in categories established by ICE supervisors.

- The power and authority to take and maintain custody of aliens arrested by ICE, or another State or local law enforcement agency on behalf of ICE. (8 C.F.R. § 287.5(c)(6))

- The power and authority to take and maintain custody of aliens arrested pursuant to the immigration laws and transport (8 C.F.R. § 287.5(c)(6)) such aliens to ICE-approved detention facilities.

VI. RESOLUTION OF LOCAL CHARGES

The LEA is expected to pursue to completion prosecution of any state or local charges that caused the alien to be taken into custody. ICE may assume custody of aliens who have been convicted of a state or local offense only after such aliens have concluded service of any sentence of incarceration. The ICE Enforcement and Removal Operations Field Office Director or designee shall assess on a case-by-case basis the appropriate actions for aliens who do not meet the above criteria based on special interests or other circumstances after processing by the LEA.

After notification to and coordination with the ICE supervisor, the alien whom participating LEA personnel have determined to be removable will be arrested on behalf of ICE by participating LEA personnel and be transported by the LEA on the same day to the relevant ICE detention office or facility.

VII. NOMINATION OF PERSONNEL

The chief officer of the LEA will nominate candidates for initial training and certification under this MOA. For each candidate, ICE may request any information necessary for a background check and to evaluate a candidate's suitability to participate in the enforcement of immigration authorities under this MOA. All candidates must be United States citizens. All candidates must have at least two years of LEA work experience. All candidates must be approved by ICE and must be able to qualify for appropriate federal security clearances and access to appropriate DHS and ICE databases/systems and associated applications.

Should a candidate not be approved, a substitute candidate may be submitted if time permits such substitution to occur without delaying the start of training. Any subsequent expansion in the number of participating LEA personnel or scheduling of additional training classes may be based

on an oral agreement of the parties but will be subject to all the requirements of this MOA.

VIII. TRAINING OF PERSONNEL

ICE will provide participating LEA personnel with the mandatory training tailored to the immigration functions to be performed. The mandatory training may be made available to the LEA in both in-person and online, recorded or virtual-meeting formats, as determined by ICE.

Training will include, among other things: (i) discussion of the terms and limitations of this MOA; (ii) the scope of immigration officer authority; (iii) relevant immigration law; (iv) the ICE Use of Force Policy; (v) civil rights laws; (vi) the detention of aliens; (vii) public outreach and complaint procedures; (viii) liability issues; (ix) cross-cultural issues; and (x) the obligations under federal law, including applicable treaties or international agreements, to make proper notification upon the arrest or detention of a foreign national.

Approximately one year after the participating LEA personnel are trained and certified, ICE may provide additional updated training on relevant administrative, legal, and operational issues related to the performance of immigration officer functions, unless either party terminates this MOA pursuant to Section XVIII below. Local training on relevant issues will be provided on an ongoing basis by ICE supervisors or a designated team leader.

IX. CERTIFICATION AND AUTHORIZATION

ICE will certify in writing the names of those LEA personnel who successfully complete training and pass all required testing. Upon certification, ICE will provide the participating LEA personnel with a signed authorization to perform specified functions of an immigration officer for an initial period of two years from the date of the authorization. ICE will also provide a copy of the authorization to the LEA. The ICE supervisory officer, or designated team leader, will evaluate the activities of all personnel certified under this MOA.

Authorization of participating LEA personnel to act pursuant to this MOA may be revoked at any time and for any reason by ICE or the LEA. Such revocation will require notification to the other party to this MOA within 48 hours. The chief officer of the LEA and ICE will be responsible for notification of the appropriate personnel in their respective agencies. The termination of this MOA, pursuant to Section XVIII below, shall constitute revocation of all immigration enforcement authorizations delegated herein.

X. COSTS AND EXPENDITURES

Participating LEA personnel will carry out designated functions at the LEA's expense, including salaries and benefits, local transportation, and official issue material. Whether or not the LEA receives financial reimbursement for such costs through a federal grant or other funding mechanism is not material to this MOA.

ICE is responsible for the installation and maintenance of the Information Technology (IT) infrastructure. The use of the IT infrastructure and the DHS/ICE IT security policies are

defined in the Interconnection Security Agreement (ISA). The ISA is the agreement between ICE's Chief Information Security Officer and the LEA's Designated Accreditation Authority. The LEA agrees that each of its sites using an ICE-provided network access or equipment will sign the ISA, which defines the DHS ICE 4300A Sensitive System Policy and Rules of Behavior for each user granted access to the DHS network and software applications. Failure to adhere to the terms of the ISA could result in the loss of all user privileges.

The LEA is responsible for personnel expenses, including, but not limited to, salaries and benefits, local transportation, and official issue material used in the execution of the LEA's mission. ICE will provide instructors and training materials. The LEA is responsible for the salaries and benefits, including any overtime, of all its personnel being trained or performing duties under this MOA and of those personnel performing the regular functions of the participating LEA personnel while they are receiving training. ICE is responsible for the costs of the LEA personnel's travel expenses while in a training status, as authorized by the Federal Travel Regulation and the ICE Travel Handbook. These expenses include housing, per diem and all transportation costs associated with getting to and from training. ICE is responsible for the salaries and benefits of all ICE personnel, including instructors and supervisors.

The LEA is responsible for providing all administrative supplies (e.g. paper, printer toner) necessary for normal office operations. The LEA is also responsible for providing the necessary security equipment, such as handcuffs, leg restraints, etc.

XI. ICE SUPERVISION

Immigration enforcement activities conducted by participating LEA personnel will be supervised and directed by ICE. Participating LEA personnel are not authorized to perform immigration officer functions except when working under the supervision or direction of ICE.

When operating in the field, participating LEA personnel shall contact an ICE supervisor at the time of exercising the authority in this MOA, or as soon as is practicable thereafter, for guidance. The actions of participating LEA personnel will be reviewed by the ICE supervisory officers on an ongoing basis to ensure compliance with the requirements of the immigration laws and procedures and to assess the need for additional training or guidance for that specific individual.

For the purposes of this MOA, ICE officers will provide supervision of participating LEA personnel only as to immigration enforcement functions. The LEA retains supervision of all other aspects of the employment of and performance of duties by participating LEA personnel.

In the absence of a written agreement to the contrary, the policies and procedures to be utilized by the participating LEA personnel in exercising these authorities shall be DHS and ICE policies and procedures, including the ICE Use of Force Policy. However, when engaged in immigration enforcement activities, no participating LEA personnel will be expected or required to violate or otherwise fail to maintain the LEA's rules, standards, or policies, or be required to fail to abide by restrictions or limitations as may otherwise be imposed by law unless doing so would violate

federal law.

If a conflict arises between an order or direction of an ICE supervisory officer and LEA rules, standards, or policies, the conflict shall be promptly reported to ICE, and the chief officer of the LEA, or designee, when circumstances safely allow the concern to be raised. ICE and the chief officer of the LEA shall attempt to resolve the conflict.

Whenever possible, the LEA will deconflict all addresses, telephone numbers, and known or suspected identities of violators of the INA with ICE's Homeland Security Investigations or ICE's Enforcement and Removal Operations prior to taking any enforcement action. This deconfliction will, at a minimum include wants/warrants, criminal history, and a person's address, and vehicle check through TECS II or any successor system.

LEA participating personnel authorized pursuant to this MOA may be assigned and/or co-located with ICE as task force officers to assist ICE with criminal investigations.

XII. REPORTING REQUIREMENTS

The LEA will be responsible for tracking and maintaining accurate data and statistical information for their 287(g) program, including any specific tracking data requested by ICE. Upon ICE's request, such data and information shall be provided to ICE for comparison and verification with ICE's own data and statistical information, as well as for ICE's statistical reporting requirements and to assess the progress and success of the LEA's 287(g) program.

XIII. RELEASE OF INFORMATION TO THIRD PARTIES

The LEA may, at its discretion, communicate the substance of this agreement to the media and other parties expressing an interest in the law enforcement activities to be engaged in under this MOA. It is the practice of ICE to provide a copy of this MOA, only after it has been signed, to requesting media outlets; the LEA is authorized to do the same.

The LEA hereby agrees to coordinate with ICE prior to releasing any information relating to, or exchanged under, this MOA. For releases of information to the media, the LEA must coordinate in advance of release with the ICE Office of Public Affairs, which will consult with ICE Privacy Office for approval prior to any release. The points of contact for ICE and the LEA for this purpose are identified in Appendix C. For releases of information to all other parties, the LEA must coordinate in advance of release with the FOD or the FOD's representative.

Information obtained or developed as a result of this MOA, including any documents created by the LEA that contain information developed or obtained as a result of this MOA, is under the control of ICE and shall not be disclosed unless: 1) permitted by applicable laws, regulations, or executive orders; and 2) the LEA has coordinated in advance of release with (a) the ICE Office of Public Affairs, which will consult the ICE Privacy Office for approval, prior to any release to the media, or (b) an ICE officer prior to releases to all other parties. LEA questions regarding the

applicability of this section to requests for release of information shall be directed to an ICE officer.

Nothing herein limits LEA's compliance with state public records laws regarding those records that are solely state records and not ICE records.

The points of contact for ICE and the LEA for the above purposes are identified in Appendix C.

XIV. LIABILITY AND RESPONSIBILITY

Except as otherwise noted in this MOA or allowed by federal law, and to the extent required by 8 U.S.C. § 1357(g)(7) and (8), the LEA will be responsible and bear the costs of participating LEA personnel regarding their property or personal expenses incurred by reason of death, injury, or incidents giving rise to liability.

Participating LEA personnel will be treated as Federal employees for purposes of the Federal Tort Claims Act, 28 U.S.C. § 1346(b)(1), 2671-2680, and worker's compensation claims, 5 U.S.C. § 8101 et seq., when performing a function on behalf of ICE as authorized by this MOA. *See* 8 U.S.C. § 1357(g)(7); 28 U.S.C. § 2671. In addition, it is the understanding of the parties to this MOA that participating LEA personnel performing a function on behalf of ICE authorized by this MOA will be considered acting under color of federal authority for purposes of determining liability and immunity from suit under federal or state law. *See* 8 U.S.C. § 1357(g)(8).

Participating LEA personnel named as personal-capacity defendants in litigation arising from activities carried out under this MOA may request representation by the U.S. Department of Justice. *See* 28 C.F.R. § 50.15. Absent exceptional circumstances, such requests must be made in writing. LEA personnel who wish to submit a request for representation shall notify the local ICE Office of the Principal Legal Advisor (OPLA) field location at OPLA-DCLD-TortClaims@ice.dhs.gov. ICE OPLA, through its headquarters, will assist LEA personnel with the request for representation, including the appropriate forms and instructions. Unless OPLA concludes that representation clearly is unwarranted, it will forward the request for representation, any supporting documentation, and an advisory statement opining whether: 1) the requesting individual was acting within the scope of his/her authority under 8 U.S.C. § 1357(g) and this MOA; and, 2) such representation would be in the interest of the United States, to the Director of the Constitutional and Specialized Tort Litigation Section, Civil Division, Department of Justice (DOJ). Representation is granted at the discretion of DOJ; it is not an entitlement. *See* 28 C.F.R. § 50.15.

The LEA agrees to cooperate with any federal investigation related to this MOA to the full extent of its available powers, including providing access to appropriate databases, personnel, individuals in custody and documents. Failure to do so may result in the termination of this MOA. Failure of any participating LEA employee to cooperate in any federal investigation related to this MOA may result in revocation of such individual's authority provided under this MOA. The LEA agrees to cooperate with federal personnel conducting reviews to ensure compliance with the terms of this MOA and to provide access to appropriate databases, personnel, and documents necessary to complete such compliance review. It is understood that information provided by any LEA personnel under threat of disciplinary action in an administrative investigation cannot be

used against that individual in subsequent criminal proceedings, consistent with *Garrity v. New Jersey*, 385 U.S. 493 (1967), and its progeny.

As the activities of participating LEA personnel under this MOA derive from federal authority, the participating LEA personnel will comply with federal standards relating to the Supreme Court's decision in *Giglio v. United States*, 405 U.S. 150 (1972), and its progeny, which govern the disclosure of potential impeachment information about possible witnesses or affiants in a criminal case or investigation.

The LEA and ICE are each responsible for compliance with the Privacy Act of 1974, 5 U.S.C. § 552a, DHS Privacy Act regulations, 6 C.F.R. §§ 5.20-5.36, as applicable, and related system of records notices regarding data collection and use of information under this MOA.

XV. COMPLAINT PROCEDURES

The complaint reporting and resolution procedure for allegations of misconduct by participating LEA personnel, regarding activities undertaken under the authority of this MOA, is included at Appendix B.

XVI. CIVIL RIGHTS STANDARDS

Participating LEA personnel who perform certain federal immigration enforcement functions are bound by all applicable federal civil rights statutes and regulations.

Participating LEA personnel will provide an opportunity for subjects with limited English language proficiency to request an interpreter. Qualified foreign language interpreters will be provided by the LEA as needed.

XVII. MODIFICATION OF THIS MOA

Modifications of this MOA must be proposed in writing and approved by the signatories.

XVIII. EFFECTIVE DATE, SUSPENSION, AND TERMINATION OF THIS MOA

This MOA becomes effective upon signature of both parties and will remain in effect until either party terminates or suspends the MOA. Termination by the LEA shall be provided, in writing, to the local Field Office.

In instances where serious misconduct or violations of the terms of the MOA come to the attention of ICE, the ICE Director may, upon recommendation of the Executive Associate Director for Enforcement and Removal Operations, elect to immediately suspend the MOA pending investigation of the misconduct and/or violations.

Notice of the suspension will be provided to the LEA, and the notice will include, at a minimum, (1) an overview of the reason(s) that ICE is suspending the 287(g) agreement, (2) the length of the temporary suspension, and (3) how the LEA can provide ICE with information regarding the alleged

misconduct and/or violations, as well as any corrective measures it has undertaken.

ICE shall provide the LEA with a reasonable opportunity to respond to the alleged misconduct and/or violations and to take actions to implement corrective measures (e.g., replace the officer(s) who are the focus of the allegations). ICE will provide the LEA timely notice of a suspension being extended or vacated.

If the LEA is working to take corrective measures, ICE will generally not terminate an agreement. The termination of an agreement is generally reserved for instances involving problems that are unresolvable and detrimental to the 287(g) Program.

If ICE decides to move from suspension to termination, ICE will provide the LEA a 90-day notice in advance of the partnership being terminated. The notice will include, at a minimum: (1) An overview of the reason(s) that ICE seeks to terminate the 287(g) agreement; (2) All available data on the total number of aliens identified under the 287(g) agreement; and (3) Examples of egregious criminal aliens identified under the 287(g) agreement. ICE's decision to terminate a MOA will be published on ICE's website 90 days in advance of the MOA's termination.

This MOA does not, is not intended to, shall not be construed to, and may not be relied upon to create any rights, substantive or procedural, enforceable at law by any person in any matter, civil or criminal.

By signing this MOA, each party represents it is fully authorized to enter into this MOA, accepts the terms, responsibilities, obligations, and limitations of this MOA, and agrees to be bound thereto to the fullest extent allowed by law.

For the LEA:

Date: _____

Signature: _____

Name: _____

Title: _____

Agency: _____

For ICE:

Date: _____

Signature: _____

Name: _____

Title: _____

Agency: Department of Homeland Security

U.S. Immigration and Customs Enforcement

_____

APPENDIX A

POINTS OF CONTACT

The ICE and LEA points of contact for purposes of implementation of this MOA are:

For ICE:

Department of Homeland Security
Immigration and Customs Enforcement
Enforcement and Removal Operations
Assistant Director for Enforcement
Washington DC

For the LEA:

_____
_____
_____
_____
_____

APPENDIX B

COMPLAINT PROCEDURE

This MOA is an agreement between ICE and the _____, hereinafter referred to as the "Law Enforcement Agency" (LEA), in which selected LEA personnel are authorized to perform immigration enforcement duties in specific situations under federal authority. As such, the training, supervision, and performance of participating LEA personnel pursuant to the MOA, as well as the protections for individuals' civil and constitutional rights, are to be monitored. Part of that monitoring will be accomplished through these complaint reporting and resolution procedures, which the parties to the MOA have agreed to follow.

If any participating LEA personnel are the subject of a complaint or allegation involving the violation of the terms of this MOA the LEA shall, to the extent allowed by state law, make timely notification to ICE.

Further, if the LEA is aware of a complaint or allegation of any sort that may result in that individual receiving professional discipline or becoming the subject of a criminal investigation or civil lawsuit, the LEA shall remove the designated LEA personnel from the program, until such time that the LEA has adjudicated the allegation.

The LEA will handle complaints filed against LEA personnel who are not designated and certified pursuant to this MOA but are acting in immigration functions in violation of this MOA. Any such complaints regarding non-designated LEA personnel acting in immigration functions must be forwarded to the ICE Office of Professional Responsibility (OPR) at ICEOPRIntake@ice.dhs.gov.

1. Complaint Reporting Procedures

Complaint reporting procedures shall be disseminated as appropriate by the LEA within facilities under its jurisdiction (in English and other languages as appropriate) in order to ensure that individuals are aware of the availability of such procedures. Complaints will be accepted from any source (e.g., ICE, LEA, participating LEA personnel, inmates, and the public).

Complaints may be reported to federal authorities as follows:

A. Telephonically to the ICE OPR at the toll-free number 1-833-4ICE-OPR; or

B. Via email at ICEOPRIntake@ice.dhs.gov.

Complaints may also be referred to and accepted by any of the following LEA entities:

A. The LEA Internal Affairs Division; or
B. The supervisor of any participating LEA personnel.

2. Review of Complaints

All complaints (written or oral) reported to the LEA directly, which involve activities connected to immigration enforcement activities authorized under this MOA, will be reported to the ICE OPR. The ICE OPR will verify participating personnel status under the MOA with the assistance of ICE. Complaints received by any ICE entity will be reported directly to the ICE OPR as per existing ICE policies and procedures.

In all instances, the ICE OPR, as appropriate, will make an initial determination regarding DHS investigative jurisdiction and refer the complaint to the appropriate office for action as soon as possible, given the nature of the complaint.

Complaints reported directly to the ICE OPR will be shared with the LEA's Internal Affairs Division when the complaint involves LEA personnel. Both offices will then coordinate appropriate investigative jurisdiction, which may include initiation of a joint investigation to resolve the issue(s).

3. Complaint Resolution Procedures

Upon receipt of any complaint the ICE OPR will undertake a complete review of each complaint in accordance with existing ICE allegation criteria and reporting requirements. As stated above the ICE OPR will adhere to existing ICE reporting requirements as they relate to the DHS OIG and/or another legally required entity. Complaints will be resolved using the existing procedures, supplemented as follows:

A. Referral of Complaints to LEA Internal Affairs Division.

The ICE OPR will refer complaints, as appropriate, involving LEA personnel to the LEA's Internal Affairs Division for resolution. The Internal Affairs Division Commander will inform ICE OPR of the disposition and resolution of any complaints referred by ICE OPR.

B. Interim Action Pending Complaint Resolution

Whenever any participating LEA personnel are under investigation and subject to interrogation by the LEA for any reason that could lead to disciplinary action, demotion, or dismissal, the policy requirements of the LEA shall he honored. If appropriate, an individual may he removed from participation in the activities covered under the MOA pending resolution of an inquiry.

C. Time Parameters for Resolution of Complaints

It is expected that any complaint received will be resolved within 90 days. However, this will depend upon the nature and complexity of the substance of the complaint itself.

D. Notification of Resolution of a Complaint

ICE OPR will coordinate with the LEA's Internal Affairs Division to ensure notification as appropriate to the subject(s) of a complaint regarding the resolution of the complaint.

APPENDIX C

PUBLIC INFORMATION POINTS OF CONTACT

Pursuant to Section XIII of this MOA, the signatories agree to coordinate any release of information to the media regarding actions taken under this MOA. The points of contact for coordinating such activities are:

For the LEA:

_____
_____
_____
_____
_____

For ICE:

Department of Homeland Security
Immigration and Customs Enforcement
Office of Public Affairs

Presenter:	**Kristen Pegues, Community & Marketing Specialist**
Agenda Item:	**Consider any action on the Facade and Signage Improvement Program application for 1413 Southeast Parkway.**

Background and Explanation:

This façade grant application is for roof repairs at Waldrop's Furniture, located at 1413 Southeast Parkway. The business has operated at this location for 17 years and remains a long-standing member of the local business community. A portion of the roof has reached the end of its serviceable life and requires replacement.

While the affected roof area is not directly visible from the immediate curb due to the building's location along the access road, it is visible from the adjacent Highway 199 corridor. The total project estimate is $25,000, and the applicant is requesting $10,000 in façade grant assistance.

Board/Commission/Committee Recommendation:

N/A.

Staff Recommendation:

Approve the facade grant request.

Attachments:

1. FSIP Application - Waldrops Furniture

Facade and Signage Improvement Program Application

Please return completed application with necessary attachments and signature to City of Azle Economic Development Office, 505 W Main Street, Azle TX 76020 or mail to PO Box 1378 Azle, TX 76098. If you have any application questions, please contact the Economic Development Director at 817-444-7076.

Applicant Name: Christi Rickett	Date: 2.12.26
Business Name: Waldrops Furniture LLC	
Mailing Address: 1413 Southeast Parkway Azle TX.	
Contact Phone: 817.237-8222 / 817-343-8748	
Email Address: Waldropsfurniture@live.com	
Building Owner (if different than applicant)	
Project Site/ Address: 1413 Southeast Parkway Azle	County: Tarrant

Type of Work: (check all that apply)

Façade/Building Rehab [✓] Roofing [✓] Landscaping [ ]

Parking & Driveways [ ] Awnings [ ] Pedestrian Amenities [ ]

Signage [✓] Outdoor Seating/Patio [ ]

Details of Planned Improvements relating Grant Request (attach additional information if necessary)

Our project involves replacing the existing roof over the brick part of our building. (Not the metal warehouse) The current roof has exceeded its serviceable life. This in addition will serve better curb appeal. a welcoming well-maintained exterior creates a positive impression for customers.

How will this project benefit the community?

providing a safer and more comfortable environment for everyone; Way better curb appeal.

General Project Expenditures	Total Estimated Costs	50% Grant Requested
Façade/Building Rehab		
Roofing ✓	25,000	10,000-12,000
Landscaping		
Parking/Driveways		
Awnings		
Pedestrian Amenities		
Outdoor Seating/Patio		
Total		

Total General Project grant request may not exceed 50% of TOTAL COST up to $10,000, or $25,000 for Main Street projects

Signage Project Expenditures	Total Estimated Costs	50% Grant Requested
Signage		
Total		

Total Signage Project grant request may not exceed 50% of TOTAL COST up to $5,000

Request Total	10,000 -12,000

**** Attach with final design drawings and photographs of building's exterior Facade.***

Christi Rickett — 2.12.26

Applicant Signature — **Date**

Christi Rickett — 2.12.26

Property Owner Signature — **Date**

RIVERA ROOFING & CONSTRUCTION

195 Keeter Springs Rd

Springtown TX, 76082

817-565-5673

Waldrops Furniture

1413 Southwest Parkway

Azle TX, 76020

Thank you for choosing Rivera Roofing for all your Roofing and construction need
a breakdown of work to be completed.

Demolition of flat roof and reinstall.

Including debris removal and haul off

$20500.00

Remove & reset A C unit Including required crane service

$4500.00

Total roof replacement cost

$25000.00

Clayton Demolition

Business Number (817) 793-6319

Claytondemolition@gmail.com

ESTIMATE

EST0158

DATE

Feb 12, 2026

TOTAL

USD $46,871.00

TO

Corey & Christi Rickett, Waldrop Furniture

1413 Southwest Parkway

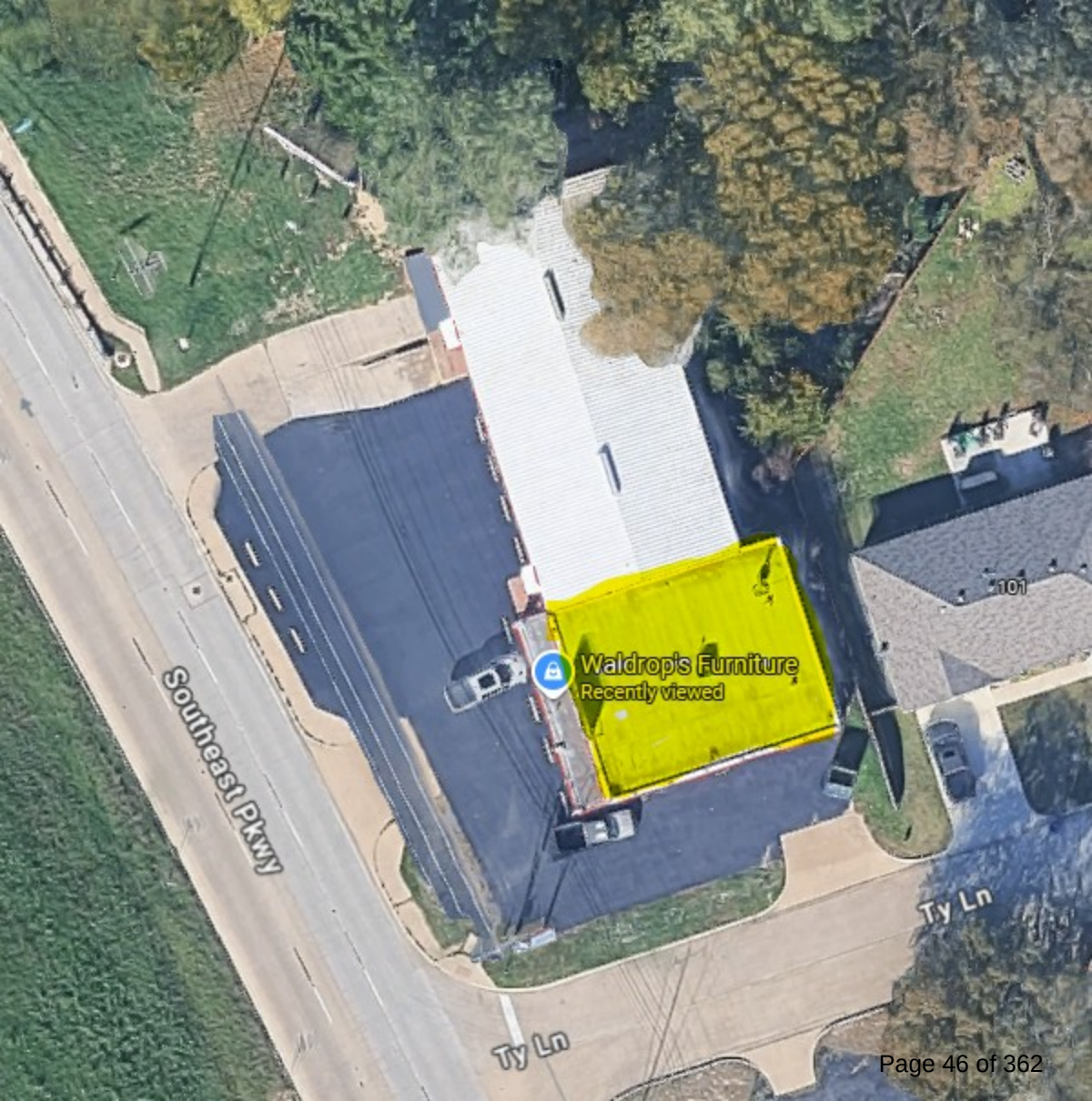
Azle, Texas

76020

DESCRIPTION	RATE	QTY	AMOUNT
Flat roof removal and reinstall Includes: All demolition and haul off New weather caps New weather proofing at roof penetrations All associated materials and labor	$43,189.00	1	$43,189.00
AC removal and reinstall Includes: Crane services for condenser removal Crane services for condenser reinstallation after new roofing system	$3,682.00	1	$3,682.00
TOTAL			**USD $46,871.00**

This estimate is valid for 30 days

Payment terms to be agreed upon in contract


Waldrop's Furniture
Recently viewed
Southeast Pkwy
Ty Ln
Ty Ln
101

FURNITURE
817-237-8222
WALDROP'S
FURNITURE
817-237-8222

FURNITURE
817-237-8222
DROOM DINING SOFAS MATTRESSES RUSTIC HOME DECOR

Presenter:	**Yael Hoffman, City Secretary**
Agenda Item:	**Consider any action on Ordinance No. 2026-06, declaring each unopposed candidate in the May 2, 2026, General Election elected to office and canceling the General Election**

Background and Explanation:

In accordance with the City Charter and applicable law, the City Council approved Ordinance No. 2026-01 calling for the May 2, 2026 General Election for the purpose of electing City Councilmembers Places 1, 2 and 5 as well as calling for an election to reauthorize the street maintenance tax. The filing deadlines for candidate placement on the ballot and declaration of write-in candidacy have passed. The City Secretary has certified in writing that each candidate on the ballot is unopposed for election to office. Chapter 2-C of the Election Code authorizes a governing body to declare each unopposed candidate elected to office and cancel the General Election. All the unopposed candidates will be sworn in and take office in May.

The election for the reauthorization of the street maintenance tax will proceed on May 2, 2026 as called in Ordinance No. 2026-01.

Board/Commission/Committee Recommendation:

N/A.

Staff Recommendation:

Approve Ordinance No. 2026-06.

Attachments:

1. ORD. 2026-06

ORDINANCE NO. 2026-06

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AZLE, TEXAS, ACCEPTING THE CERTIFICATE OF UNOPPOSED CANDIDATES FOR THE OFFICES OF CITY COUNCIL PLACE 1, CITY COUNCIL PLACE 2, AND CITY COUNCIL PLACE 5; DECLARING THE MAY 2, 2026, GENERAL ELECTION CANCELED; DECLARING THE UNOPPOSED CANDIDATES ELECTED; PROVIDING FOR POSTING OF NOTICE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Azle is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, by Ordinance No. 2026-01 on January 6, 2026, the City Council duly ordered a General Election to be held on May 2, 2026, to elect City Council Place 1, City Council Place 2, and City Council Place 5; and

WHEREAS, pursuant to Sections 143.007 and 146.054, Texas Election Code, the deadlines for filing applications for a place on the ballot and declaration of write-in candidacy for the City's General Election have expired; and

WHEREAS, the City Secretary, in accordance with Section 2.052, Texas Election Code, has certified in writing to the City Council that candidates for City Council Place 1, City Council Place 2, and City Council Place 5 are unopposed for election to an office if, were the election held, only the votes cast for that candidate in the election for that office may be counted; and

WHEREAS, Section 2.053, Texas Election Code, directs the governing body of a political subdivision, by order or ordinance, to declare each race unopposed and to cancel the election; and

WHEREAS, the City Council hereby finds and determines that seats for City Council Place 1, City Council Place 2, and City Council Place 5 are unopposed with one individual filing for each seat for the May 2, 2026, General Election.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AZLE, TEXAS, THAT:

SECTION 1.

The facts and matters set forth in the preamble of this Ordinance and Order of Cancellation are hereby found to be true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2.

The City Council is hereby in receipt of and accepts the Certification of Unopposed Candidates, incorporated herein as **"EXHIBIT A,"** and declares each unopposed candidate elected to office in accordance with Section 2.053(a), Texas Election Code.

SECTION 3.

Pursuant to Section 2.053(b), Texas Election Code, the General Election for City Council Place 1, City Council Place 2, and City Council Place 5 ordered to be held on May 2, 2026, is hereby cancelled.

SECTION 4.

The City Secretary is hereby directed to cause a copy of the Order of Cancellation to be posted on Election Day, same being May 2, 2026, at all polling places that would have been used in such election, and on the city's official website for posting election notices.

SECTION 5.

A certificate of election shall be issued to each candidate in the same manner and at the same time as provided for a candidate elected at the election (following May 2, 2026). The candidate must qualify for the office in the same manner as provided for a candidate elected at the election.

SECTION 6.

It is hereby found and determined that the meeting at which this Ordinance was passed was open to the public as required by Section 551.001 et. seq., Texas Government Code, and that advanced public notice of the time, place and purpose of said meeting was given.

SECTION 7.

This Ordinance shall become effective immediately from and after the date of its passage.

PASSED AND APPROVED this the ____ day of _____ 2026, at a Regular Meeting of the City Council of the City of Azle, Texas.

CITY OF AZLE

BY: _____
Randa Goode, Mayor

ATTEST:

_____
Yael Hoffman, City Secretary

“Exhibit A”

Certification of Unopposed Candidates

I, Yael Hoffman, certify that I am the city secretary of the City of Azle and the authority responsible for preparing the ballot for the May 2, 2026 General Election. I further certify that no person has made a declaration of write-in candidacy, and all of the following candidates are unopposed

Yo, Yael Hoffman, certifico que soy el secretario municipal de la Ciudad de Azle y la autoridad encargada de preparar la boleta para la Elección General May 2, 2026. Además, certifico que ninguna persona ha hecho una declaración de candidatura escrita, y todos los siguientes candidatos son sin oposición

Tôi, Yael Hoffman, xác nhận rằng tôi là thư ký thành phố của Thành phố Azle và là người có thẩm quyền chịu trách nhiệm chuẩn bị lá phiếu cho Cuộc Tổng Tuyển cử vào ngày 2 Năm 2026. Tôi xác nhận thêm rằng không có ai tuyên bố ứng cử ghi thêm, và tất cả những ứng cử viên sau đây đều không có đối lập

City Council, Place 1 – Derrick Nelson
City Council, Place 2 – Amy Estes
City Council, Place 5 – Rouel Rothenberger

Yael Hoffman, TRMC, MMC
City Secretary

Presenter:	**Stephen Barnes, Finance Director**
Agenda Item:	**Consider any action on acceptance of the auditor's opinion and the Annual Comprehensive Financial Report for the fiscal year ended September 30, 2025.**

Background and Explanation:

Chapter 103 of the Texas Local Government Code and Section 3.14 of the City Charter require preparation of an annual financial report in accordance with generally accepted accounting principles and an annual audit of the City's financial records and accounts by an independent certified public accountant.

BrooksWatson & Co., PLLC Certified Public Accountants has completed the Annual Comprehensive Financial Report, ACFR, for fiscal year ending September 30, 2025. The audit report was reviewed by the Audit Committee on February 17, 2026. A representative from the firm will be at the meeting to review the ACFR and present their opinion for City Council acceptance. Upon acceptance, a copy of the report will be filed with the City Secretary and placed on the City's website.

Board/Commission/Committee Recommendation:

Audit Committee recommended acceptance of the auditor's opinion and ACFR for FY 2025.

Staff Recommendation:

Staff recommends acceptance.

Attachments:

1. Audit Power Point Presentation-Azle 25 2.24.26
2. Final ACFR 9.30.2025
3. SAS 114 Communication With Governance 2.24.2026
4. SAS 115-Communication of Sig Def and Other Matters - PDF #2 2.24.26

Azle, Texas

Audit Presentation

September 30, 2025

Presented By: Ami Mendez, Audit Manager
February 17, 2026

BW&C
CERTIFIED PUBLIC ACCOUNTANTS

OVERVIEW OF THE AUDIT PROCESS

Audit Process: 3 stages (Planning, Fieldwork, Conclusion & Reporting)

The audit was performed in accordance with Generally Accepted Auditing Standards (GAAS)

- PLANNING
  - The audit process was a risk-based approach in which we focused our procedures on those areas most susceptible to risk of error or fraud.
- FIELDWORK
  - Agree balances to underlying reports and perform testing to assure those balances are materially accurate.
- CONCLUSION & REPORTING
  - Evaluate results. Prepare report and required communications.

BW&C

ANNUAL COMPREHENSIVE FINANCIAL REPORT

- Certificate of Achievement for Excellence in Financial Reporting.
- Above and Beyond Standard Reporting Requirements.
- 23rd Consecutive year awarded.

COMPONENTS OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

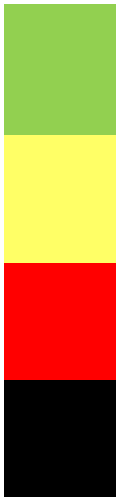
- Letter of Transmittal
- Auditor's Opinion
- Management's Discussion and Analysis
- Basic Financial Statements
  - Government-Wide Statements
  - Fund Level Statements
  - Notes to the Financial Statements
- Required Supplementary Information
- Statistical Section

BW&C

INDEPENDENT AUDITOR'S REPORT

REFERENCE ACFR – PAGE 1

- Four possible outcomes



-Unmodified

-Modified

-Disclaimed

-Adverse

- The City received an unmodified opinion
- Highest level of assurance

FINANCIAL HIGHLIGHTS

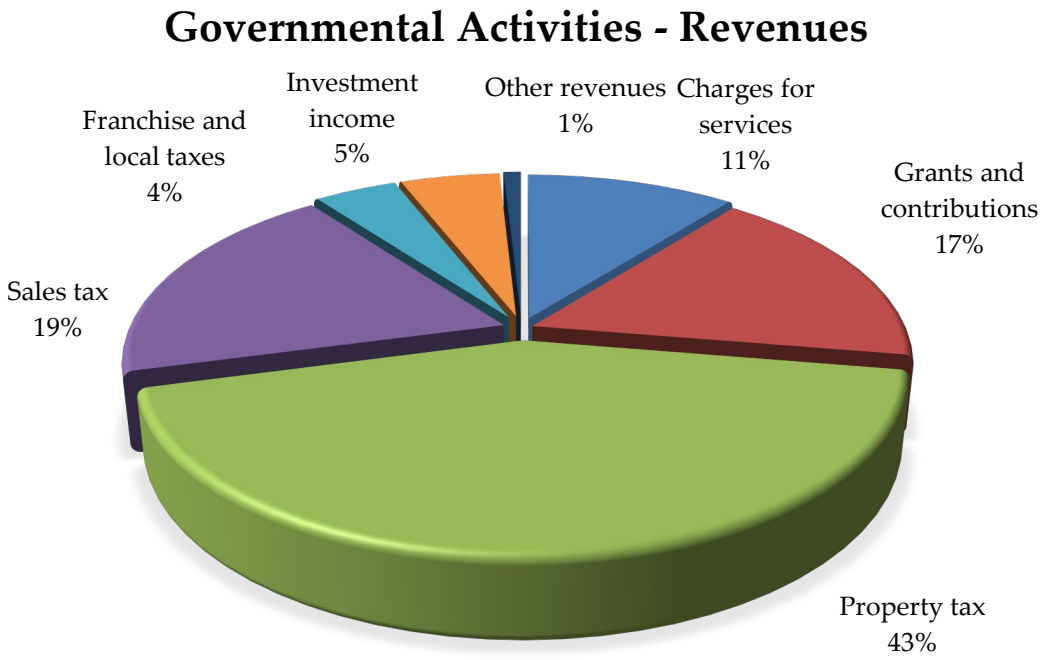
REFERENCE ACFR – PAGE 5

- Total assets exceeded total liabilities by $112,336,458.
- City's governmental funds reported combined ending fund balances of $31,216,299, an increase of $3,482,165.
- Unassigned fund balance in the general fund was $10,570,880 or 59% of annual general fund expenditures.
- The City had an overall increase in net position of $4,787,461 for the year.

BW&C

City Revenues – Governmental Activities

GOVERNMENTAL FUNDS – YEAR ENDING 9/30/25 - REFERENCE ACFR PAGE 10/11

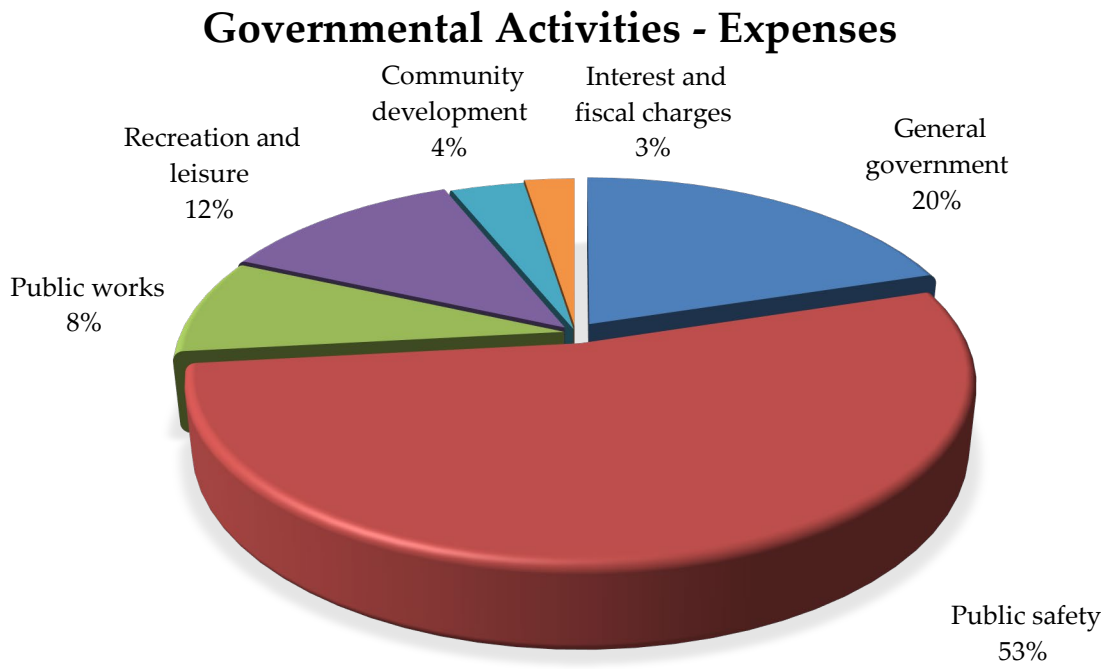


- Total governmental revenues were $23,695,768, increase of $733,214.
  - Total property taxes were $11,582,229, increase of $1,653,427.
  - Total sales taxes were $4,631,772, increase of $271,213.
  - Charges for services were $3,224,486, increase of $784,273.

BW&C

City Expenses – Governmental Activities

GOVERNMENTAL FUNDS – YEAR ENDING 9/30/25 - REFERENCE ACFR PAGE 24



- Total governmental expenses were $21,370,021, increase of $3,296,375.
  - Public safety expenses were $10,299,119, increase of $561,036.
  - General government were $4,273,270, increase of $579,801.
  - Public works expenses were $2,958,172, increase of $1,668,408.

STATEMENT REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS – YEAR ENDING 9/30/25 - REFERENCE ACFR PAGE 32

	General Fund	Debt Service	Capital Projects	TIRZ No. 1
Revenues				
Total Revenues	18,613,431	1,398,641	715,391	1,647,915
Expenditures				
Total Expenditures	17,962,807	1,390,246	419,338	-
Total Other Financing Sources (Uses)	(898,280)	-	2,000,000	-
Net Change in Fund Balances	(247,656)	8,395	2,296,053	1,647,915
Beginning fund balances	11,339,204	107,819	9,742,545	4,960,693
Ending Fund Balances	$ 11,091,548 *	$ 116,214	$ 12,038,598	$ 6,608,608

*Unassigned fund balance for the general fund was $10,570,880 or 59% of annual general fund expenditures.

BW&C

SCHEDULE OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE (Budget & Actual)

GENERAL FUND – YEAR ENDING 9/30/25 - REFERENCE ACFR PAGE 95/96

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Total Revenues	18,435,977	18,613,431	177,454
Expenditures			
Total Expenditures	19,119,231	17,962,807	1,156,424
Revenues Over (Under) Expenditures	(683,254)	650,624	1,333,878
Other Financing Sources (Uses)			
Total Other Financing Sources (Uses)	(694,828)	(898,280)	(203,452)
Net Change in Fund Balance	$ (1,378,082)	(247,656)	$ 1,130,426
Beginning fund balance		11,339,204	
Ending Fund Balance		$ 11,091,548	

BW&C

STATEMENT REVENUES, EXPENDITURES & CHANGES IN NET POSITION

PROPRIETARY FUNDS – YEAR ENDING 9/30/25 - REFERENCE ACFR PAGE 40

	Utility	Golf Course	Storm Water
Operating Revenues			
Total Operating Revenues	10,018,733	2,508,708	625,051
Operating Expenses			
Total Operating Expenses	9,761,288	1,853,862	519,183
Operating Income (Loss)	257,445	654,846	105,868
Nonoperating Revenues (Expenses)			
Total Nonoperating Revenues (Expenses)	470,163	46,183	32,589
Income Before Capital Contributions & Transfers	727,608	701,029	138,457
Capital Contributions	894,620	-	-
Transfers, net	(673,757)	-	(265,350)
Change in Net Position	948,471	701,029	(126,893)
Beginning net position	47,067,690	4,629,310	8,922,581
Ending Net Position	$ 48,016,161	$ 5,330,339	$ 8,795,688

CONCLUSION
Other Reports and Questions

Presented By: Amairani Mendez, Audit Manager
February 17, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

City of Azle, Texas

For the Year Ended
September 30, 2025

Prepared by

Stephen Barnes
Finance Director

Angelia Garrett
Assistant Finance Director

Kim Silas Senior Accountant

City of
Azle
Community & Opportunity

City of Azle, Texas

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INTRODUCTORY SECTION

City of
Azle
Community & Opportunity

February 16, 2026

Honorable Mayor, Members of the City Council, and Citizens of the City of Azle:

The City Charter requires the City to provide, at the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City for the fiscal year ended September 30, 2025.

This report consists of management's representations concerning the finances of the City, and assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed both to protect the government assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Azle's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh its benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the City's financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, that this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Brooks Watson & Co., PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2025, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Azle's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Azle, incorporated on April 23, 1957, is a suburban community with a rural quality of life. It is just 14 miles northwest of Fort Worth, which provides the convenience of the big city without losing the appeal of a small town. The City is 25 miles from Alliance Airport and 35 miles from Dallas/Fort Worth International Airport. The City encompasses 8.8 square miles and as of 2025 has an estimated 15,054 residents. The City of Azle is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City has operated under the council-manager form of government since 1969. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six (6) council members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, the Municipal Court Judge, and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances approved by the City Council, for overseeing the day-to-day operations of the government and for appointing the heads of the various departments.

The City provides a full range of municipal services, including public safety, municipal court, streets, parks, community development, library, golf course, and public utilities. The City is financially accountable for the Azle Crime Control and Prevention District and Azle Municipal Development District. Additional information on these component units can be found in the notes to the financial statements.

The annual budget serves as the foundation for the City's planning and financial control. All departments are required to submit requests for appropriation to the City Manager each year. The City Manager uses these requests as the starting point for developing the proposed budget. The City's Charter requires the City Manager to submit a proposed budget and accompanying budget message to the City Council prior to the start of the fiscal year as soon as is practical and in accordance with state law. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30th of each year. The appropriated budget is prepared by fund, function, and department. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Economic Outlook and Financial Planning

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment in which the City operates.

Local economy – The City continues to experience new commercial and residential growth, however, at a slower rate than in recent years due to rising interest rates and inflationary pressure.

The local unemployment rate increased to 4.3% in August 2025 compared to 4.2% in 2024.

Sales tax collections increased by 8% in 2025. This growth is due in part to growth in the retail business community in the City and increases in inflation. The City's assessed taxable values increased 7.8% for the 2025 tax year.

The City's estimated 2025 population is 15,054 which represents an 13% increase since the most recent census in 2020. While Azle continues to grow, the City remains conservative with revenue forecasts and reviews departmental expenses to identify cost savings.

Long-term financial planning – The City's ability to maintain adequate reserves is critical in allowing flexibility in budgeting and responsiveness to unforeseen short-term economic conditions. At the end of the current fiscal year, the general fund which is the main operating account of the City had unassigned reserves of 197 days, well above the City's goal of maintaining reserves of at least 120 days of operations.

It is the City's policy to issue debt only to fund capital projects that cannot be funded by excess reserve funds or annual revenues. The length of any long-term financing matches the estimated life of the asset purchased. The City will generally use finance purchase options for purchases of larger pieces of equipment with an estimated useful life of at least five (5) years. Certificates of obligation, general obligation or revenue bonds are issued for projects and other significant capital improvements with longer useful lives. The City did not issue any debt in FY 2025.

Economic development continues to be a major focus for the City. In 2013, voters authorized the creation of the Azle Municipal Development District and an additional ½-cent sales tax on all sales in the Tarrant County portion of the City. The District sales tax collections are used to generate economic development and growth within the boundaries of the District. Collections totaled $1,048,868 in 2025 and $949,397 in 2024.

Major initiatives – The City strives to promote and sustain a superior quality of life. The City's annual budget process involves incorporating the goals and strategies identified by the City Council to provide for the community's highest priority needs. The City Council and staff worked together to identify the following goals:

Plan and prepare for the current and future needs of a growing city by managing growth and development, encouraging economic development, identifying and addressing infrastructure needs, and maintaining a financially sound and stable government. Priorities in this area include:

- Expanding the tax base through economic development efforts
- Improving facilities including recreational amenities
- Reviewing ordinances and design criteria
- Working with TxDOT on transportation issues within the city
- Planning for capital replacements
- Developing public/private partnerships

Achieve excellence in city government services by broadening avenues of communication and encouraging citizen involvement, attracting and retaining quality employees and providing quality customer service. Priorities in this area include:

- Improving employee salaries and benefits
- Staff development
- Improving overall customer service

- Improving IT infrastructure
- Providing annual staff reports to the Council

Promote livability and community pride by creating an "identity" for Azle and improving the overall appearance of the City. Priorities in this area include:

- Improve highway and overall city appearance
- Encourage commercial property improvements
- Develop new avenues of communication with residents and businesses

The Azle City Council and Staff will continue to offer the highest quality services and promote livability within the city. Council and Staff will work to ensure the City's priorities, which are closely tied to our goals, are addressed to continually improve the quality of life for the residents of our community.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2024. This is the twenty-third consecutive year the City has received this prestigious award. To be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one (1) year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City was also awarded the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2024. This is the City's twenty-second consecutive year to obtain this achievement. To qualify for the Distinguished Budget Presentation Award, the budget document must be judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide and a communication device.

The City was also awarded the GFOA's Popular Annual Financial Reporting Award for Fiscal Year 2024. This is the City's tenth consecutive year to obtain this achievement. To qualify for the award, the City must produce an annual financial report that is designed to be readily accessible and easily understandable by the public and other interested parties without a background in public finance.

The preparation of this report would not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. These individuals worked many hours and exhibited extraordinary effort in ensuring the accuracy of this report, and their contribution to this effort is greatly appreciated. We would also like to express our appreciation

to those employees throughout the organization who assisted in and contributed to the preparation of this report. Credit also must be given to the Mayor, the City Council and the City Manager's office for their unfailing support of maintaining the highest standards of professionalism in the management of the City of Azle's financial operations.

Respectfully submitted,

Thomas J. Muir City Manager	Amber Beard Assistant City Manager	Stephen Barnes Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Azle
Texas

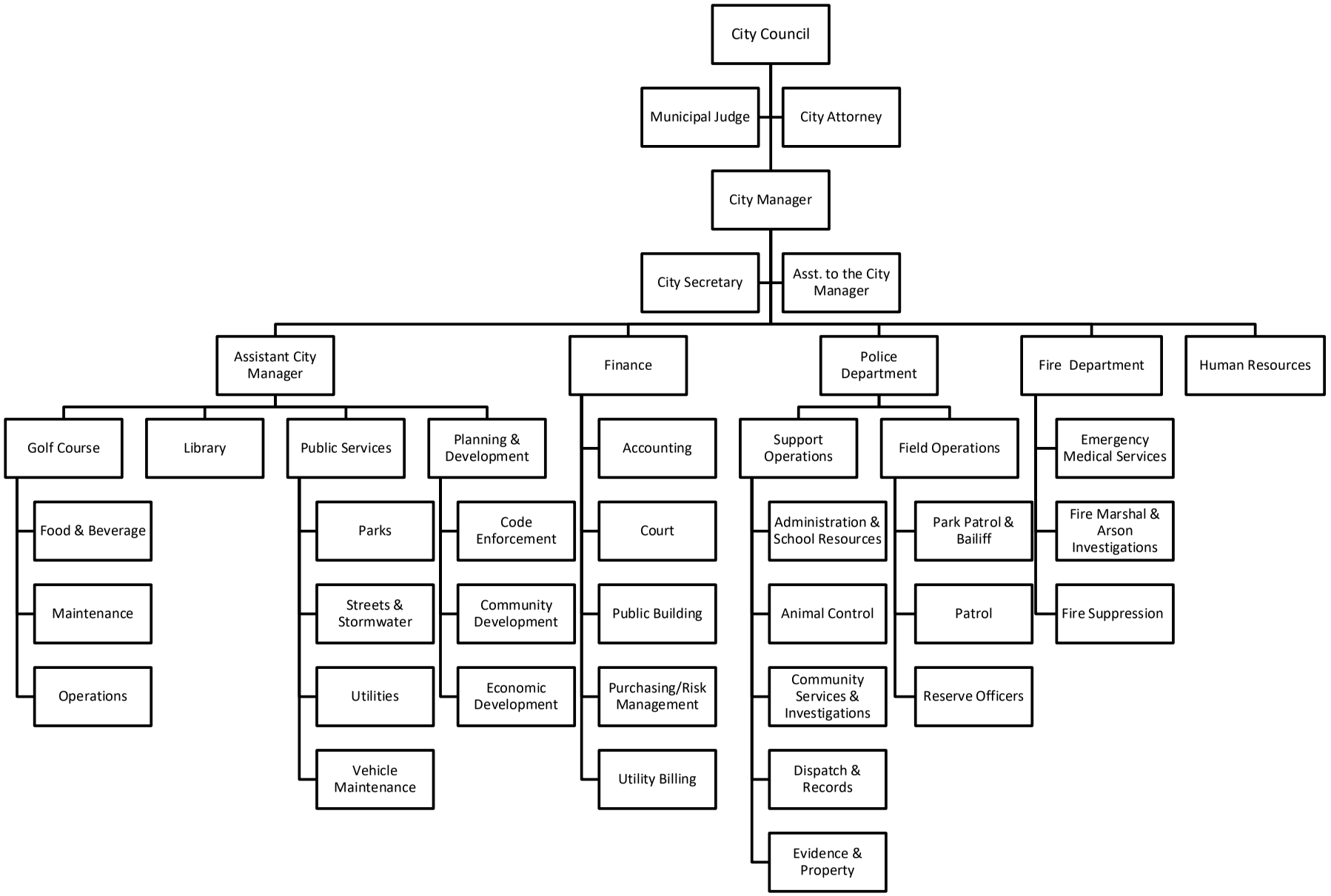
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

Organization of the City of Azle



City of Azle, Texas

ELECTED AND APPOINTED OFFICIALS

September 30, 2025

City Council

Randa Goode	Mayor
Stacy Peek	Mayor Pro Tem
Derrick Nelson	Council Member 1
Amy Estes	Council Member 2
Josh Berry	Council Member 4
Rouel Rothenberger	Council Member 5
Brian Conner	Council Member 6

Appointed Officials

Tom Muir	City Manager
Amber Beard	Assistant City Manager
Stephen Barnes	Finance Director
Yael Hoffman	City Secretary
Ben Hall	Police Chief
David Hawkins	Planning and Development Director
Curren McLane	Library Director
Will Scott	Fire Chief
Richard White	Public Services Director

FINANCIAL SECTION

City of
Azle
Community & Opportunity

BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Azle, Texas:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Azle, Texas (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Azle, Texas, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Azle, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Emphasis of Matters

As discussed in Note V.F. to the financial statements, due to the implementation of GASB 101, *Compensated Absences*, the City restated beginning net position for governmental activities, utility fund, golf course fund, business-type activities, and component unit activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, and general fund budgetary comparison information be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
February 16, 2026

City of Azle, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

As management of the City of Azle, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2025 by $112,336,458. Of this amount, $10,201,279 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net position increased by $4,787,461. The majority of the City's net position is invested in capital assets and restricted for specific purposes.

- The City's governmental funds reported combined ending fund balances of $31,216,299 at September 30, 2025, an increase of $3,482,165 from the prior fiscal year; this includes a decrease of $247,656 in the general fund, an increase of $8,395 in the debt service fund, an increase of $2,296,053 in the capital projects fund, an increase of $1,647,915 in the TIRZ No. 1 fund, and a decrease of $222,542 in the nonmajor governmental funds.

- At the end of the fiscal year, unassigned fund balance for the general fund was $10,570,880 or 59% of total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, culture and recreation, community development, public safety, and public works. The business-type activities of the City include water and sewer utilities, golf course, and storm water utility operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate component units, the Crime Control and Prevention District and the Municipal Development District, which the City is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 20-25 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects, and debt service fund, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, debt service, capital projects, and special revenue funds, with the exception of the roadway impact fees fund. A budgetary comparison statement has been provided for each governmental fund to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 26-33 of this report.

Proprietary Funds

The City's proprietary funds are all enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its utility, golf course, and storm water utility operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility, golf course, and storm water utility, all of which are considered major funds of the City.

The basic proprietary fund financial statements can be found on pages 36-45 of this report.

Component Units

The City maintains the accounting and financial statements for three component units. The Azle Crime Control and Prevention District and the Azle Municipal Development District are both discretely presented component units displayed on the government-wide financial statements.

The TIRZ No. 1 fund is a special purpose fund that collects property taxes within its boundaries for the purpose of infrastructure development. The fund's board consists of the City Council and is reported as a blended component unit, as it functions similar to a department of the City.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 47-92 of this report.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund, schedule of changes in the net pension liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Azle, Texas, assets and deferred outflows exceeded liabilities and deferred inflows by $112,336,458 as of September 30, 2025, in the primary government.

The largest portion of the City's net position, $80,325,385 reflects its investments in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, construction in progress), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Azle, Texas's net position of $21,809,794 represents resources that are subject to external restrictions on how they may be used. The remaining balance of $10,201,279 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Azle, Texas is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 34,679,222	$ 15,675,162	$ 50,354,384	$ 31,268,235	$ 15,921,854	$ 47,190,089
Capital assets	40,162,736	55,642,600	95,805,336	40,728,244	54,827,660	95,555,904
Total Assets	74,841,958	71,317,762	146,159,720	71,996,479	70,749,514	142,745,993
Deferred Outflows	1,938,957	469,044	2,408,001	1,836,571	441,209	2,277,780
Other liabilities	4,229,207	2,952,432	7,181,639	3,753,488	2,788,556	6,542,044
Long-term liabilities	21,873,377	6,431,010	28,304,387	22,634,818	7,479,803	30,114,621
Total Liabilities	26,102,584	9,383,442	35,486,026	26,388,306	10,268,359	36,656,665
Deferred Inflows	484,061	261,176	745,237	174,352	208,715	383,067
Net Position:						
Net investment in capital assets	30,197,961	50,127,424	80,325,385	29,645,059	48,237,813	77,882,872
Restricted	14,706,214	7,103,580	21,809,794	11,268,314	6,784,698	18,053,012
Unrestricted	5,290,095	4,911,184	10,201,279	6,357,019	5,691,138	12,048,157
Total Net Position	$ 50,194,270	$ 62,142,188	$ 112,336,458	$ 47,270,392	$ 60,713,649	$ 107,984,041

Current and other assets for governmental activities increased by $3,410,987 or 11% primarily due to greater cash and investments on hand, resulting from operating surpluses during the year. Long-term liabilities for the primary government decreased by $1,810,234 or 6% primarily due to debt principal payments and a decrease in the City's net pension liability in the current year.

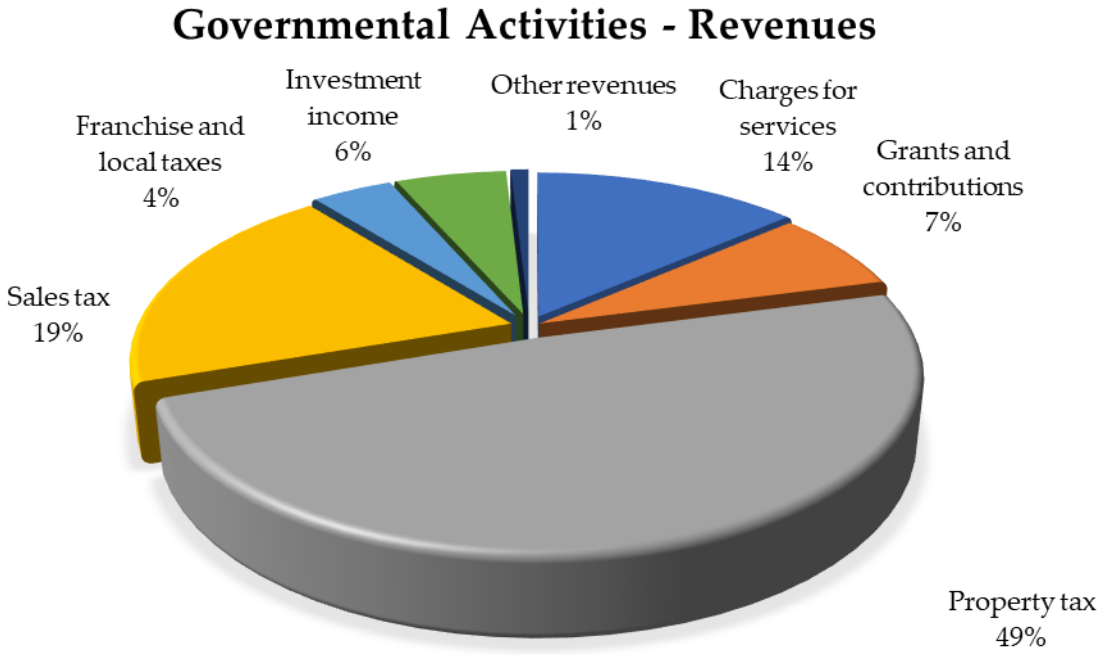
The City adopted GASB 101, *Compensated Absences* during the year. This standard was applied retroactively and resulted in a total sick leave liability of $435,044 as of September 30, 2024. $340,976 was attributable to governmental activities and $94,068 was attributable to business-type activities.

Statement of Activities:

The following table provides a summary of the City's changes in net position:

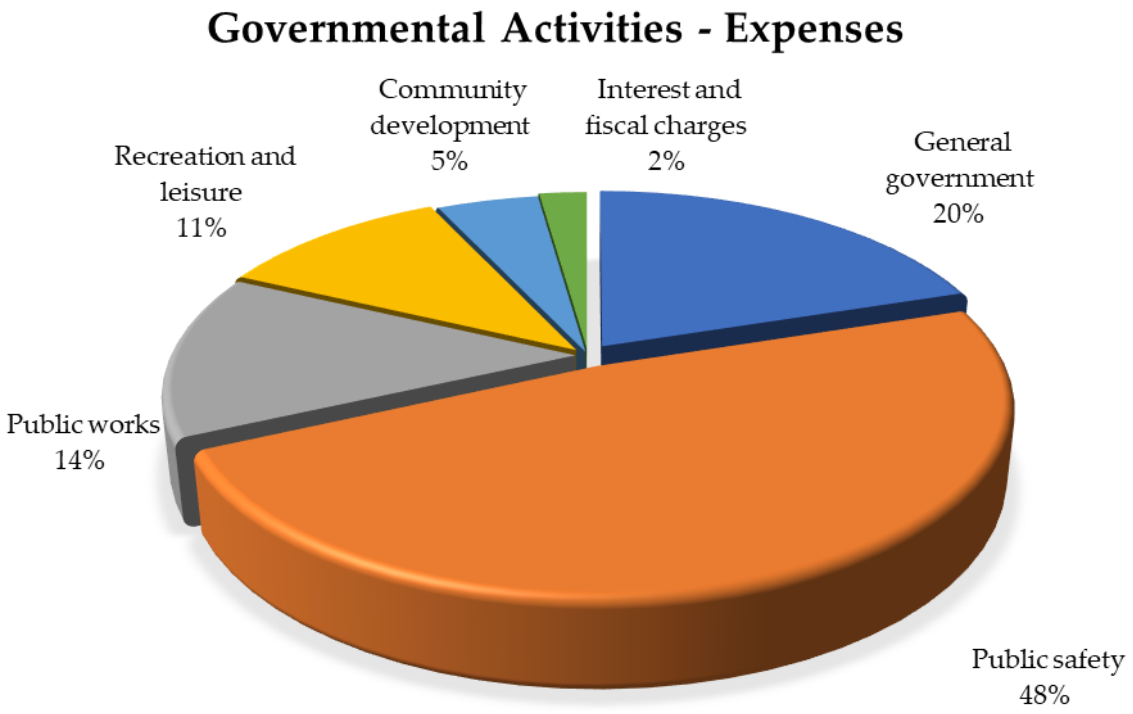
	For the Year Ended September 30, 2025			For the Year Ended September 30, 2024		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 3,224,486	$ 13,146,903	$ 16,371,389	$ 2,440,213	$ 12,779,084	$ 15,219,297
Operating grants	97,810	-	97,810	870,703	-	870,703
Capital contributions	1,624,533	894,620	2,519,153	3,026,897	651,720	3,678,617
General revenues:						
Property tax	11,582,229	-	11,582,229	9,928,802	-	9,928,802
Sales tax	4,631,772	-	4,631,772	4,360,559	-	4,360,559
Franchise and local taxes	975,518	-	975,518	969,815	-	969,815
Investment income	1,342,718	596,667	1,939,385	1,163,265	636,582	1,799,847
Oil and gas revenues	48,586	12,838	61,424	43,395	14,728	58,123
Other revenues	168,116	20,579	188,695	158,905	46,130	205,035
Total Revenues	23,695,768	14,671,607	38,367,375	22,962,554	14,128,244	37,090,798
Expenses						
General government	4,273,270	-	4,273,270	3,693,469	-	3,693,469
Public safety	10,299,119	-	10,299,119	9,738,083	-	9,738,083
Public works	2,958,172	-	2,958,172	1,289,764	-	1,289,764
Recreation and leisure	2,341,722	-	2,341,722	2,232,258	-	2,232,258
Community development	1,019,208	-	1,019,208	665,319	-	665,319
Interest and fiscal charges	478,530	74,162	552,692	454,753	86,710	541,463
Utility	-	9,761,288	9,761,288	-	9,371,023	9,371,023
Golf course	-	1,853,862	1,853,862	-	1,720,463	1,720,463
Storm water utility	-	520,581	520,581	-	481,762	481,762
Total Expenses	21,370,021	12,209,893	33,579,914	18,073,646	11,659,958	29,733,604
Change in Net Position Before Transfers	2,325,747	2,461,714	4,787,461	4,888,908	2,468,286	7,357,194
Transfers	939,107	(939,107)	-	963,250	(963,250)	-
Total	939,107	(939,107)	-	963,250	(963,250)	-
Change in Net Position	3,264,854	1,522,607	4,787,461	5,852,158	1,505,036	7,357,194
Beginning Net Position	46,929,416	60,619,581	107,548,997	41,418,234	59,208,613	100,626,847
Ending Net Position	$ 50,194,270	$ 62,142,188	$ 112,336,458	$ 47,270,392	$ 60,713,649	$ 107,984,041

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.



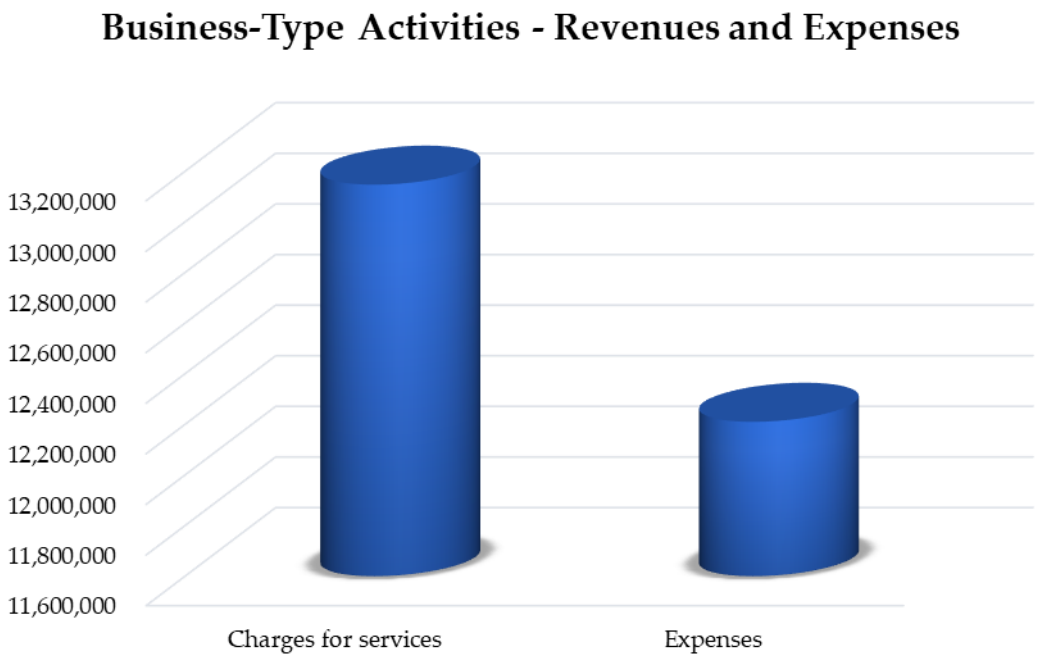
For the year ended September 30, 2025, revenues from governmental activities totaled $23,695,768. Property tax, sales tax, and charges for services are the City's largest general revenue sources. Overall revenue increased $733,214 or 3% due to greater investment income, charges for services, and property taxes when compared to the prior year. Property taxes increased by $1,653,427 or 17% due to greater appraisal values and tax rates compared to the prior year. Charges for services increased by $784,273 or 32% due primarily to an increase in permit revenues, related to new construction and plan review fees in the current year. Grants and contributions decreased by $2,175,257 or 56% due to nonrecurring federal ARPA grants recognized in the prior year. Sales tax revenues increased by $271,213 or 6% primarily due to local economic growth fueled by local purchases. Investment income increased by $179,453 or 15% which was a result of greater interest-bearing accounts and realization of higher interest rates over the course of the year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:



For the year ended September 30, 2025, expenses for governmental activities totaled $21,370,021. This represents an increase of $3,296,375 or 18% from the prior year. The City's largest functional expense is public safety totaling $10,299,119, which increased by $561,036 or 6%. This increase is primarily a result of greater personnel costs, related to general wage increase and implementation of GASB 101 in the current year. General government increased by $579,801 or 16% due to greater legal costs and personnel costs, related to general wage increases in the current year. Public works expenses increased by $1,668,408 or over 100% due to nonrecurring street maintenance expenses, related to new street reclamation projects in the current year. Recreation and leisure expenses increased by $109,464 or 5% due to greater depreciation costs in the prior year. Community development increased by $353,889 or 53% due to greater personnel costs and nonrecurring professional fees in the current year. All other governmental activities expenses remained relatively consistent with the prior year.

Business-type activities are shown comparing operating costs to revenues generated by related services.



For the year ended September 30, 2025, charges for services by business-type activities totaled $13,146,903. This represents an increase of $367,819 or 3% from the previous year, which is considered minimal. Capital contributions increased by $242,900 or 37% as a result of nonrecurring developer contributions received in the current year for utility and storm water infrastructure projects.

Total business-type activity expenses increased $549,935 or 5% to a total of $12,209,893. Utility expenses (including interest) totaled $9,835,450, while golf and storm water utility operations totaled $1,853,862 and $520,581, respectively. Utility and storm water expenses remained relatively consistent when compared to the prior year. Golf course expenses increased by $133,399 or 8% primarily due to greater contract services, merchant fees, and depreciation costs in the current year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

At September 30, 2025, the City's governmental funds reported combined fund balances of $31,216,299, an increase of $3,482,165 in comparison with the prior year. Approximately 34% of this amount,

$10,570,880, constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable or restricted* to indicate that it is 1) not in spendable form $119,631 or 2) restricted for particular purposes $20,525,788.

As of the end of the year the general fund reflected a total fund balance of $11,091,548. Of this, $520,668 is considered not in spendable form or restricted and $10,570,880 is unassigned. General fund balance decreased by $247,656 during the current year primarily due to greater than anticipated transfers to other funds.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of $10,570,880 is 59% of total general fund expenditures.

The debt service fund had an ending fund balance of $116,214 at September 30, 2025, an increase of $8,395 primarily due to property tax revenues combined with investment income exceeding current year debt service expenditures. During the year, the fund recorded total principal and interest payments totaling $1,390,246 and property tax revenue of $1,387,813.

The capital projects fund had an ending fund balance of $12,038,598 at September 30, 2025, an increase of $2,296,053 when compared to the prior year. This increase is primarily attributable to a reduction in capital outlay expenditures and nonrecurring transfers into the fund in the current year.

The TIRZ No. 1 fund had an ending fund balance of $6,608,608 at September 30, 2025, an increase of $1,647,915 when compared to the prior year. The increase is due to greater property tax revenues over the course of the year.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the City's largest proprietary fund, the utility fund, totaled $48,016,161. Unrestricted net position at the close of the fiscal year for all proprietary funds amounted to $4,911,184, a decrease of $779,954 over the previous year. Total investment in capital assets, net of related debt was $50,127,424, and capital assets, net of depreciation totaled $55,642,600.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted revenues of $18,435,977 were less than actual revenues of $18,613,431, resulting in a total negative revenue variance of $177,454. All actual revenues were greater than the budgeted amounts with the exception of property taxes, sales taxes, investment income, and other revenues. Total budgeted expenditures of $19,119,231 were more than actual expenditures of $17,962,807, resulting in a total positive expenditure variance of $1,156,424. All departmental expenditures were less than the budgeted amounts with the exception of public works, principal, interest and capital outlay. The City also increased various revenue categories by $3,164,218 due to revised estimates. The most significant was an increase to license and permit revenues due to greater building permits issued,

related to new construction in the current year. The City increased various expenditure categories by $3,691,297 due to revised estimates.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested $40,162,736 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested $55,642,600 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure. More detailed information about the City's capital assets is presented in note IV. D to the financial statements.

Major capital asset events during the current year include the following:

- Entered into a new lease for a Toshiba Copier for $127,534.
- Continued work on the Dunaway reconstruction for $298,650.
- Began work on the Central Park walking path for $112,287.
- Made renovations to baseball fields for $135,200.
- Installed a new boiler for $68,850.
- Made improvements to emergency service vehicles for $72,536.
- Purchased emergency service equipment for $535,778.
- Purchased a backhoe for $73,400.
- Purchased lawn equipment totaling $51,537.
- Purchased a sewer cleaning vehicle for $542,433.
- Purchased four trailer mounts totaling $152,800.
- Installed new water meters for $76,849.
- Continued PVC installation for $467,763.
- Began parking lot improvements for $90,157.
- Purchased a turf maintenance machine for $53,065.
- Continued drainage improvements totaling $322,576.
- Continued meter upgrades totaling $986,286.
- Installed elevated water tanks for $229,586.

LONG-TERM DEBT

The City's outstanding bonds, tax notes, leases and certificates of obligation payable, net of all premiums and discounts, decreased by $1,922,203 from the prior year. The total bonds and certificates of obligation payable at the close of the fiscal year was $20,724,096, net of all premiums and discounts. Of this amount, $20,230,000 (excluding unamortized premium/discount) comprises of bonded debt backed by the full faith and credit of the City, and the remaining represents bonds secured solely by self-supporting activities. More detailed information about the City's long-term liabilities is presented in note IV.E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The FY 2026 budget is centered around the city's goals while at the same time considering current economic realities. The following specific objectives are to be accomplished during FY 2026:

- Maintain or improve current levels of service to meet customer demands.
- Revise and improve the formal economic development marketing program in cooperation with the Azle Municipal Development District.
- Continued implementation of the Capital Improvement Plan.
- Continue to develop financial policies that guide future decision makers.
- Continue to expand and diversify the economic base.
- Continue to provide the tools necessary for employees to safely do their job.
- Continue efforts to attract and retain quality employees.
- Continue to improve appearance of the City through increased code enforcement and education efforts.
- Address infrastructure issues to improve transportation, drainage, City facilities and utility services.
- Maintain the City's financial reserves to enhance overall financial stability.

All of these objectives are consistent with the City's long-term vision of managing diversified growth while continually providing quality services and adequate infrastructure for the community.

Revenues for the FY 2026 budget are estimated by evaluating the current state of the economy and identifying trends in different revenue sources. Staff used recent economic trends as well as past actual collections from the previous three (3) years to develop reasonable revenue estimates. Property appraisals from Tarrant Appraisal District and Parker County Appraisal District were used to estimate the property tax revenues.

Revenues in the Utility Fund were estimated after determining actual increases due to recent growth along with projections for the coming year. Water and Wastewater rates increased by 2.5% to provide sufficient revenue to cover the FY 2026 Budget.

Budget Highlights

- All current service levels are maintained or expanded for FY 2025-26;
- Compensation plan is expanding with a 3% cost of living adjustment. Step increases of 3.64% are also included;
- Three (3) new positions are included – EMS Coordinator (Fire), Maintenance Worker (Streets) and a part-time Clerk (Human Resources);
- Equipment and fixture purchases include a cement mixer (Streets/Stormwater), ½-ton pickup truck (Streets/Stormwater), ¾-ton panel van (Utility Maintenance), dispatch console (Police);
- Capital projects include the Dunaway Lane Reconstruction Project, the Charles St. Lift Station/Force Main Upgrade Project, the Central Park Trail Improvement Project – Phase 2, shade structures over the bleachers at the Shady Grove Park ballfields, as well as the shade

structure at Central Splash, and the FM 730 N / SH 199 Intersection Landscape Improvements Project;
- The Street Maintenance Fund includes funds for the reclamation of Stribling Dr.;
- Initiate and complete an updated Water and Sewer Master Plan and rate study;
- Initiate a study to create a City-wide sidewalk/trail plan with an emphasis on the downtown area ($500,000 TxDOT grant of which the City pays 20%)
- Continue the updating of computer systems and software; and

Property Values and Tax Rates

Taxable value for this year is $1,936,455,157 which is an increase of $139,752,221 (7.8%) from last year's certified total of $1,796,702,936. This increase includes $50,651,509 in new construction.

The Property Tax Rate adopted for Fiscal Year 2026 is $0.6246927 which is a $0.0106058 increase from the Fiscal Year 2025 Adopted Rate.

General Fund Revenue

The proposed General Fund budget provides for total estimated revenues of $19,017,133 during FY 2026. This reflects a decrease from FY 2025 in the amount of $733,721 (3.7%) which is primarily due to less revenue being projected from New Construction and Building Permits.

General Fund revenue from current ad valorem taxes is projected to be $9,307,615 in FY 2026. Sales tax revenue is estimated at $3,896,565 in FY 2026. This estimate is based on recent trends in sales tax collections. New construction building permits are estimated to be $350,000 for FY 2026 which is $633,418 less than the amended FY 2025 budget.
Franchise fees are projected at $876,854 which is a $116,854 increase compared to FY 2025. Court fees are anticipated to be $550,000 in FY 2026 which is the same amount budgeted in FY 2025.

General Fund Expenditures

The General Fund expenditure budget for FY 2026 is $22,245,313. This reflects an increase of $1,116,377 (5.3%) from the FY 2025 amended budget. This increase is primarily due to one-time Capital Projects and a transfer to the Capital Projects Fund. The projected ending fund balance is $6,054,631 or 27% of projected expenses.

Utility Fund Revenue

The total amount of revenue budgeted in the Utility Fund for FY 2026 is $10,471,528. This reflects a decrease in the amount of $10,126 compared to the FY 2025 budget. This was primarily due to decreases in interest revenue and grant revenue in FY 2026. These decreases were offset by a 2.5% increase in water and sewer rates to cover operating costs.

Utility Fund Expenses

The total amount of expenses budgeted in the Utility Fund in FY 2026 is $11,082,876. This reflects a $917,393 decrease from FY 2025. The decrease is primarily due to one-time capital projects budgeted in FY 2025 and removed from the budget in FY 2026. The projected fund balance at the end of FY 2026 is projected to be 25% of the operational expenditure budget.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Azle, Texas, Finance Department, P.O. Box 1378, Azle, Texas, 76098. This information can also be accessed on the City's website at www.cityofazle.org.

BASIC FINANCIAL STATEMENTS

City of Azle, Texas

STATEMENT OF NET POSITION (Page 1 of 2)

September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 12,716,680	$ 2,851,181	$ 15,567,861
Investments	5,096,157	2,892,309	7,988,466
Taxes receivable, net	417,772	-	417,772
Receivables, net	2,082,095	1,417,467	3,499,562
Lease receivables, current	-	20,950	20,950
Inventories	14,902	410,479	425,381
Prepaid and other assets	104,729	8,900	113,629
Restricted assets - cash	12,619,971	634,885	13,254,856
Restricted assets - investments	1,626,916	1,240,148	2,867,064
Total Current Assets	34,679,222	9,476,319	44,155,541
Noncurrent assets:			
Restricted assets - cash	-	6,066,428	6,066,428
Investments	-	-	-
Lease receivables, noncurrent	-	132,415	132,415
Capital assets:			
Non-depreciable	3,677,847	5,633,373	9,311,220
Net depreciable capital assets	36,484,889	50,009,227	86,494,116
Total Noncurrent Assets	40,162,736	61,841,443	102,004,179
Total Assets	74,841,958	71,317,762	146,159,720
Deferred Outflows of Resources			
Deferred outflows - pension	1,932,554	467,824	2,400,378
Deferred outflows - OPEB	6,403	1,220	7,623
Total Deferred Outflows of Resources	1,938,957	469,044	2,408,001

Component Units	
Crime District	Municipal District
$ 224,708	$ 1,666,715
-	1,004,841
136,301	167,083
-	-
-	-
-	-
-	-
-	-
-	-
361,009	2,838,639
-	-
-	2,026,045
-	-
-	-
514,669	188,955
514,669	2,215,000
875,678	5,053,639
49,245	12,311
-	-
49,245	12,311

City of Azle, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	$ 521,269	$ 741,357	$ 1,262,626
Accrued liabilities	342,681	102,254	444,935
Due to other governments	375,173	-	375,173
Deposits payable	-	780,081	780,081
Unearned revenue	1,123,417	17,681	1,141,098
Compensated absences, current	912,015	229,774	1,141,789
Accrued interest payable	61,551	11,529	73,080
Long-term debt due in one year	893,101	1,069,756	1,962,857
Total Current Liabilities	4,229,207	2,952,432	7,181,639
Noncurrent liabilities:			
Net pension liability	6,413,147	1,784,773	8,197,920
OPEB liability	295,860	56,354	352,214
Compensated absences	273,125	61,930	335,055
Long-term debt due in more than one year	14,891,245	4,527,953	19,419,198
Total Noncurrent Liabilities	21,873,377	6,431,010	28,304,387
Total Liabilities	26,102,584	9,383,442	35,486,026
Deferred Inflows of Resources			
Deferred inflows - pension	410,713	102,499	513,212
Deferred inflows - OPEB	73,348	13,971	87,319
Lease related	-	144,706	144,706
Total Deferred Inflows of Resources	484,061	261,176	745,237
Net Position			
Net investment in capital assets	30,197,961	50,127,424	80,325,385
Restricted for:			
Municipal court	114,739	-	114,739
Public works	287,428	-	287,428
Capital projects	13,141,692	6,765,780	19,907,472
Debt service	116,214	337,800	454,014
Public safety	401,037	-	401,037
Economic development	15,736	-	15,736
Parks and recreation	201,803	-	201,803
Tourism	427,565	-	427,565
Unrestricted	5,290,095	4,911,184	10,201,279
Total Net Position	$ 50,194,270	$ 62,142,188	$ 112,336,458

See Notes to Financial Statements.

Component Units	
Crime District	Municipal District
$ 24,857	$ 43,845
3,757	3,870
-	-
-	-
-	-
4,828	-
2,780	-
101,064	-
137,286	47,715
168,940	29,351
-	-
758	-
144,383	-
314,081	29,351
451,367	77,066
8,702	1,331
-	-
-	-
8,702	1,331
269,222	-
-	-
-	-
-	-
-	-
195,632	-
-	4,987,553
-	-
-	-
-	-
$ 464,854	$ 4,987,553

City of Azle, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 4,273,270	$ -	$ -	$ -
Public safety	10,299,119	1,766,934	19,009	129,838
Public works	2,958,172	-	44,000	1,494,695
Recreation and leisure	2,341,722	55,535	34,801	-
Community development	1,019,208	1,402,017	-	-
Interest	478,530	-	-	-
Total Governmental Activities	21,370,021	3,224,486	97,810	1,624,533
Business-Type Activities				
Utility	9,835,450	10,015,442	-	894,620
Golf course	1,853,862	2,506,410	-	-
Storm water utility	520,581	625,051	-	-
Total Business-Type Activities	12,209,893	13,146,903	-	894,620
Total Primary Government	$ 33,579,914	$ 16,371,389	$ 97,810	$ 2,519,153
Component Units				
Crime Prevention District	993,894	-	-	-
Municipal Development District	689,783	-	2,500	-
Total Component Units	$ 1,683,677	$ -	$ 2,500	$ -
			General Revenues:	
			Taxes	
			Property taxes	
			Sales taxes	
			Franchise and local taxes	
			Oil and gas revenues	
			Insurance recoveries	
			Other revenues	
			Investment income	
			Capital assets transferred within primary govt.	
			Transfers	
			Total General Revenues and Transfers	
			Change in Net Position	
			Beginning Net Position, as previously reported	
			New Accounting Standard - GASB 101	
			Beginning Net Position, as adjusted	
			Ending Net Position	

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position					
Primary Government				Component Units	
Governmental Activities	Business-Type Activities	Total		Crime District	Municipal District
$ (4,273,270)	$ -	$ (4,273,270)		$ -	$ -
(8,383,338)	-	(8,383,338)		-	-
(1,419,477)	-	(1,419,477)		-	-
(2,251,386)	-	(2,251,386)		-	-
382,809	-	382,809		-	-
(478,530)	-	(478,530)		-	-
(16,423,192)	-	(16,423,192)		-	-
-	1,074,612	1,074,612		-	-
-	652,548	652,548		-	-
-	104,470	104,470		-	-
-	1,831,630	1,831,630		-	-
(16,423,192)	1,831,630	(14,591,562)		-	-
				(993,894)	-
				-	(687,283)
				(993,894)	(687,283)
11,582,229	-	11,582,229		-	-
4,631,772	-	4,631,772		888,307	1,044,545
975,518	-	975,518		-	-
48,586	12,838	61,424		-	-
87,308	14,990	102,298		-	-
80,808	5,589	86,397		-	-
1,342,718	596,667	1,939,385		14,819	206,520
78,335	(78,335)	-		-	-
860,772	(860,772)	-		-	-
19,688,046	(309,023)	19,379,023		903,126	1,251,065
3,264,854	1,522,607	4,787,461		(90,768)	563,782
47,270,392	60,713,649	107,984,041		555,980	4,423,771
(340,976)	(94,068)	(435,044)		(358)	-
46,929,416	60,619,581	107,548,997		555,622	4,423,771
$ 50,194,270	$ 62,142,188	$ 112,336,458		$ 464,854	$ 4,987,553

City of Azle, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2025

	General	Debt Service	Capital Projects	TIRZ No. 1
Assets				
Cash and cash equivalents	$ 5,588,154	$ 113,217	$ -	$ 5,795,150
Investments	5,096,157	-	-	-
Restricted assets - cash	401,037	-	12,218,934	-
Restricted assets - investments	-	-	813,458	813,458
Taxes receivable, net	231,044	33,200	-	-
Accounts receivable, net	1,368,666	-	-	-
Intergovernmental receivable	583,591	-	129,838	-
Inventories	14,902	-	-	-
Prepaid and other assets	104,729	-	-	-
Total Assets	$ 13,388,280	$ 146,417	$ 13,162,230	$ 6,608,608
Liabilities				
Accounts payable	$ 508,698	$ -	$ 215	$ -
Accrued liabilities	342,681	-	-	-
Due to other governments	375,173	-	-	-
Unearned revenue	-	-	1,123,417	-
Total Liabilities	1,226,552	-	1,123,632	-
Deferred Inflows of Resources				
Unavailable revenue - property taxes	211,502	30,203	-	-
Unavailable revenue - fines and forfeitures	288,243	-	-	-
Unavailable revenue - charges for EMS services	416,170	-	-	-
Unavailable revenue - grants	154,265	-	-	-
Total Deferred Inflows of Resources	1,070,180	30,203	-	-
Fund Balances				
Nonspendable:				
Inventories	14,902	-	-	-
Prepaid items	104,729	-	-	-
Restricted for:				
Debt service	-	116,214	-	-
Municipal court	-	-	-	-
Public safety	401,037	-	-	-
Street maintenance	-	-	-	-
Parks and recreation	-	-	-	-
Tourism	-	-	-	-
Economic development	-	-	-	-
Capital projects	-	-	12,038,598	6,608,608
Unassigned	10,570,880	-	-	-
Total Fund Balances	11,091,548	116,214	12,038,598	6,608,608
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 13,388,280	$ 146,417	$ 12,038,598	$ 6,608,608

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ 1,220,159	$ 12,716,680
-	5,096,157
-	12,619,971
-	1,626,916
153,528	417,772
-	1,368,666
-	713,429
-	14,902
-	104,729
$ 1,373,687	$ 34,679,222
$ 12,356	$ 521,269
-	342,681
-	375,173
-	1,123,417
12,356	2,362,540
-	241,705
-	288,243
-	416,170
-	154,265
-	1,100,383
-	14,902
-	104,729
-	116,214
114,739	114,739
-	401,037
287,428	287,428
201,803	201,803
427,565	427,565
15,736	15,736
314,060	18,961,266
-	10,570,880
1,361,331	31,216,299
$ 1,373,687	$ 33,578,839

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City of Azle, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2025

Fund Balances - Total Governmental Funds	$	31,216,299
Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		3,677,847
Capital assets - net depreciable		36,484,889
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		1,100,383
Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time		
Pension inflows		(410,713)
OPEB inflows		(73,348)
Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/ expenditures) until then		
Pension outflows		1,932,554
OPEB outflows		6,403
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(61,551)
Deferred charges:		
Bond premium		(494,096)
Net pension liability		(6,413,147)
OPEB liability		(295,860)
Compensated absences		(1,185,140)
Non-current liabilities due in one year		(893,101)
Non-current liabilities due in more than one year		(14,397,149)
Net Position of Governmental Activities	$	50,194,270

See Notes to Financial Statements.

City of Azle, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended September 30, 2025

	General	Debt Service	Capital Projects	TIRZ No. 1
Revenues				
Property tax	$ 8,767,960	$ 1,387,813	$ -	$ 1,417,195
Sales tax	3,705,418	-	-	-
Franchise and local taxes	919,022	-	-	-
License and permits	1,402,017	-	-	-
Intergovernmental	1,342,398	-	173,838	-
Charges for services	1,104,219	-	-	-
Fines and forfeitures	715,734	-	-	-
Investment income	561,756	10,828	492,967	230,720
Other revenue	41,097	-	48,586	-
Donations	53,810	-	-	-
Total Revenues	18,613,431	1,398,641	715,391	1,647,915
Expenditures				
Current:				
General government	3,750,013	-	-	-
Public safety	10,046,453	-	-	-
Public works	915,396	-	-	-
Recreation and leisure	1,937,093	-	-	-
Community development	1,003,917	-	-	-
Debt Service:				
Principal	42,449	850,000	-	-
Interest	2,698	540,246	-	-
Capital outlay	264,788	-	419,338	-
Total Expenditures	17,962,807	1,390,246	419,338	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	650,624	8,395	296,053	1,647,915

Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 11,572,968
926,354	4,631,772
56,496	975,518
-	1,402,017
-	1,516,236
-	1,104,219
249,909	965,643
46,447	1,342,718
-	89,683
-	53,810
1,279,206	23,654,584
30,821	3,780,834
-	10,046,453
1,479,697	2,395,093
-	1,937,093
-	1,003,917
-	892,449
-	542,944
-	684,126
1,510,518	21,282,909
(231,312)	2,371,675

City of Azle, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (Page 2 of 2)
For the Year Ended September 30, 2025

	General	Debt Service	Capital Projects	TIRZ No. 1
Other Financing Sources (Uses)				
Lease issuance	$ 111,088	$ -	$ -	$ -
Insurance recoveries	87,308	-	-	-
Sale of assets	51,322	-	-	-
Transfers in	1,193,195	-	2,000,000	-
Transfers (out)	(2,341,193)	-	-	-
Total Other Financing Sources (Uses)	(898,280)	-	2,000,000	-
Net Change in Fund Balances	(247,656)	8,395	2,296,053	1,647,915
Beginning fund balances	11,339,204	107,819	9,742,545	4,960,693
Ending Fund Balances	$ 11,091,548	$ 116,214	$ 12,038,598	$ 6,608,608

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 111,088
-	87,308
-	51,322
9,704	3,202,899
(934)	(2,342,127)
8,770	1,110,490
(222,542)	3,482,165
1,583,873	27,734,134
$ 1,361,331	$ 31,216,299

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City of Azle, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds	$	3,482,165
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		1,462,350
Capital assets contributed by developer		129,838
Capital assets transferred from business-type activities		78,335
Capital asset disposal		(11,611)
Depreciation expense		(2,224,420)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(85,835)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(305,842)
Accrued interest		36,860
Pension expense		(101,643)
OPEB expense		(4,258)
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Lease issuance		(111,088)
Amortization of premium		27,554
Principal payments		892,449
Change in Net Position of Governmental Activities	$	3,264,854

See Notes to Financial Statements.

City of Azle, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS (Page 1 of 2)

September 30, 2025

	Utility	Golf Course	Storm Water Utility
Assets			
Current Assets			
Cash and cash equivalents	$ 1,771,156	$ 689,419	$ 390,606
Investments	2,334,476	-	557,833
Accounts receivable, net	1,346,790	23,937	26,727
Lease receivable, current	20,950	-	-
Interest receivable	20,013	-	-
Inventories	308,559	101,920	-
Prepaid items	8,900	-	-
Restricted cash	337,800	297,085	-
Restricted investments	1,240,148	-	-
Total Current Assets	7,388,792	1,112,361	975,166
Noncurrent Assets			
Restricted cash:			
Impact fees	4,810,340	-	-
Capital projects	476,007	-	-
Customer deposits	780,081	-	-
Lease receivable, noncurrent	132,415	-	-
Capital assets:			
Non-depreciable	1,298,483	3,946,009	388,881
Net depreciable capital assets	41,503,676	1,032,152	7,473,399
Total Noncurrent Assets	49,001,002	4,978,161	7,862,280
Total Assets	56,389,794	6,090,522	8,837,446
Deferred Outflows of Resources			
Deferred outflows - pension	393,957	73,867	-
Deferred outflows - OPEB	1,220	-	-
Total Deferred Outflows of Resources	395,177	73,867	-

See Notes to Financial Statements.

	Total
$	2,851,181
	2,892,309
	1,397,454
	20,950
	20,013
	410,479
	8,900
	634,885
	1,240,148
	9,476,319
	4,810,340
	476,007
	780,081
	132,415
	5,633,373
	50,009,227
	61,841,443
	71,317,762
	467,824
	1,220
	469,044

City of Azle, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS (Page 2 of 2)

September 30, 2025

	Utility	Golf Course	Storm Water Utility
Liabilities			
Current Liabilities			
Accounts payable	$ 685,043	$ 55,933	$ 381
Accrued liabilities	62,123	23,234	16,897
Customer deposits	780,081	-	-
Unearned revenue	-	17,681	-
Compensated absences, current	169,316	60,458	-
Long-term debt, current	990,786	54,568	24,402
Accrued interest	10,498	953	78
Total Current Liabilities	2,697,847	212,827	41,758
Noncurrent Liabilities			
Compensated absences	43,548	18,382	-
Long-term debt, noncurrent	4,174,822	353,131	-
Net pension liability	1,554,492	230,281	-
OPEB liability	56,354	-	-
Total Noncurrent Liabilities	5,829,216	601,794	-
Total Liabilities	8,527,063	814,621	41,758
Deferred Inflows of Resources			
Deferred inflows - pension	83,070	19,429	-
Deferred inflows - OPEB	13,971	-	-
Lease related	144,706	-	-
Total Deferred Inflows of Resources	241,747	19,429	-
Net Position			
Net investment in capital assets	37,735,981	4,570,462	7,820,981
Restricted for:			
Debt service	337,800	-	-
Capital projects	6,468,695	297,085	-
Unrestricted	3,473,685	462,792	974,707
Total Net Position	$ 48,016,161	$ 5,330,339	$ 8,795,688

See Notes to Financial Statements.

	Total
$	741,357
	102,254
	780,081
	17,681
	229,774
	1,069,756
	11,529
	2,952,432
	61,930
	4,527,953
	1,784,773
	56,354
	6,431,010
	9,383,442
	102,499
	13,971
	144,706
	261,176
	50,127,424
	337,800
	6,765,780
	4,911,184
$	62,142,188

City of Azle, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2025

	Utility	Golf Course	Storm Water Utility
Operating Revenues			
Charges for services	$ 10,015,442	$ 915,661	$ 625,051
Green fees	-	1,087,623	-
Food and beverage sales	-	307,610	-
Pro shop sales	-	195,516	-
Other revenue	3,291	2,298	-
Total Operating Revenues	10,018,733	2,508,708	625,051
Operating Expenses			
Personnel services	2,465,612	-	-
Supplies	825,168	-	7,495
Maintenance and repairs	825,834	-	15,668
Contractual services	4,042,448	-	5,680
Course maintenance	-	577,129	-
Food and beverage	-	278,010	-
General operations	-	794,941	-
Depreciation	1,602,226	203,782	490,340
Total Operating Expenses	9,761,288	1,853,862	519,183
Operating Income (Loss)	257,445	654,846	105,868
Nonoperating Revenues (Expenses)			
Investment income	529,335	33,345	33,987
Gas royalties	-	12,838	-
Insurance recoveries	14,990	-	-
Interest expense	(73,862)	-	(1,398)
Fiscal charges	(300)	-	-
Total Nonoperating Revenues (Expenses)	470,163	46,183	32,589
Income Before Capital Contributions and Transfers	727,608	701,029	138,457
Capital Contributions and Transfers			
Contributions-impact fees	894,620	-	-
Transfers in	331,489	-	-
Transfers (out)	(1,005,246)	-	(265,350)
Total Capital Contributions and Transfers	220,863	-	(265,350)
Change in Net Position	948,471	701,029	(126,893)
Beginning net position, as previously reported	47,116,033	4,675,035	8,922,581
New Accounting Standard - GASB 101	(48,343)	(45,725)	-
Beginning net position, as adjusted	47,067,690	4,629,310	8,922,581
Ending Net Position	$ 48,016,161	$ 5,330,339	$ 8,795,688

See Notes to Financial Statements.

	Total
$	11,556,154
	1,087,623
	307,610
	195,516
	5,589
	13,152,492
	2,465,612
	832,663
	841,502
	4,048,128
	577,129
	278,010
	794,941
	2,296,348
	12,134,333
	1,018,159
	596,667
	12,838
	14,990
	(75,260)
	(300)
	548,935
	1,567,094
	894,620
	331,489
	(1,270,596)
	(44,487)
	1,522,607
	60,713,649
	(94,068)
	60,619,581
$	62,142,188

City of Azle, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2025

	Utility	Golf Course	Storm Water Utility
Cash Flows from Operating Activities			
Payments to employees	$ (2,399,118)	$ (782,305)	$ -
Payments to suppliers	(5,490,492)	(904,079)	(58,942)
Receipts from customers	10,042,068	2,539,700	623,677
Net Cash Provided (Used) by Operating Activities	2,152,458	853,316	564,735
Cash Flows from Noncapital Financing Activities			
Transfers in	331,489	-	-
Transfers (out)	(1,005,246)	-	(187,015)
Collections (payments) of interfund loans	95,754	(218,370)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(578,003)	(218,370)	(187,015)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(2,147,213)	(629,100)	(400,911)
Disposal of capital assets	4,047	-	-
Impact fees received	894,620	-	-
Interest paid on capital debt	(74,601)	-	(1,398)
Principal paid on capital debt	(991,622)	(102,134)	(47,881)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,314,769)	(731,234)	(450,190)
Cash Flows from Investing Activities			
Gas royalties	-	12,838	-
Purchase of investments	(155,051)	-	(25,804)
Interest on investments	513,848	33,731	33,833
Insurance recoveries	14,990	-	-
Net Cash Provided (Used) by Investing Activities	373,787	46,569	8,029
Net Increase (Decrease) in Cash and Cash Equivalents	(366,527)	(49,719)	(64,441)
Beginning cash and cash equivalents	8,541,911	1,036,223	455,047
Ending Cash and Cash Equivalents (including restricted cash)	$ 8,175,384	$ 986,504	$ 390,606

See Notes to Financial Statements.

	Total
$	(3,181,423)
	(6,453,513)
	13,205,445
	3,570,509
	331,489
	(1,192,261)
	(122,616)
	(983,388)
	(3,177,224)
	4,047
	894,620
	(75,999)
	(1,141,637)
	(3,496,193)
	12,838
	(180,855)
	581,412
	14,990
	428,385
	(480,687)
	10,033,181
$	9,552,494

City of Azle, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2025

	Utility	Golf Course	Storm Water Utility
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ 257,445	$ 654,846	$ 105,868
Adjustments to reconcile operating income (loss) to net cash provided (used):			
Depreciation	1,602,226	203,782	490,340
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(19,522)	34,152	(1,374)
Inventory	91,535	(17,660)	-
Prepaid items	(2,168)	-	-
Increase (Decrease) in:			
Accounts payable	129,484	(35,289)	(45,113)
Accrued liabilities	(15,893)	4,009	15,014
Unearned revenue	(5,307)	(3,160)	-
Lease related	(25,406)	-	-
Compensated absences	44,966	8,751	-
Deferred outflows - pension contributions	(20,077)	(7,618)	-
Deferred outflows - OPEB expected experience vs. actual	685	-	-
Deferred inflows - pension investment earnings	(140)	-	-
Deferred outflows - pension expected experience vs. actual	61,750	15,432	-
Net pension liability	(20,955)	(3,929)	-
OPEB liability	265	-	-
Customer deposits	73,570	-	-
Net Cash Provided (Used) by Operating Activities	$ 2,152,458	$ 853,316	$ 564,735

Schedule of Non-Cash Capital and Related Financing Activities			
Capital assets purchased through note payables	$ 16,446	$ -	$ -
Transfer of capital assets to govt activities	-	-	(78,335)
Total Non-Cash Activities	$ 16,446	$ -	$ (78,335)

See Notes to Financial Statements.

	Total
$	1,018,159
	2,296,348
	13,256
	73,875
	(2,168)
	49,082
	3,130
	(8,467)
	(25,406)
	53,717
	(27,695)
	685
	(140)
	77,182
	(24,884)
	265
	73,570
$	3,570,509

$	16,446
	(78,335)
$	(61,889)

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Azle, Texas (the "City") was incorporated on April 23, 1957 under the provisions of Chapter 11 Title 28 Texas revised Civil Statutes of 1925. In 1969, the City adopted a charter making it a home rule city operating under a Council-Manager form of government. The City provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) applicable to government units. The following is a summary of the more significant accounting policies.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

For financial reporting purposes, management has considered all potential component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability – The primary government is deemed to be financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

Discretely Presented Component Units

Azle Crime Control and Prevention District

The Azle Crime Control and Prevention District (the "Crime District"), is a legally separate entity created by resolution of the City Council with approval of the residents of the City, for the purpose of using an incremental sales tax to finance additional costs of improving crime control and prevention. The Crime District is governed by a seven-member board appointed by the City Council. The Crime District must submit its budget to the City Council for approval. The Crime District's primary activities consist of funding crime reduction programs and acquiring capital assets used by the City's public safety department. Discrete presentation is appropriate because the District's Board is not substantially the same as the City. Separate unaudited financial statements are available by contacting the City's finance department.

Azle Municipal Development District

The Azle Municipal Development District (the "Municipal District"), is a legally separate entity created by resolution of the City Council, with approval of the residents of the City for the purpose of using an incremental sales tax to making the community a better place to live, work and do business. In so doing, the Municipal District may help develop and finance any permissible project as defined in Chapter 377 of the Texas Local Government Code and that benefits, strengthens and diversifies the economic base of the City. The District is governed by a seven-member board appointed by the City Council. The Municipal District must submit its budget to the City Council for approval. The Municipal District is a legally separate organization and does not function as an integral part of the primary government. Discrete presentation is appropriate because the District's Board is not substantially the same as the City. Separate unaudited financial statements are available by contacting the City's finance department.

Blended Component Unit

Tax Increment Reinvestment Zone No. 1 Fund

The Tax Increment Reinvestment Zone No. 1 fund was created to encourage and accelerate planned development within the City limits. The fund accounts for all tax and expenditure activity associated with the fund's primary purpose. The tax increment is derived from the difference in appraised value between the year in which the reinvestment zone is established (base year) and each year the reinvestment zone is in existence. The Board is comprised of five City Council Members and one from each of the other four participating entities. The TIRZ functions similar to a department of the City in that the City has operational responsibility over the Zone. Separate audited financial statements are not available.

C. Basis of Presentation - Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As discussed earlier, the government has two discretely presented component units which are shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, recreation and leisure, and community development.

Debt Service Fund

The City accounts for the accumulation of financial resources for the payments of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the debt service fund is restricted exclusively for debt service expenditures.

Capital Projects Fund

The City's capital projects fund accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

TIRZ No. 1 Fund

The fund is used to account for property tax levies and debt obligations used to encourage and accelerate planned development of a certain contiguous geographic area within its jurisdiction and extra-territorial jurisdiction. During the current year, the TIRZ No. 1 fund became a major fund.

The government reports the following major enterprise funds:

Utility Fund

Water, wastewater, and trash removal services provided by the City are accounted for in the utility fund. Activities of the fund include administration, operation and maintenance of the garbage, water and wastewater system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Golf Course Fund

The golf course fund accounts for the administration, operation and maintenance of the municipal golf course.

Storm Water Utility Fund

The storm water utility fund accounts for the administration, operation and maintenance of the storm water control department.

Additionally, the government reports the following fund types:

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. These funds consist of the court technology, court security, street maintenance, hotel/motel tax, Cable PEG Fees, tree reforestation, and roadway impact fees.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in

governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary, pension and other postemployment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

E. Assets, Liabilities, Deferred Outflows/Inflows, and Fund Equity or Net Position

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

Direct obligations of the U.S. Government
Fully collateralized certificates of deposit and money market accounts
Statewide investment pools
SEC registered, no load money market mutual funds

2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories of supplies are reported at cost using the first-in/first-out method. Golf course inventories held for sale are reported at lower of cost or market, using the average-cost method which approximates market value. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

5. Restricted Assets

Certain proceeds of enterprise fund certificates of obligation are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and capital items received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are expensed as incurred.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Golf course equipment	5 to 25 years
Machinery and equipment	5 to 10 years
Public domain infrastructure	20 years
System infrastructure	50 years
Buildings and improvements	40 years
Right-to-use assets	5 years

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has three items that qualify for reporting in this category. One example is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results form the difference in the carrying value of refunded debt

and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

The net pension liability is included within long term debt. This liability is valued using an actuarial model and represents the difference between the plan fiduciary net position and the net pension liability consistent with GASB statement no. 68. The portion of this liability presented as a current liability is based on actuarial calculations for estimated future payments of benefits and refunds over the twelve months following yearend.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is $7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

11. Leases

Lessee: The City is a lessee for noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the full-accrual financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for a noncancellable lease of cell towers. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

12. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

13. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

14. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making

authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (Council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

15. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

3. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Upon separation of employment, a "Retirement Eligible" employee shall be paid for accumulated sick leave. This provision shall apply, provided the employee is eligible for retirement under the provisions of the Texas Municipal Retirement System, has completed at least ten years of consecutive service with the City, and separation is voluntary. The remaining employee sick leave is considered a non-separation benefit and is recognized as a liability only to the extent it is probable that the leave will be used for qualifying absences in the future and the amount can be reasonably estimated.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Maximum payouts are capped and no payment shall exceed 250 hours of accrued sick time. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund, golf course fund, and storm water utility funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide

statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, court technology, court security, street maintenance, hotel/motel tax, cable PEG fees, debt service, tree forestation and capital projects, and enterprise funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the fund level. No funds can be transferred or added which affect the total fund expenditures without City Council approval. Appropriations lapse at the end of the year. One supplemental budget amendment was made during the year. Expenditures exceeded appropriations in the court technology fund by $134.

A. Restricted Fund Balance

The City records restricted net position on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted fund balance for governmental funds was $20,525,788, of which, $856,364 is restricted by enabling legislation.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits - State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. In addition, irrevocable letters of credit at 100% of the principal amounts of the deposits may be used to collateralize deposits. The City's deposits, as well as those of the

City's component units, including certificates of deposit, were fully insured or collateralized as required by the state statutes at September 30, 2025. Deposits of the City that exceeded the federal depository insurance coverage level were covered by pledged securities and an irrevocable letter of credit with a value of $3,445,000 from the Federal Home Loan Bank of San Francisco. All collateral was held in the City's name under a joint safekeeping agreement with NexBank, PNC Bank, East West Bank, and NTB Financial Bank.

As of September 30, 2025, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
Certificates of deposit	$ 10,855,530	0.81
External investment pools	19,950,149	0.13
Total value	$ 30,805,679	
Portfolio weighted average maturity		0.37

As of September 30, 2025, the Crime Control and Prevention District had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	$ 259,596	0.12
Total value	$ 259,596	
Portfolio weighted average maturity		0.12

As of September 30, 2025, the Municipal Development District had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
Certificates of deposit	$ 3,030,886	1.58
External investment pools	1,793,260	0.12
Total value	$ 4,824,146	
Portfolio weighted average maturity		1.04

Interest rate risk: In compliance with the City's Investment Policy, as of September 30, 2025, the City minimized the interest rate risk, related to current events market turmoil in the portfolio by: limiting the effective duration of security types not to exceed two years with the exception of securities purchases related to reserve funds; structuring the investment portfolio so that

securities matured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act; and investing operating funds primarily in short-term securities, money market mutual funds, or similar government investment pools.

Credit risk: The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2025, all of the City's purchased investments in US Agencies Obligations were rated AA+, AAA and Aaa by Standard & Poors, Fitch and Moody's, respectively.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2025, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as

well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

TexSTAR

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated AAAm by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

TexasTERM

TexasTERM is an external investment pool operated by a private asset management corporation and is not SEC registered. The Texas Interlocal Cooperation Act and the Texas Public Investments Act provide for the creation of public funds investment pools and permit eligible governmental entities to jointly invest their funds in authorized investments. The City participates in both investment options operated by TexasTERM – a daily investment pool (TexasDAILY) and a long-term investment pool (TexasTERM). At September 30, 2025, the fair value of the position in both the TexasTERM and the TexasDAILY approximate fair value of the shares. There were no limitations or restrictions on withdrawals.

B. Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of

particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

C. Receivables

1. The following comprise receivable balances of the primary government at year end:

	General	Debt Service	Capital Projects	Nonmajor Governmental	Utility & Storm Water Utility	Golf Course	Total
Property taxes	$ 238,879	$ 34,331	$ -	$ -	$ -	$ -	$ 273,210
Sales tax	575,888	-	-	143,972	-	-	719,860
Franchise taxes	52,005	-	-	3,556	-	-	55,561
Municipal court	930,672	-	-	-	-	-	930,672
EMS	4,862,702	-	-	-	-	-	4,862,702
Utility services	-	-	-	-	1,448,577	-	1,448,577
Golf services	-	-	-	-	-	23,937	23,937
Hotel/motel	-	-	-	6,000	-	-	6,000
Grants	159,604	-	129,838	-	-	-	289,442
Other	7,537	-	-	-	20,013	-	27,550
Leases	-	-	-	-	153,365	-	153,365
Allowance	(4,643,986)	(1,131)	-	-	(75,060)	-	(4,720,177
Total	$ 2,183,301	$ 33,200	$ 129,838	$ 153,528	$ 1,546,895	$ 23,937	$ 4,070,699

2. The following comprise receivable balances of the component units at year end:

	Crime District	Municipal District	Total
Sales taxes	$ 136,301	$ 167,083	$ 303,384
Total	$ 136,301	$ 167,083	$ 303,384

3. Governmental funds report unearned revenue and deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. All funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental and enterprise funds were as follows:

	Unavailable	Unearned	Total
Delinquent property taxes receivable (general fund)	$ 211,502	$ -	$ 211,502
Delinquent property taxes receivable (debt service fund)	30,203	-	30,203
Deferred municipal court revenue receivable (general fund)	288,243	-	288,243
Delinquent ambulance receivables (general fund)	416,170	-	416,170
Deferred grant revenue (general fund)	154,265	-	154,265
Deferred developer contribution (capital projects fund)	-	1,123,417	1,123,417
Deferred gift card revenue (golf course fund)	-	17,681	17,681
Total	$ 1,100,383	$ 1,141,098	$ 2,241,481

4. The City is the lessor of two contracts in which the City receives lease payments from the separate cell phone companies for the use of existing water tower antenna space. The leases commenced in 1997 and 1999 and are renewable in 5-year increments. Monthly lease payments of $1,399 will be received from Sprint through December 2024. Annual lease payments ranging from $24,784 to $28,502 will be received from Verizon through 2031. As of September 30, 2025, the lease receivable and offsetting deferred inflows amounted to $153,365 and $144,706, respectively.

   The annual principal and interest payments to be received are as follows:

Year ending	Business-Type Activities	
September 30,	Principal	Interest (2.5%)
2026	$ 20,950	$ 3,834
2027	25,191	3,310
2028	25,821	2,680
2029	26,467	2,035
2030	27,128	1,374
Thereafter	27,808	695
	$ 153,365	$ 13,928

D. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Disposals/Transfers/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 2,828,470	$ -	$ -	$ 2,828,470
Construction in progress	527,450	434,214	(112,287)	849,377
Total capital assets not being depreciated	3,355,920	434,214	(112,287)	3,677,847
Capital assets, being depreciated:				
Right to use assets	59,712	111,088	(59,712)	111,088
Buildings and improvements	29,090,620	65,850	-	29,156,470
Improvements other than buildings	4,709,970	165,109	112,287	4,987,366
Machinery and equipment	8,668,213	815,927	(392,801)	9,091,339
Infrastructure	30,333,970	-	-	30,333,970
Total capital assets being depreciated	72,862,485	1,157,974	(340,226)	73,680,233
Less accumulated depreciation				
Right to use assets	28,197	19,904	(48,101)	-
Buildings and improvements	7,661,567	714,527	-	8,376,094
Improvements other than buildings	2,778,218	165,870	-	2,944,088
Machinery and equipment	5,193,625	761,857	(471,136)	5,484,346
Infrastructure	19,828,554	562,262	-	20,390,816
Total accumulated depreciation	35,490,161	2,224,420	(519,237)	37,195,344
Net capital assets being depreciated	37,372,324	(1,066,446)	179,011	36,484,889
Total Capital Assets	$ 40,728,244	$ (632,232)	$ 66,724 *	$ 40,162,736

* 1) The book value of capital assets transferred from business-type activities totaled $78,335.
2) The City disposed of fully depreciated capital assets during the current year. The net loss from the disposal of the assets was $11,611.

Depreciation was charged to governmental functions as follows:

General government	$ 548,192
Public safety	621,877
Public works	620,832
Recreation and leisure	433,519
Total Governmental Activities Depreciation Expense	$ 2,224,420

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 625,284	$ -	$ -	$ 625,284
Golf course	2,778,860	-	-	2,778,860
Construction in progress	553,040	2,215,900	(539,711)	2,229,229
Total capital assets not being depreciated	3,957,184	2,215,900	(539,711)	5,633,373
Capital assets, being depreciated:				
Right to use assets	20,811	16,446	(20,811)	16,446
Golf course infrastructure	195,772	-	-	195,772
Buildings and improvements	6,485,305	7,480	-	6,492,785
Utility system	63,111,037	96,358	539,711	63,747,106
Infrastructure	10,037,573	-	-	10,037,573
Machinery and equipment	4,331,951	857,486	(156,083)	5,033,354
Total capital assets being depreciated	84,182,449	977,770	362,817	85,523,036
Less accumulated depreciation				
Right to use assets	6,937	9,827	(16,764)	-
Golf course infrastructure	195,772	-	-	195,772
Buildings and improvements	4,264,247	136,513	-	4,400,760
Utility system	24,543,089	1,252,453	-	25,795,542
Infrastructure	2,419,234	420,039	-	2,839,273
Machinery and equipment	1,882,694	477,516	(77,748)	2,282,462
Total accumulated depreciation	33,311,973	2,296,348	(94,512)	35,513,809
Net capital assets being depreciated	50,870,476	(1,318,578)	457,329	50,009,227
Total Capital Assets	$ 54,827,660	$ 897,322	$ (82,382) *	$ 55,642,600

* 1) The book value of capital assets transferred to governmental activities totaled $78,335.
2) The City disposed of fully depreciated capital assets during the current year. The net gain from the disposal of the assets was $4,047.

Depreciation was charged to business-type activities as follows:

Utility	$ 1,602,226
Golf course	203,782
Storm water utility	490,340
Total Business-type Activities Depreciation Expense	$ 2,296,348

A summary of changes in component unit capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Construction in progress	$ -	$ -	$ -	$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets, being depreciated:				
Machinery and equipment	1,745,563	188,955	-	1,934,518
Total capital assets being depreciated	1,745,563	188,955	-	1,934,518
Less accumulated depreciation				
Machinery and equipment	1,075,717	155,177	-	1,230,894
Total accumulated depreciation	1,075,717	155,177	-	1,230,894
Net capital assets being depreciated	669,846	33,778	-	703,624
Total Capital Assets	$ 669,846	$ 33,778	$ -	$ 703,624

Depreciation was charged to the following activities as follows:

Crime Prevention District	$ 155,177
Total Depreciation Expense	$ 155,177

E. Long-term Debt

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2025. In general, the City uses the debt service fund and general fund to liquidate governmental long-term liabilities, including the net pension and OPEB liabilities.

	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, notes and other payables:					
General Obligation Refunding Bonds	$ 1,750,000	$ -	$ (380,000)	$ 1,370,000	$ 385,000
Certificate of Obligation Bonds	14,230,000	-	(470,000)	13,760,000	475,000
Total Bonds Payable	15,980,000	-	(850,000)	15,130,000	860,000
Lease liabilities	31,942	111,088	(31,942)	111,088	26,193
Note payable	59,669	-	(10,507)	49,162	6,908
Less deferred amounts:					
For premiums	521,650	-	(27,554)	494,096	-
Total Governmental Activities	$ 16,593,261	$ 111,088	$ (920,003)	$ 15,784,346	$ 893,101
			Long-term liabilities due in more than one year	$ 14,891,245	
Business-Type Activities:					
General Obligation Refunding Bonds	$ 4,715,000	$ -	$ (765,000)	$ 3,950,000	$ 770,000
Certificate of Obligation Bonds	1,355,000	-	(205,000)	1,150,000	210,000
Total Bonds Payable	6,070,000	-	(970,000)	5,100,000	980,000
Notes payable	641,786	-	(160,523)	481,263	85,878
Lease liabilities	11,114	16,446	(11,114)	16,446	3,878
Total Business-Type Activities	$ 6,722,900	$ 16,446	$ (1,141,637)	$ 5,597,709	$ 1,069,756
			Long-term liabilities due in more than one year	$ 4,527,953	
Component Unit Activities (Crime District):					
Notes payable	$ 341,791	$ -	$ (96,344)	$ 245,447	$ 101,064
Total Component Unit Activities	$ 341,791	$ -	$ (96,344)	$ 245,447	$ 101,064
			Long-term liabilities due in more than one year	$ 144,383	

The City of Azle issues general obligation bonds, certificates of obligation bonds, and notes to provide funds for the acquisition and construction of major capital facilities. These issues are

direct obligations and pledge the full faith and credit of the City. For the governmental activities, compensated absences are generally liquidated by the General Fund.

The City issued $9,390,000 of Series 2016 Certificates of Obligation bonds in October 2016. Principal payments are due in annual installments through 2041. The bonds bear an interest rate of 2% to 3%.

The City issued $1,745,000 of Series 2017 General Obligation Refunding bonds in March 2017. Principal payments are due in annual installments through 2027. The bonds bear an interest rate of 2.16%. The outstanding principal of $1,685,000 on the Series 2006 certificate of obligation bonds was refunded with these Series 2017 refunding bonds.

The City issued $1,335,000 of Series 2017 Certificate of Obligation bonds in March 2017. Principal payments are due in annual installments through 2027. The bonds bear an interest rate of 2.16%.

The City issued $1,350,000 of Tax & Waterworks & Sewer System (Surplus Pledge) Revenue Certificates of Obligation, Series 2017A, in November 2017. Principal payments are due in annual installments through 2037. The bonds bear an interest rate ranging from .58% to 2.29%.

The Crime Control District obtained lease financing totaling $187,391 in December 2018 for purchase of a WatchGuard camera and evidence system. Principal payments are due annually through December 2020. The lease bears an interest rate of 4.3%.

On August 6, 2020, the City issued $7,685,000 worth of General Obligation Refunding Bonds, Series 2020. The issuance qualifies as an advance refunding as the funds will be placed in escrow to pay off the 2010 Waterworks and Sewer System Revenue Bonds in the amount of $8,195,000. The new debt has a payoff date of February 1, 2030.

In May 2020, the City obtained financing totaling $238,274 for golf course mowing equipment. Principal payments are due semi-annually through May 2025. The lease bears an interest rate of 2.97%.

The City issued $1,905,000 worth of general obligation refunding bonds, series 2020A on November 19, 2020. The bonds carry an interest rate of 1.19% and mature through 2031. The bonds refunded $1,825,000 worth of 2011 certificates of obligation. The refunding resulted in an actual cash savings of $317,365 and a present value savings of $276,824.

In August 2021, the City purchased a John Deere excavator through financing for $231,993. Principal payments are due semi-annually through August 2026. The lease bears an interest rate of 2.57%.

In December 2021, the City purchased new golf carts through note payable financing for $469,035. Principal payments are due semi-annually through November 2025. The lease bears an interest rate of 2.49%.

On May 1, 2023, the City entered into two lease agreements for Toshiba copiers amounting to $59,663 and $20,722. Both leases bear an interest rate of 2.31%. Principal payments are due monthly through April 2026.

In May 2024, the City entered into a note payable agreement with Ideal Impact for energy savings equipment for $119,339. The note was split between governmental and business-type activities totaling $59,669 and $59,670, respectively. The note bears an interest rate of 3.85% and principal payments are due quarterly through August 2032.

On August 19, 2024, the City purchased a new golf cart through note payable financing for $463,503. Principal payments are due monthly through March 31, 2029. The note bears an interest rate of 5.5%.

On June 4, 2024, the City issued $5,740,000 of Certificates of Obligation bonds. Principal payments are due in annual installments through 2044. The bonds bear an interest rate of 4% to 5%.

On October 1, 2025, the City entered into two new lease agreements for Toshiba copiers amounting to $111,088 and $16,444. The leases bear an interest rate of 3.85%. Principal payments are due monthly through September 2029.

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund.

Long-term debt at year end was comprised of the following debt issues:

	Governmental Activities	Business - Type Activities	Total
General Obligation Bonds:			
$1,745,000 General Obligation Refunding Bond, Series 2017, due in installments through 2027, interest at 2.16%	$ 350,000	$ -	$ 350,000
$7,685,000 General Obligation Refunding Bonds, Series 2020, due in installments through 2030, interest at 1.09%	-	3,950,000	3,950,000
$1,905,000 General Obligation Refunding Bonds, Series 2020A, due in installments through 2031, interest at 1.19%	1,020,000	-	1,020,000
Total General Obligation Bonds	$ 1,370,000	$ 3,950,000	$ 5,320,000
Certificates of Obligation:			
$9,390,000 Certificates of Obligation, Series 2016, due in annual installments through 2041, interest at 2% to 3%	$ 8,310,000	$ -	$ 8,310,000
$1,335,000 Certificates of Obligation, Series 2017, due in annual installments through 2027 interest at 2.16%	-	295,000	295,000
$1,350,000 Certificates of Obligation, Series 2017A, due in annual installments through 2037 interest at .58% to 2.29%	-	855,000	855,000
$5,740,000 Certificates of Obligation, Series 2024, due in annual installments through 2044 interest at 4% to 5%	5,450,000	-	5,450,000
Total Certificates of Obligation	$ 13,760,000	$ 1,150,000	$ 14,910,000

	Governmental Activities	Business - Type Activities	Total
Less deferred amounts:			
Premiums	$ 494,096	$ -	$ 494,096
Total deferred amounts	494,096	-	494,096
Notes Payable:			
$231,993 payable to Tax Exempt Leasing Corp, due in semi-annual installments of $24,716 through 2026, interest at 2.57%	$ -	$ 24,402	$ 24,402
$463,503 payable to Southside Bank, due in monthly installments of $6,318 through 2028, interest at 5.50%	-	407,699	407,699
$119,339 payable to Ideal Impact, due in quarterly installments of $17,402 through 2032, interest at 3.85%	49,162	49,162	98,324
Total Notes Payable	49,162	481,263	530,425
Lease liabilities	111,088	16,446	127,534
Total Debt	$ 15,784,346	$ 5,597,709	$ 21,382,055

	Component Unit Activities	Total
Notes Payable:		
$264,712 payable to Tax-Exempt Leasing Corp, due in semi-annual installments of $30,551 through 2028, interest at 5.39%	$ 167,188	$ 167,188
$87,682 payable for Tasers, due in annual installments of $20,162 through 2025, interest at 2.57%	19,657	19,657
$128,038 for body cameras, due in annual installments of $31,848 through 2027, interest at 5.50%	58,602	58,602
Total Notes Payable	245,447	245,447
Total Debt	$ 245,447	$ 245,447

The annual requirements to amortize the City's long-term activities debt issues outstanding at year end were as follows:

General Obligation Bonds & Certificates of Obligations

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	$ 860,000	$ 480,644	$ 980,000	$ 59,693
2027	845,000	456,236	995,000	47,195
2028	795,000	430,505	855,000	36,084
2029	800,000	406,844	865,000	26,382
2030	815,000	382,706	880,000	16,420
2031	820,000	358,352	70,000	10,673
2032	875,000	332,610	70,000	9,259
2033	880,000	305,550	75,000	7,739
2034	895,000	278,346	75,000	6,123
2035	905,000	250,874	75,000	4,473
2036	920,000	223,133	80,000	2,736
2037	935,000	195,069	80,000	916
2038	950,000	163,856	-	-
2039	970,000	129,356	-	-
2040	995,000	94,181	-	-
2041	1,015,000	58,331	-	-
2042	285,000	33,131	-	-
2043	285,000	18,881	-	-
2044	285,000	5,878	-	-
	$ 15,130,000	$ 4,604,482	$ 5,100,000	$ 227,693

The annual requirements to amortize notes payable outstanding at year end were as follows:

Year ending September 30,	Governmental Activities	
	Principal	Interest
2026	$ 6,908	$ 1,949
2027	7,015	1,685
2028	7,289	1,411
2029	7,574	1,127
2030	7,869	832
2031	8,176	524
2032	4,331	205
Total	$ 49,162	$ 7,733

Year ending September 30,	Business-type Activities	
	Principal	Interest
2026	$ 85,878	$ 23,511
2027	64,690	19,828
2028	68,246	16,271
2029	242,073	7,268
2030	7,869	832
2031	8,176	524
2032	4,331	205
Total	$ 481,263	$ 68,439

The following is an analysis of equipment leased under notes payable as of September 30, 2025:

	Business-Type Activities
Machinery and equipment	$ 751,200
(Less) accumulated depreciation	(182,278)
Total	$ 568,922

	Component Unit Activities
Equipment	$ 693,971
(Less) accumulated depreciation	(340,375)
Total	$ 353,596

Lease Liabilities

Year ending September 30,	Governmental Activities	
	Principal	Interest
2026	$ 26,193	$ 3,818
2027	27,218	2,792
2028	28,285	1,725
2029	29,392	617
Total	$ 111,088	$ 3,818

Year ending September 30,	Business-Type Activities	
	Principal	Interest
2026	$ 3,878	$ 630
2027	4,029	413
2028	4,187	255
2029	4,352	91
Total	$ 16,446	$ 1,389

The City entered into leases to finance copier machines. The property is classified as right to use asset with a total carrying value as of yearend for governmental activities and business-type activities of $111,088 and $16,446, respectively.

G. Other Long-term Liabilities

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general fund and utility fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	$ 879,298	$ 992,802	$ (686,960)	$ 1,185,140	$ 912,015
Total Governmental Activities	$ 879,298	$ 992,802	$ (686,960)	$ 1,185,140	$ 912,015
			Long-term Liabilities Due in More than One Year	$ 273,125	
Business-Type Activities:					
Compensated Absences	$ 237,987	$ 241,929	$ (188,212)	$ 291,704	$ 229,774
Total Business-Type Activities	$ 237,987	$ 241,929	$ (188,212)	$ 291,704	$ 229,774
			Long-term Liabilities Due in More than One Year	$ 61,930	
Component Unit Activities:					
Compensated Absences	$ 3,257	$ 5,187	$ (2,858)	$ 5,586	$ 4,828
Total Component Unit Activities	$ 3,257	$ 5,187	$ (2,858)	$ 5,586	$ 4,828
			Long-term Liabilities Due in More than One Year	$ 758	

H. Interfund Transactions

Transfers between the primary government during the 2025 year were as follows:

	Transfers Out:				
Transfers In:	**General**	**Nonmajor Governmental**	**Utility**	**Storm Water**	**Total**
General	$ -	$ 934	$ 1,005,246	$ 187,015	$ 1,193,195
Capital projects	2,000,000	-	-	-	2,000,000
Governmental activities	-	-	-	78,335	78,335 *
Nonmajor governmental	9,704	-	-	-	9,704
Utility	331,489	-	-	-	331,489
Total	$ 2,341,193	$ 934	$ 1,005,246	$ 265,350	$ 3,612,723

*Represents amount of capital assets transferred to governmental activities during the year.

The Municipal Development District ("MDD") transferred $44,000 to the capital projects fund during the current year.

Transfers between funds were primarily to support debt service requirements and operation of funds.

I. Texas Water Development Board Compliance

Revenue Bonds

In May of 2014, the City issued $2,210,000 worth of waterworks and sewer system revenue refunding bonds, series 2014. For purposes of accumulating and maintaining funds as a reserve for the payment of the bonds, the City is required to maintain a separate and special fund or account to be known as the "Waterworks and Sewer System Revenue Bond Reserve Fund". The City is required to deposit an amount which equals or exceeds the average annual debt service (calculated on a fiscal year basis) for the bonds and the previously issued bonds. All funds deposited in the reserve fund are to be used solely for the payment of the principal of and interest on the bonds when other funds available for such purposes are insufficient. As of September 30, 2025, the amount required to be deposited in the reserve fund equaled $0. The City's does not need to make a deposit in the current year due to the bond maturing.

In addition, for purposes of providing funds to pay the principal of and interest on the bonds as they become due and payable, the City is required to maintain a separate fund known as the

"Waterworks and Sewer System Revenue Refunding Bond Interest and Sinking Fund". The City should deposit into this fund the amounts required to be made for the payment of the 2012 & 2014 revenue bonds, the 2020 GO refunding bonds, and the 2017A CO bonds. The City is required to deposit from the net revenues into the fund an amount equal to the amount required to fully pay the interest on and the principal of the bonds prior to each principal and interest payment date falling due and payable. Such deposits and accrued interest shall be made in substantially equal monthly installments on or before the 15th day of each month. As of September 30, 2025, the amount required to be deposited in the interest and sinking fund equaled $173,658. The City's actual deposit of $337,799 was in excess of this amount and in compliance with the required covenant.

Public Funds Investment & Collateral Acts

State statues require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2025, the market values of pledged securities and FDIC exceeded bank balances. In addition, the City is required to adopt certain standards as it relates to the investment and maintenance of public funds. The City was in compliance with the requirement Public Funds Investment Act and the Public Funds Collateral Act.

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,700 other entities in the Texas Municipal League Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

The City is involved in lawsuits with other parties from time to time. While the ultimate result of these matters cannot be predicted with certainty, the City does not expect them to have a materially adverse effect on the basic financial statements.

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of

expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

C. Pension Plans

Texas Municipal Retirement Systems

Plan Description

The City of Azle participates as one of 938 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

Plan provisions for the City were as follows:

	Plan Year 2023	Plan Year 2024
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI repeating	70% of CPI repeating

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	110
Inactive employees entitled to but not yet receiving benefits	148
Active employees	147
Total	405

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Azle were required to contribute 7% of their annual gross earnings beginning January 1, 2024. During prior years, the City's employees contributed 6% of annual gross earnings. The contribution rates for the City of Azle were 17.02% and 17.15% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were $2,116,828 which equaled the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS for the period ending December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2019 and dated December 31, 2019. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of

return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public/Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. Of the total pension liability, $8,197,920 is related to the primary government and $198,291 is attributable to discretely presented component units.

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net	Total Net Pension Liability	Primary Government	Component Units
Balance at 12/31/23	$ 42,970,462	$ 34,443,280	$ 8,527,182	$ 8,325,617	$ 201,565
Changes for the year:					
Service cost	1,997,044	-	1,997,044	1,947,118	49,926
Interest	2,921,089	-	2,921,089	2,848,062	73,027
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	1,221,635	-	1,221,635	1,191,094	30,541
Changes of assumptions	-	-	-	-	-
Contributions – employer	-	1,919,236	(1,919,236)	(1,871,255)	(47,981)
Contributions – employee	-	789,345	(789,345)	(769,611)	(19,734)
Net investment income	-	3,585,647	(3,585,647)	(3,496,006)	(89,641)
Benefit payments, including refunds of emp. contributions	(1,387,189)	(1,387,189)	-	-	-
Administrative expense	-	(22,952)	22,952	22,378	574
Other changes	-	(537)	537	524	13
Net changes	4,752,579	4,883,550	(130,971)	(127,697)	(3,274)
Balance at 12/31/24	$ 47,723,041	$ 39,326,830	$ 8,396,211	$ 8,197,920	$ 198,291

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

Primary Government

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 15,471,214	$ 8,197,920	$ 2,288,538

Component Unit

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 373,946	$ 198,291	$ 55,315

Total

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 15,845,160	$ 8,396,211	$ 2,343,853

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2025, the City recognized pension expense of $2,250,793. Of this amount, $2,194,523 is related to the primary government and $56,270 is attributable to discretely presented component units.

At September 30, 2025, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Primary Government:		
Difference between projected and actual investment earnings	$ -	$ (443,836)
Differences between expected and actual economic experience	802,698	-
Change in assumptions	-	(69,376)
Contributions subsequent to the measurement date	1,597,680	-
Component Units:		
Difference between projected and actual investment earnings	-	(7,422)
Differences between expected and actual economic experience	20,590	-
Change in assumptions	-	(2,611)
Contributions subsequent to the measurement date	40,966	-
Total	$ 2,461,934	$ (523,245)

The primary government and component units reported $1,597,680 and $40,966, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2026.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Primary Government	Discretely Presented Component Units	Total
2025	$ 302,765	$ 7,763	$ 310,528
2026	681,279	17,469	698,748
2027	(445,664)	(11,427)	(457,091)
2028	(248,894)	(3,248)	(252,142)
2029	-	-	-
Thereafter	-	-	-
	$ 289,486	$ 10,557	$ 300,043

Other Postemployment Benefits

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	57
Inactive employees entitled to but not yet receiving benefits	26
Active employees	147
Total	230

The City's contributions to the TMRS SDBF for the years ended 2025, 2024 and 2023 were $9,891, $8,848, and $7,596, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2023	0.08%	0.08%	100.0%
2024	0.08%	0.08%	100.0%
2025	0.08%	0.08%	100.0%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2024, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
Discount rate	4.08%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.08%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.08%, as well as what the City's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

1% Decrease (3.08%)	Current Single Rate Assumption 4.08%	1% Increase (5.08%)
$ 421,352	$ 352,214	$ 298,062

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/23	$ 350,558
Changes for the year:	
Service Cost	18,042
Interest	13,386
Difference between expected and actual experience	(1,115)
Changes of assumptions	(19,636)
Benefit payments	(9,021)
Net changes	1,656
Balance at 12/31/24	$ 352,214

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized OPEB expense of $14,959.

At September 30, 2025, the City reported deferred outflows and inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	$ -	$ (11,084)
Change in assumptions	-	(76,235)
Contributions subsequent to measurement date	7,623	-
Total	$ 7,623	$ (87,319)

The City reported $7,623 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2026.

Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2025	$ (25,121)
2026	(30,260)
2027	(26,774)
2028	(2,686)
2029	(2,478)
Thereafter	-
	$ (87,319)

F. Restatements

Due to the issuance of GASB 101, *Compensated* Absences, the City restated beginning net position for governmental activities, utility fund, golf course fund, business-type activities, and component unit activities. The below is a summary of the restatements:

	Governmental Activities	Utility	Golf Course	Busniess-Type Activities	Component Unit Crime District
Prior year ending fund balance/net position as reported	$ 47,270,392	$ 47,116,033	$ 4,675,035	$ 60,713,649	$ 555,980
Implementation of GASB 101	(340,976)	(48,343)	(45,725)	(94,068)	(358)
Restated beginning fund balance/net position	$ 46,929,416	$ 47,067,690	$ 4,629,310	$ 60,619,581	$ 555,622

G. New Accounting Pronouncements

The City adopted GASB 101, *Compensated Absences* during the year. The goal of the standard is to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements.

The new guidance introduces three criteria for recording a liability in financial statements prepared using the economic resources measurement focus (often referred to as a "full accrual" basis). A liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered.
- The leave accumulates.
- The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means (likelihood of more than 50 percent).

This standard was applied retroactively and resulted in a sick leave liability of $435,044 as of September 30, 2024.

H. Subsequent Events

There were no material subsequent events through February 16, 2026, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

City of Azle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)

GENERAL FUND

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	$ 9,013,009	$ 9,013,009	$ 8,767,960	$ (245,049)
Sales tax	3,380,000	3,745,094	3,705,418	(39,676)
Franchise and local taxes	805,000	805,000	919,022	114,022
License and permits	370,900	1,400,123	1,402,017	1,894
Intergovernmental	215,000	1,120,000	1,342,398	222,398
Charges for services	790,000	1,058,901	1,104,219	45,318
Fines and forfeitures	617,800	623,800	715,734	91,934
Investment income	-	590,000	561,756	(28,244)
Other revenue	48,050	48,050	41,097	(6,953)
Donations	32,000	32,000	53,810	21,810
Total Revenues	15,271,759	18,435,977	18,613,431	177,454
Expenditures				
Current:				
General government	2,754,660	3,889,668	3,485,225	404,443
Public safety	9,210,257	10,839,986	10,046,453	793,533
Public works	804,182	979,567	1,017,916	(38,349)
Recreation and leisure	2,040,044	2,296,606	2,099,361	197,245
Community development	623,177	1,047,554	1,003,917	43,637
Debt service:				
Principal	-	-	42,449	(42,449)
Interest	-	-	2,698	(2,698)
Capital outlay	-	65,850	264,788	(198,938)
Total Expenditures	15,432,320	19,119,231	17,962,807	1,156,424
Revenues Over (Under) Expenditures	(160,561)	(683,254)	650,624	1,333,878

City of Azle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)

GENERAL FUND

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Sale of assets	$ -	$ -	$ 51,322	$ 51,322
Lease issuance	-	-	111,088	111,088
Insurance recoveries	-	-	87,308	87,308
Transfers in	-	1,314,877	1,193,195	(121,682)
Transfers (out)	(2,000,000)	(2,009,705)	(2,341,193)	(331,488)
Total Other Financing Sources (Uses)	(2,000,000)	(694,828)	(898,280)	(203,452)
Net Change in Fund Balance	$ (2,160,561)	$ (1,378,082)	(247,656)	$ 1,130,426
Beginning fund balance			11,339,204	
Ending Fund Balance			$ 11,091,548	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

City of Azle, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	12/31/2024	12/31/2023	12/31/2022	12/31/2021
Total pension liability				
Service cost	$ 1,997,044	$ 1,748,150	$ 1,597,421	$ 1,253,777
Interest	2,921,089	2,720,695	2,513,292	2,093,594
Changes in benefit terms	-	(389,836)	2,943,808	-
Differences between expected and actual experience	1,221,635	(137,795)	417,716	743,722
Changes of assumptions	-	(193,274)	-	-
Benefit payments, including refunds of participant contributions	(1,387,189)	(1,199,676)	(1,082,965)	(894,960)
Net change in total pension liability	4,752,579	2,548,264	6,389,272	3,196,133
Total pension liability - beginning	42,970,462	40,422,198	34,032,926	30,836,793
Total pension liability - ending (a)	47,723,041	42,970,462	40,422,198	34,032,926
Plan fiduciary net position				
Contributions - employer	$ 1,919,236	$ 1,745,046	$ 1,171,504	$ 1,055,279
Contributions - members	789,345	724,086	564,127	519,844
Net investment income	3,585,647	3,449,907	(2,294,278)	3,546,774
Benefit payments, including refunds of participant contributions	(1,387,189)	(1,199,676)	(1,082,965)	(894,960)
Administrative expenses	(22,952)	(21,902)	(19,824)	(16,391)
Other	(537)	(153)	23,656	114
Net change in plan fiduciary net position	4,883,550	4,697,308	(1,637,780)	4,210,660
Plan fiduciary net position - beginning	34,443,280	29,745,972	31,383,752	27,173,092
Plan fiduciary net position - ending (b)	$ 39,326,830	$ 34,443,280	$ 29,745,972	$ 31,383,752
Fund's net pension liability - ending (a) - (b	$ 8,396,211	$ 8,527,182	$ 10,676,226	$ 2,649,174
Plan fiduciary net position as a percentage of the total pension liability	82%	80%	74%	92%
Covered payroll	$ 11,276,362	$ 10,344,082	$ 9,402,124	$ 8,664,664
Fund's pension liability as a percentage of covered payroll	74%	82%	114%	31%

12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
$ 1,201,629	$ 1,131,846	$ 999,304	$ 919,039	$ 877,496	$ 794,779
1,907,332	1,749,849	1,599,122	1,478,975	1,385,113	1,342,303
-	-	-	-	-	-
501,785	194,127	335,183	22,085	(198,085)	(195,061)
-	58,824	-	-	-	35,963
(859,826)	(813,063)	(720,735)	(639,823)	(749,652)	(600,158)
2,750,920	2,321,583	2,212,874	1,780,276	1,314,872	1,377,826
28,085,873	25,764,290	23,551,416	21,771,140	20,456,268	19,078,442
30,836,793	28,085,873	25,764,290	23,551,416	21,771,140	20,456,268
$ 1,042,825	$ 942,948	$ 827,664	$ 758,769	$ 724,937	$ 681,888
500,679	462,607	407,049	375,629	366,132	340,377
1,871,313	3,222,899	(628,089)	2,493,454	1,118,058	23,774
(859,826)	(813,063)	(720,735)	(639,823)	(749,652)	(600,158)
(12,098)	(18,200)	(12,135)	(12,919)	(12,624)	(14,479)
(472)	(546)	(633)	(654)	(680)	(716)
2,542,421	3,796,645	(126,879)	2,974,456	1,446,171	430,686
24,630,671	20,834,026	20,960,905	17,986,449	16,540,278	16,109,592
$ 27,173,092	$ 24,630,671	$ 20,834,026	$ 20,960,905	$ 17,986,449	$ 16,540,278
$ 3,663,701	$ 3,455,202	$ 4,930,264	$ 2,590,511	$ 3,784,691	$ 3,915,990
88%	88%	81%	89%	83%	81%
$ 8,344,644	$ 7,710,124	$ 6,784,144	$ 6,260,487	$ 6,102,200	$ 5,672,943
44%	45%	73%	41%	62%	69%

City of Azle, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Actuarially determined employer contributions	$ 2,116,828	$ 1,878,384	$ 1,597,219	$ 1,167,544
Contributions in relation to the actuarially determined contribution	$ 2,116,828	$ 1,878,384	$ 1,597,219	$ 1,167,544
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Annual covered payroll	$ 12,364,519	$ 11,059,412	$ 10,084,586	$ 9,423,853
Employer contributions as a percentage of covered payroll	17.12%	16.98%	15.84%	12.39%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 years
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.5%
Salary Increases	3.60% to 11.85%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
$ 1,021,384	$ 1,061,576	$ 903,297	$ 804,583	$ 746,291	$ 718,418
$ 1,021,384	$ 1,061,576	$ 903,297	$ 804,583	$ 746,291	$ 718,418
$ -	$ -	$ -	$ -	$ -	$ -
$ 8,331,931	$ 8,541,078	$ 7,390,631	$ 6,606,400	$ 6,190,722	$ 6,028,397
12.26%	12.43%	12.22%	12.18%	12.05%	11.92%

City of Azle, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM

SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended:

	[1] 12/31/2024	12/31/2023	12/31/2022	12/31/2021
Total OPEB liability				
Service cost	$ 18,042	$ 14,482	$ 29,147	$ 29,460
Interest	13,386	13,201	8,808	8,637
Differences between expected and actual experience	(1,115)	(8,369)	(5,462)	924
Changes of assumptions	(19,636)	16,673	(170,949)	14,719
Benefit payments	(9,021)	(8,276)	(5,641)	(7,798)
Net changes	1,656	27,711	(144,097)	45,942
Total OPEB liability - beginning	350,558	322,847	466,944	421,002
Total OPEB liability - ending	[2] $ 352,214	$ 350,558	$ 322,847	$ 466,944
Covered-employee payroll	$ 11,276,362	$ 10,344,082	$ 9,402,124	$ 8,664,664
Fund's net position as a percentage of covered-employee payroll	3.12%	3.39%	3.43%	5.39%

Notes to schedule:

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

[2] No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

12/31/2020	12/31/2019	12/31/2018	12/31/2017
$ 21,696	$ 16,962	$ 17,639	$ 14,399
9,960	10,761	9,831	9,441
(19,867)	(14,837)	(9,996)	-
59,129	59,666	(21,529)	24,062
(2,503)	(3,084)	(2,034)	(2,505)
68,415	69,468	(6,089)	45,397
352,587	283,119	289,208	243,811
$ 421,002	$ 352,587	$ 283,119	$ 289,208
$ 8,344,644	$ 7,710,124	$ 6,784,144	$ 6,260,487
5.05%	4.57%	4.17%	4.62%

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

City of Azle, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2025

	Court Technology	Court Security	Street Maintenance	Hotel/Motel Tax
Assets				
Cash and cash equivalents	$ 16,895	$ 98,027	$ 112,965	$ 421,565
Taxes receivable, net	-	-	143,972	6,000
Total Assets	$ 16,895	$ 98,027	$ 256,937	$ 427,565
Liabilities				
Accounts payable	$ -	$ 183	$ 12,173	$ -
Total Liabilities	-	183	12,173	-
Fund Balances				
Restricted for:				
Municipal court	16,895	97,844	-	-
Public works	-	-	244,764	-
Parks and recreation	-	-	-	-
Tourism	-	-	-	427,565
Capital projects	-	-	-	-
Total Fund Balances	16,895	97,844	244,764	427,565
Total Liabilities and Fund Balances	$ 16,895	$ 98,027	$ 256,937	$ 427,565

Cable PEG Fees	Tree Reforestation	Roadway Impact Fees	Local Youth Diversion	Police Forfeitures	Total
$ 310,504	$ 201,803	$ 42,664	$ 750	$ 14,986	$ 1,220,159
3,556	-	-	-	-	153,528
$ 314,060	$ 201,803	$ 42,664	$ 750	$ 14,986	$ 1,373,687
$ -	$ -	$ -	$ -	$ -	$ 12,356
-	-	-	-	-	12,356
-	-	-	-	-	114,739
-	-	42,664	-	-	287,428
-	201,803	-	-	-	201,803
-	-	-	-	-	427,565
314,060	-	-	-	-	314,060
314,060	201,803	42,664	750	14,986	1,361,331
$ 314,060	$ 201,803	$ 42,664	$ 750	$ 14,986	$ 1,373,687

City of Azle, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Court Technology	Court Security	Street Maintenance	Hotel/Motel Tax
Revenues				
Taxes	$ -	$ -	$ 926,354	$ 43,119
Fines and fees	14,021	16,885	-	-
Investment income	788	3,731	19,631	16,754
Total Revenues	14,809	20,616	945,985	59,873
Expenditures				
General government	18,134	2,493	-	-
Public works	-	-	1,479,697	-
Total Expenditures	18,134	2,493	1,479,697	-
Revenues Over (Under) Expenditures	(3,325)	18,123	(533,712)	59,873
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(3,325)	18,123	(533,712)	59,873
Beginning fund balances	20,220	79,721	778,476	367,692
Ending Fund Balances	$ 16,895	$ 97,844	$ 244,764	$ 427,565

Cable PEG Fees	Tree Reforestation	Roadway Impact Fees	Local Youth Diversion	Police Forfeitures	Total
$ 13,377	$ -	$ -	$ -	$ -	$ 982,850
-	175,480	36,557	750	6,216	249,909
229	4,862	452	-	-	46,447
13,606	180,342	37,009	750	6,216	1,279,206
-	10,194	-	-	-	30,821
-	-	-	-	-	1,479,697
-	10,194	-	-	-	1,510,518
13,606	170,148	37,009	750	6,216	(231,312)
-	-	-	-	9,704	9,704
-	-	-	-	(934)	(934)
-	-	-	-	8,770	8,770
13,606	170,148	37,009	750	14,986	(222,542)
300,454	31,655	5,655	-	-	1,583,873
$ 314,060	$ 201,803	$ 42,664	$ 750	$ 14,986	$ 1,361,331

City of Azle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COURT TECHNOLOGY

For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and fees	$ 11,000	$ 14,021	$ 3,021
Investment income	600	788	188
Total Revenues	11,600	14,809	3,209
Expenditures			
General government	18,000	18,134	(134) *
Total Expenditures	18,000	18,134	(134)
Revenues Over (Under) Expenditures	(6,400)	(3,325)	3,075
Net Change in Fund Balances	$ (6,400)	(3,325)	$ 3,075
Beginning fund balances		20,220	
Ending Fund Balances		$ 16,895	

See Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

* Expenditures exceeded appropriations at the legal level of control.

City of Azle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COURT SECURITY

For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and fees	$ 13,000	$ 16,885	$ 3,885
Investment income	1,000	3,731	2,731
Total Revenues	14,000	20,616	6,616
Expenditures			
General government	7,500	2,493	5,007
Total Expenditures	7,500	2,493	5,007
Revenues Over (Under) Expenditures	6,500	18,123	11,623
Net Change in Fund Balances	$ 6,500	18,123	$ 11,623
Beginning fund balances		79,721	
Ending Fund Balances		$ 97,844	

See Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

City of Azle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STREET MAINTENANCE

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 830,000	$ 936,273	$ 926,354	$ (9,919)
Investment income	30,000	19,381	19,631	250
Total Revenues	860,000	955,654	945,985	(9,669)
Expenditures				
Public works	1,130,000	1,480,000	1,479,697	303
Total Expenditures	1,130,000	1,480,000	1,479,697	303
Revenues Over (Under) Expenditures	(270,000)	(524,346)	(533,712)	(9,366)
Net Change in Fund Balances	$ (270,000)	$ (524,346)	(533,712)	$ (9,366)
Beginning fund balances			778,476	
Ending Fund Balances			$ 244,764	

See Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

City of Azle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

HOTEL/MOTEL TAX

For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ 24,000	$ 43,119	$ 19,119
Investment income	11,500	16,754	5,254
Total Revenues	35,500	59,873	24,373
Revenues Over Expenditures	35,500	59,873	24,373
Net Change in Fund Balances	$ 35,500	59,873	$ 24,373
Beginning fund balances		367,692	
Ending Fund Balances		$ 427,565	

See Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

City of Azle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CABLE PEG FEES

For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ 20,000	$ 13,377	$ (6,623)
Investment income	200	229	29
Total Revenues	20,200	13,606	(6,594)
Net Change in Fund Balances	$ 20,200	13,606	$ (6,594)
Beginning fund balances		300,454	
Ending Fund Balances		$ 314,060	

See Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

City of Azle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEBT SERVICE FUND

For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	$ 1,377,946	$ 1,387,813	$ 9,867
Investment income	13,000	10,828	(2,172)
Total Revenues	1,390,946	1,398,641	7,695
Expenditures			
Debt Service:			
Principal	850,000	850,000	-
Interest and fiscal charges	538,946	540,246	(1,300)
Administrative charges	2,000	-	2,000
Total Expenditures	1,390,946	1,390,246	700
Revenues Over (Under) Expenditures	-	8,395	8,395
Net Change in Fund Balances	$ -	8,395	$ 8,395
Beginning fund balances		107,819	
Ending Fund Balances		$ 116,214	

See Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

City of Azle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL CAPITAL PROJECTS FUND

For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ -	$ 492,967	$ 492,967
Intergovernmental	2,817,500	173,838	(2,643,662)
Other revenue	25,000	48,586	23,586
Total Revenues	2,842,500	715,391	(2,127,109)
Expenditures			
Capital outlay	8,725,000	419,338	8,305,662
Total Expenditures	8,725,000	419,338	8,305,662
Revenues Over (Under) Expenditures	(5,882,500)	296,053	6,178,553
Other Financing Sources (Uses)			
Transfers in	2,044,000	2,000,000	(44,000)
Total Other Financing Sources (Uses)	2,044,000	2,000,000	(44,000)
Net Change in Fund Balances	$ (3,838,500)	2,296,053	$ 6,134,553
Beginning fund balances		9,742,545	
Ending Fund Balances		$ 12,038,598	

See Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

City of Azle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TREE RESTORATION

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fine and fees	$ -	$ -	$ 175,480	$ 175,480
Investment income	100	100	4,862	4,762
Total Revenues	100	100	180,342	180,242
Expenditures				
General government	28,000	10,200	10,194	6
Total Expenditures	28,000	10,200	10,194	6
Revenues Over (Under) Expenditures	(27,900)	(10,100)	170,148	180,248
Net Change in Fund Balances	$ (27,900)	$ (10,100)	170,148	$ 180,248
Beginning fund balances			31,655	
Ending Fund Balances			$ 201,803	

See Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

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COMBINING AND INDIVIDUAL UTILITY ENTERPRISE SUB-FUNDS

City of Azle, Texas

COMBINING SCHEDULE OF NET POSITION

UTILITY ENTERPRISE (Page 1 of 2)

September 30, 2025

	Water & Sewer Utility	Utility Impact Fee	Utility CIP
Assets			
Current Assets			
Cash and cash equivalents	$ 1,481,472	$ -	$ 289,684
Investments	2,334,476	-	-
Accounts receivable, net	1,346,790	-	-
Lease receivables, current	20,950	-	-
Other receivables	20,013	-	-
Inventories	308,559	-	-
Prepaid items	8,900	-	-
Restricted cash	337,800	-	-
Restricted investments	-	572,870	667,278
Total Current Assets	5,858,960	572,870	956,962
Noncurrent Assets			
Restricted cash:			
Impact fees	-	4,810,340	-
Capital projects	-	-	476,007
Customer deposits	780,081	-	-
Lease receivables, noncurrent	132,415	-	-
Capital assets:			
Non-depreciable	89,937	-	1,208,546
Net depreciable capital assets	41,503,676	-	-
Total Noncurrent Assets	42,506,109	4,810,340	1,684,553
Total Assets	48,365,069	5,383,210	2,641,515
Deferred Outflows of Resources			
Deferred outflows - pension	393,957	-	-
Deferred outflows - OPEB	1,220	-	-
Total Deferred Outflows of Resources	395,177	-	-

	Total
$	1,771,156
	2,334,476
	1,346,790
	20,950
	20,013
	308,559
	8,900
	337,800
	1,240,148
	7,388,792
	4,810,340
	476,007
	780,081
	132,415
	1,298,483
	41,503,676
	49,001,002
	56,389,794
	393,957
	1,220
	395,177

City of Azle, Texas

COMBINING SCHEDULE OF NET POSITION

UTILITY ENTERPRISE (Page 2 of 2)

September 30, 2025

	Water & Sewer Utility	Utility Impact Fee	Utility CIP
Liabilities			
Current Liabilities			
Accounts payable	$ 510,548	$ -	$ 174,495
Accrued liabilities	62,123	-	-
Customer deposits	780,081	-	-
Compensated absences, current	169,316	-	-
Long-term debt, current	990,786	-	-
Accrued interest	10,498	-	-
Total Current Liabilities	2,523,352	-	174,495
Noncurrent Liabilities			
Compensated absences, noncurrent	43,548	-	-
Long-term debt, noncurrent	4,174,822	-	-
Net pension liability	1,554,492	-	-
OPEB liability	56,354	-	-
Total Liabilities	8,352,568	-	174,495
Deferred Inflows of Resources			
Deferred inflows - pension	83,070	-	-
Deferred inflows - OPEB	13,971	-	-
Lease related	144,706	-	-
Total Deferred Inflows of Resources	241,747	-	-
Net Position			
Net investment in capital assets	36,354,446	-	1,381,535
Restricted for:			
Debt service	337,800	-	-
Capital projects	-	5,383,210	1,085,485
Unrestricted	3,473,685	-	-
Total Net Position	$ 40,165,931	$ 5,383,210	$ 2,467,020

See Notes to Financial Statements.

	Total
$	685,043
	62,123
	780,081
	169,316
	990,786
	10,498
	2,697,847
	43,548
	4,174,822
	1,554,492
	56,354
	8,527,063
	83,070
	13,971
	144,706
	241,747
	37,735,981
	337,800
	6,468,695
	3,473,685
$	48,016,161

City of Azle, Texas

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

UTILITY ENTERPRISE

For the Year Ended September 30, 2025

	Water & Sewer Utility	Utility Impact Fee	Utility CIP
Operating Revenues			
Charges for services	$ 10,015,442	$ -	$ -
Other revenue	3,291	-	-
Total Operating Revenues	10,018,733	-	-
Operating Expenses			
Personnel services	2,465,612	-	-
Supplies	825,168	-	-
Maintenance and repairs	785,944	-	39,890
Contractual services	4,042,448	-	-
Depreciation	1,602,226	-	-
Total Operating Expenses	9,721,398	-	39,890
Operating Income (Loss)	297,335	-	(39,890)
Nonoperating Revenues (Expenses)			
Investment income	250,266	221,286	57,783
Insurance recoveries	14,990	-	-
Interest expense	(73,862)	-	-
Fiscal charges	(300)	-	-
Total Nonoperating Revenues (Expenses)	191,094	221,286	57,783
Income Before Capital Contributions and Transfers	488,429	221,286	17,893
Capital Contributions and Transfers			
Contributions-impact fees	-	894,620	-
Transfers in	871,200	-	908,686
Transfers (out)	(1,455,246)	(458,686)	(539,711)
Total Capital Contributions and Transfers	(584,046)	435,934	368,975
Change in Net Position	(95,617)	657,220	386,868
Beginning net position, as previously reported	40,309,891	4,725,990	2,080,152
New Accounting Standard - GASB 101	(48,343)	-	-
Beginning net position, as adjusted	40,261,548	4,725,990	2,080,152
Ending Net Position	$ 40,165,931	$ 5,383,210	$ 2,467,020

	Total
$	10,015,442
	3,291
	10,018,733
	2,465,612
	825,168
	825,834
	4,042,448
	1,602,226
	9,761,288
	257,445
	529,335
	14,990
	(73,862)
	(300)
	470,163
	727,608
	894,620
	1,779,886
	(2,453,643)
	220,863
	948,471
	47,116,033
	(48,343)
	47,067,690
$	48,016,161

City of Azle, Texas

COMBINING SCHEDULE OF CASH FLOWS

UTILITY ENTERPRISE (Page 1 of 2)

For the Year Ended September 30, 2025

	Water & Sewer Utility	Utility Impact Fee	Utility CIP
Cash Flows from Operating Activities			
Payments to employees	$ (2,399,118)	$ -	$ -
Payments to suppliers	(5,561,914)	-	-
Receipts from customers	10,042,068	-	-
Outstanding payables to suppliers	-	-	71,422
Net Cash Provided (Used) by Operating Activities	2,081,036	-	71,422
Cash Flows from Noncapital Financing Activities			
Transfers in	331,489	-	908,686
Transfers (out)	(1,455,246)	(458,686)	-
Collections (payments) of interfund loans	95,754	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,028,003)	(458,686)	908,686
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(811,809)	-	(1,335,404)
Disposal of capital assets	4,047	-	-
Impact fees received	-	894,620	-
Interest paid on capital debt	(74,601)	-	-
Principal paid on capital debt	(991,622)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,873,985)	894,620	(1,335,404)
Cash Flows from Investing Activities			
Reacquistion (purchase) of investments	(100,850)	(24,755)	(29,446)
Interest on investments	234,779	221,286	57,783
Insurance recoveries	14,990	-	-
Net Cash Provided (Used) by Investing Activities	148,919	196,531	28,337
Net Increase (Decrease) in Cash and Cash Equivalents	(672,033)	632,465	(326,959)
Beginning cash and cash equivalents	3,271,386	4,177,875	1,092,650
Ending Cash and Cash Equivalents (including restricted cash)	$ 2,599,353	$ 4,810,340	$ 765,691

	Total
$	(2,399,118)
	(5,561,914)
	10,042,068
	71,422
	2,152,458
	1,240,175
	(1,913,932)
	95,754
	(578,003)
	(2,147,213)
	4,047
	894,620
	(74,601)
	(991,622)
	(2,314,769)
	(155,051)
	513,848
	14,990
	373,787
	(366,527)
	8,541,911
$	8,175,384

City of Azle, Texas

COMBINING SCHEDULE OF CASH FLOWS

UTILITY ENTERPRISE (Page 2 of 2)

For the Year Ended September 30, 2025

	Water & Sewer Utility	Utility Impact Fee	Utility CIP
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income (loss)	$ 297,335	$ -	$ (39,890)
Adjustments to reconcile operating income to net cash provided:			
Depreciation	1,602,226	-	-
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(19,522)	-	-
Inventory	91,535	-	-
Prepaid items	(2,168)	-	-
Increase (Decrease) in:			
Accounts payable	18,172	-	111,312
Accrued liabilities	(15,893)	-	-
Unearned revenue	(5,307)	-	-
Deferred lease revenue	(25,406)	-	-
Compensated absences	44,966	-	-
Deferred outflows - pension contributions	(20,077)	-	-
Deferred outflows - OPEB contributions	-	-	-
Deferred inflows - OPEB expected experience vs. actual	685	-	-
Deferred inflows - pension investment earn	(140)	-	-
Deferred outflows - pension expected experience vs. actual	61,750	-	-
Net pension liability	(20,955)	-	-
OPEB liability	265	-	-
Customer deposits	73,570	-	-
Net Cash Provided (Used) by Operating Activities	$ 2,081,036	$ -	$ 71,422
Schedule of Non-Cash Capital and Related Financing Activities			
Transfer of capital assets between funds	$ 539,711	$ -	$ (539,711)
Capital assets purchased through notes payabl	16,446	-	-

	Total
$	257,445
	1,602,226
	(19,522)
	91,535
	(2,168)
	129,484
	(15,893)
	(5,307)
	(25,406)
	44,966
	(20,077)
	-
	685
	(140)
	61,750
	(20,955)
	265
	73,570
$	2,152,458
$	-
	16,446

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STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends 130

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 141

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity 146

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 154

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 158

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Azle, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2025	2024	2023	2022
Governmental activities				
Net investment in capital assets	$ 30,197,961	$ 29,645,059	$ 29,107,902	$ 27,933,578
Restricted	14,706,214	11,268,314	8,176,591	5,865,272
Unrestricted	5,290,095	6,357,019	4,133,741	6,812,455
Total governmental activities net position	$ 50,194,270	$ 47,270,392	$ 41,418,234	$ 40,611,305
Business-type activities				
Net investment in capital assets	$ 50,127,424	$ 48,237,813	$ 47,500,760	$ 43,903,704
Restricted	7,103,580	6,784,698	4,823,069	4,839,046
Unrestricted	4,911,184	5,691,138	6,884,784	6,653,975
Total business-type activities net position	$ 62,142,188	$ 60,713,649	$ 59,208,613	$ 55,396,725
Primary government				
Net investment in capital assets	$ 80,325,385	$ 77,882,872	$ 76,608,662	$ 71,837,282
Restricted	21,809,794	18,053,012	12,999,660	10,704,318
Unrestricted	10,201,279	12,048,157	11,018,525	13,466,430
Total primary government net position	$ 112,336,458	$ 107,984,041	$ 100,626,847	$ 96,008,030

Source: City audited financial records

2021	2020	2019	2018	2017	2016
$ 24,032,848	$ 22,448,289	$ 20,151,647	$ 18,191,446	$ 18,133,163	$ 16,709,884
4,045,435	2,682,316	2,158,712	2,874,954	2,095,788	2,621,858
6,774,515	6,042,255	6,767,739	7,009,207	5,805,385	4,710,316
$ 34,852,798	$ 31,172,860	$ 29,078,098	$ 28,075,607	$ 26,034,336	$ 24,042,058
$ 37,132,186	$ 34,536,210	$ 30,899,466	$ 29,668,436	$ 28,568,108	$ 28,023,123
4,141,809	3,549,543	4,203,365	4,210,708	3,957,028	3,742,036
5,009,602	4,240,069	3,365,839	2,987,699	2,234,400	1,478,333
$ 46,283,597	$ 42,325,822	$ 38,468,670	$ 36,866,843	$ 34,759,536	$ 33,243,492
$ 61,165,034	$ 56,984,499	$ 51,051,113	$ 47,859,882	$ 46,701,271	$ 44,733,007
8,187,244	6,231,859	6,362,077	7,085,662	6,052,816	6,363,894
11,784,117	10,282,324	10,133,578	9,996,906	8,039,785	6,188,649
$ 81,136,395	$ 73,498,682	$ 67,546,768	$ 64,942,450	$ 60,793,872	$ 57,285,550

City of Azle, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2025	2024	2023	2022
Expenses				
Governmental activities:				
General government	$ 4,273,270	$ 3,693,469	$ 3,935,797	$ 2,855,206
Public safety	10,299,119	9,738,083	10,537,721	7,531,306
Public works	2,958,172	1,552,870	2,822,352	1,850,360
Recreation and leisure	2,341,722	2,232,258	2,054,636	1,620,531
Community development	1,019,208	665,319	679,499	722,043
Interest on long-term debt	478,530	454,753	240,415	239,439
Total governmental activities expenses	21,370,021	18,336,752	20,270,420	14,818,885
Business-type activities:				
Utility	9,835,450	9,457,733	10,355,006	8,479,501
Golf course	1,853,862	1,720,463	1,762,243	1,523,809
Storm water utility	520,581	481,762	457,570	377,258
Total business-type activities expenses	12,209,893	11,659,958	12,574,819	10,380,568
Total primary government expenses	$ 33,579,914	$ 29,996,710	$ 32,845,239	$ 25,199,453
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ -	$ 132,223	$ 919	$ 860,665
Public safety	1,766,934	1,706,037	1,561,235	540,452
Recreation and leisure	55,535	46,696	55,509	41,114
Community development	1,402,017	555,257	545,908	1,349,201
Operating grants and contributions	97,810	870,703	963,058	1,584,969
Capital grants and contributions	1,624,533	3,290,003	2,924,838	2,737,544
Total governmental activities program revenues	4,946,829	6,600,919	6,051,467	7,113,945
Business-type activities:				
Charges for services:				
Utility	$ 10,015,442	$ 10,216,250	$ 10,926,949	$ 10,336,841
Golf course	2,506,410	1,969,533	2,000,905	1,803,664
Storm water utility	625,051	593,301	552,632	527,729
Capital grants and contributions	894,620	651,720	2,146,399	6,973,273
Total business-type activities program revenues	14,041,523	13,430,804	15,626,885	19,641,507
Total primary government program revenues	$ 18,988,352	$ 20,031,723	$ 21,678,352	$ 26,755,452

2021	2020	2019	2018	2017	2016
$ 2,582,629	$ 2,536,444	$ 2,028,156	$ 1,962,994	$ 2,093,348	$ 2,086,541
7,168,093	6,694,648	6,169,132	5,182,350	5,100,964	4,774,299
1,778,963	2,798,478	2,208,463	2,129,943	2,077,628	2,385,564
1,600,244	1,499,379	1,442,735	1,467,387	1,404,364	1,350,538
530,993	347,380	348,737	262,577	240,037	225,597
284,153	332,608	348,230	361,911	573,608	207,710
13,945,075	14,208,937	12,545,453	11,367,162	11,489,949	11,030,249
7,922,358	7,893,329	7,293,864	7,069,165	6,675,446	6,390,912
1,264,368	1,292,138	1,133,824	1,135,975	1,059,490	1,133,152
281,021	254,636	168,863	170,543	155,188	135,233
9,467,747	9,440,103	8,596,551	8,375,683	7,890,124	7,659,297
$ 23,412,822	$ 23,649,040	$ 21,142,004	$ 19,742,845	$ 19,380,073	$ 18,689,546
$ 656,163	$ 638,513	$ 616,207	$ 616,269	$ 538,136	$ 583,991
452,450	530,803	476,298	538,652	608,477	552,410
26,674	29,631	69,157	62,689	72,596	50,311
864,833	519,705	383,754	413,336	781,178	569,666
1,173,707	1,543,721	847,882	592,865	653,851	523,618
1,614,330	1,091,858	218,323	978,591	1,568,114	33,647
4,788,157	4,354,231	2,611,621	3,202,402	4,222,352	2,313,643
$ 9,193,670	$ 8,994,213	$ 8,422,556	$ 8,770,014	$ 7,881,663	$ 7,641,983
1,600,634	1,341,581	1,157,649	1,113,198	1,124,953	1,039,619
506,565	497,843	299,374	254,777	240,935	228,911
2,699,498	2,949,685	652,037	805,037	655,860	596,678
14,000,367	13,783,322	10,531,616	10,943,026	9,903,411	9,507,191
$ 18,788,524	$ 18,137,553	$ 13,143,237	$ 14,145,428	$ 14,125,763	$ 11,820,834

City of Azle, Texas

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2025	2024	2023	2022
Net (Expenses) Revenue				
Governmental activities	$ (16,423,192)	$ (11,735,833)	$ (14,218,953)	$ (7,704,940)
Business-type activities	1,831,630	1,770,846	3,052,066	9,260,939
Total primary government net expense	$ (14,591,562)	$ (9,964,987)	$ (11,166,887)	$ 1,555,999
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Ad valorem taxes	11,582,229	9,928,802	8,949,443	7,378,119
Sales taxes	4,631,772	4,360,559	4,147,648	3,628,226
Franchise taxes	882,996	891,510	850,602	1,661,765
Alcoholic beverage taxes	49,403	45,433	47,662	47,603
Hotel motel taxes	43,119	32,872	29,167	29,500
Oil and gas revenues	48,586	43,395	107,932	166,338
Investment earnings	1,342,718	1,163,265	880,498	130,913
Miscellaneous	168,116	158,905	146,114	83,528
Transfers	939,107	963,250	(133,184)	337,455
Total governmental activities	19,688,046	17,587,991	15,025,882	13,463,447
Business-type activities:				
Investment earnings	596,667	636,582	514,804	76,554
Oil and gas lease	12,838	14,728	64,470	105,702
Miscellaneous	20,579	46,130	47,364	7,388
Transfers	(939,107)	(963,250)	133,184	(337,455)
Total business-type activities	(309,023)	(265,810)	759,822	(147,811)
Total primary government	$ 19,379,023	$ 17,322,181	$ 15,785,704	$ 13,315,636
Change in Net Position				
Governmental activities	$ 3,264,854	$ 5,852,158	$ 806,929	$ 5,758,507
Business-type activities	1,522,607	1,505,036	3,811,888	9,113,128
Total primary government	$ 4,787,461	$ 7,357,194	$ 4,618,817	$ 14,871,635

Source: City audited financial records

2021	2020	2019	2018	2017	2016
$ (9,156,918)	$ (9,854,706)	$ (9,933,832)	$ (8,164,760)	$ (7,267,597)	$ (8,716,606)
4,532,620	4,343,219	1,935,065	2,567,343	2,013,287	1,847,894
$ (4,624,298)	$ (5,511,487)	$ (7,998,767)	$ (5,597,417)	$ (5,254,310)	$ (6,868,712)
6,805,217	6,358,024	5,889,784	5,485,590	4,938,307	4,597,219
3,335,906	3,076,210	2,668,713	2,597,674	2,444,594	2,462,175
1,649,274	1,417,404	1,161,082	884,804	793,898	752,017
20,859	33,456	40,768	24,779	27,069	24,906
27,121	25,474	27,664	30,917	22,102	9,729
76,161	60,239	118,101	158,976	102,187	130,049
47,980	124,379	328,706	303,521	152,857	25,153
202,605	164,026	92,078	180,511	165,357	71,969
671,733	690,256	609,427	626,850	613,504	674,128
12,836,856	11,949,468	10,936,323	10,293,622	9,259,875	8,747,345
25,461	97,657	180,947	95,702	36,899	14,746
46,905	40,407	67,490	64,438	77,660	68,590
24,522	66,125	27,752	6,674	1,702	16,381
(671,733)	(690,256)	(609,427)	(626,850)	(613,504)	(674,128)
(574,845)	(486,067)	(333,238)	(460,036)	(497,243)	(574,411)
$ 12,262,011	$ 11,463,401	$ 10,603,085	$ 9,833,586	$ 8,762,632	$ 8,172,934
$ 3,679,938	$ 2,094,762	$ 1,002,491	$ 2,128,862	$ 1,992,278	$ 30,739
3,957,775	3,857,152	1,601,827	2,107,307	1,516,044	1,273,483
$ 7,637,713	$ 5,951,914	$ 2,604,318	$ 4,236,169	$ 3,508,322	$ 1,304,222

City of Azle, Texas

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2025	2024	2023	2022
General Fund				
Nonspendable:				
Inventories	$ 14,902	$ 29,840	$ 42,972	$ 30,674
Prepaid items	104,729	102,085	20,378	35,281
Advances	-	122,616	232,616	342,616
Restricted for:				
Public safety	401,037	423,461	386,446	369,233
Unassigned	10,570,880	10,661,202	8,897,622	8,327,353
Total general fund	$ 11,091,548	$ 11,339,204	$ 9,580,034	$ 9,105,157
All Other Governmental Funds				
Restricted for:				
Debt service	116,214	107,819	160,504	162,870
Municipal court	114,739	99,941	87,566	69,860
Public works	287,428	784,131	855,219	1,332,463
Economic development	15,736	-	3,679,108	2,626,347
Parks and recreation	201,803	31,655	-	-
Tourism	427,565	367,692	320,412	280,002
Capital projects	18,961,266	15,003,692	2,687,336	1,024,497
Unassigned	-	-	-	-
Total all other governmental funds	$ 20,124,751	$ 16,394,930	$ 7,790,145	$ 5,496,039

Source: City audited financial records

Notes: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2010.

2021	2020	2019	2018	2017	2016
$ 29,283	$ 26,940	$ 4,705	$ 4,250	$ 5,466	$ 4,496
47,004	67,367	8,931	12,150	569	2,238
452,616	452,616	452,616	452,616	452,616	452,617
308,576	33,436	30,584	27,521	24,791	21,859
8,548,821	7,734,218	8,192,880	8,333,797	7,269,853	5,839,320
$ 9,386,300	$ 8,314,577	$ 8,689,716	$ 8,830,334	$ 7,753,295	$ 6,320,530
151,158	141,014	149,826	123,607	88,531	48,448
59,368	48,267	198,154	200,233	191,585	181,367
1,014,854	793,648	954,227	730,408	455,772	219,814
1,756,456	1,060,547	428,957	153,587	40,699	-
-	-	-	-	-	-
249,865	222,469	195,961	167,261	135,679	113,271
505,158	382,935	201,003	7,099,478	10,527,589	2,297,311
-	-	(1,494,241)	-	-	-
$ 3,736,859	$ 2,648,880	$ 633,887	$ 8,474,574	$ 11,439,855	$ 2,860,211

City of Azle, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2025	2024	2023	2022
Revenues				
Taxes	$ 17,180,258	$ 15,226,039	$ 14,082,619	$ 12,700,316
Licenses and permits	1,402,017	555,257	545,908	1,322,516
Fines and fees	965,643	716,633	675,983	539,068
Charges for services	1,104,219	864,824	905,154	859,576
Investment income	1,342,718	1,163,265	880,498	130,913
Intergovernmental	1,516,236	3,680,859	2,592,359	1,418,777
Donations	53,810	104,022	53,706	166,192
Miscellaneous	89,683	111,336	184,135	195,943
Total Revenues	23,654,584	22,422,235	19,920,362	17,333,301
Expenditures				
General government	3,792,737	3,249,148	2,889,848	2,350,257
Public works	915,396	9,391,588	7,912,302	1,353,024
Public safety	10,046,453	891,177	2,097,108	7,060,809
Recreation and leisure	1,937,093	2,194,104	1,450,718	1,331,000
Community development	1,003,917	675,141	576,214	726,123
Capital outlay	2,163,823	1,883,080	1,371,101	2,619,254
Debt Service:				
Principal	880,546	579,144	557,619	548,485
Interest	541,644	238,322	247,464	256,890
Administrative charges	1,300	800	800	800
Bond issuance costs	-	158,506	-	-
Total Expenditures	21,282,909	19,261,010	17,103,174	16,246,642
Excess of Revenues Over (Under) Expenditures	2,371,675	3,161,225	2,817,188	1,086,659
Other Financing Sources (Uses)				
Transfers in	3,202,899	2,420,183	2,339,223	2,139,650
Transfers (out)	(2,342,127)	(1,531,959)	(2,517,002)	(1,802,195)
Debt issued	111,088	5,799,669	59,663	-
Payment to refunding bond escrow agent	-	-	-	-
Premium on bonds issued	-	423,873	-	-
Insurance recoveries	87,308	26,546	69,911	53,923
Sale of assets	51,322	64,418	-	-
Total Other Financing Sources (Uses)	1,110,490	7,202,730	(48,205)	391,378
Net change in fund balances	$ 3,482,165	$ 10,363,955	$ 2,768,983	$ 1,478,037
Debt service as percentage of noncapital expenditures	7.2%	4.8%	5.1%	5.9%

Source: City audited financial records.

2021	2020	2019	2018	2017	2016
$ 11,826,659	$ 10,873,955	$ 9,800,873	$ 9,051,369	$ 8,220,887	$ 7,841,227
864,833	519,705	383,754	413,336	781,178	569,666
479,345	549,256	574,198	627,065	703,064	701,825
631,269	699,143	540,793	523,359	490,930	464,051
47,980	124,379	328,706	303,521	152,857	25,153
1,092,895	1,598,872	878,610	676,650	643,238	518,485
299,197	25,134	35,360	36,470	97,640	-
120,517	105,335	207,693	206,461	244,897	240,799
15,362,695	14,495,779	12,749,987	11,838,231	11,334,691	10,361,206
2,103,921	2,024,978	1,855,292	1,839,619	1,687,848	1,762,599
1,294,594	1,630,888	1,059,714	1,042,914	1,036,996	1,540,518
6,568,733	6,246,307	5,708,981	4,946,320	4,766,924	4,563,586
1,296,407	1,181,139	1,018,001	1,164,741	1,092,038	1,104,276
527,698	339,968	343,361	265,223	237,757	228,470
1,454,941	1,392,918	10,440,450	4,309,956	1,705,113	228,331
525,000	481,667	473,333	455,000	481,666	731,667
301,168	340,687	355,056	368,626	366,810	207,752
400	1,425	1,426	1,424	1,026	3,025
40,113	-	-	-	189,716	-
14,112,975	13,639,977	21,255,614	14,393,823	11,565,894	10,370,224
1,249,720	855,802	(8,505,627)	(2,555,592)	(231,203)	(9,018)
757,251	3,114,651	1,717,906	660,037	687,676	688,190
(85,518)	(2,424,395)	(1,108,479)	(33,187)	(74,172)	(14,062)
1,905,000	-	-	-	11,135,000	-
(1,825,000)	-	-	-	(1,685,000)	-
-	-	-	-	153,207	-
100,738	72,981	-	-	-	-
57,511	20,815	2,486	40,500	26,901	-
909,982	784,052	611,913	667,350	10,243,612	674,128
$ 2,159,702	$ 1,639,854	$ (7,893,714)	$ (1,888,242)	$ 10,012,409	$ 665,110
6.5%	6.7%	7.7%	8.2%	8.6%	9.3%

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City of Azle, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended Sept 30	Estimated Market Value		Less:	Total Taxable	Total Direct
	Real Property	Personal Property	Tax Exempt Property	Assessed Value	Tax Rate
2016	$ 760,226,233	$ 58,968,269	$ 148,135,846	$ 671,058,656	$ 0.67950
2017	866,199,279	62,524,484	202,256,870	726,466,893	0.67950
2018	1,001,959,296	64,163,391	245,248,061	820,874,626	0.67150
2019	1,091,279,458	68,829,218	245,718,805	914,389,871	0.66729
2020	1,178,465,058	71,430,498	209,230,725	1,040,664,831	0.65720
2021	1,255,957,297	75,427,158	215,272,402	1,116,112,053	0.65720
2022	1,400,994,516	75,004,873	231,112,447	1,244,886,942	0.64615
2023	1,551,412,851	75,004,873	241,320,551	1,385,097,173	0.62343
2024	1,927,346,429	92,091,783	317,599,413	1,701,838,799	0.56887
2025	2,205,938,594	72,200,792	411,299,415	1,866,839,971	0.61409

Source: Tarrant and Parker County Appraisal Districts

City of Azle, Texas

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years (Unaudited)

Fiscal Year	CITY OF AZLE			AZLE INDEPENDENT SCHOOL DISTRICT		
	Operating	Debt Service	Total City	Operating	Debt Service	Total AISD
2016	$ 0.5415	$ 0.1380	$ 0.6795	$ 1.0400	$ 0.1630	$ 1.2030
2017	0.5606	0.1189	0.6795	1.0400	0.1630	1.2030
2018	0.5701	0.1014	0.6715	1.0400	0.2890	1.3290
2019	0.5756	0.0917	0.6673	1.1700	0.1590	1.3290
2020	0.5793	0.0779	0.6572	1.0684	0.1790	1.2474
2021	0.5860	0.0712	0.6572	1.0508	0.1966	1.2474
2022	0.5821	0.0641	0.6461	0.9720	0.2506	1.2226
2023	0.5695	0.0539	0.6234	0.9364	0.2741	1.2105
2024	0.5222	0.0467	0.5689	0.7510	0.2740	1.0250
2025	0.5324	0.0817	0.6141	0.7487	0.3492	1.0979

Source: Tarrant and Parker County Appraisal Districts

PARKER COUNTY				TARRANT COUNTY					
County	Hospital	Junior College	Total County	County	Hospital	College	Water District	Total County	Total Direct & Overlapping Rates
$ 0.3955	$ 0.1117	$ 0.1136	$ 0.6208	$ 0.2640	$ 0.2279	$ 0.1495	$ 0.0200	$ 0.6614	$ 3.1647
0.4187	0.1118	0.1202	0.6507	0.2540	0.2279	0.1447	0.0194	0.6460	3.1792
0.3902	0.1115	0.1195	0.6212	0.2440	0.2244	0.1401	0.0194	0.6279	3.2496
0.3023	0.1115	0.1195	0.5333	0.2340	0.2244	0.1361	0.0194	0.6139	3.1435
0.3586	0.1074	0.1150	0.5810	0.2340	0.2244	0.1302	0.0287	0.6173	3.1029
0.3586	0.1074	0.1254	0.5914	0.2340	0.2244	0.1302	0.0287	0.6173	3.1133
0.3293	0.1051	0.1225	0.5569	0.2290	0.2244	0.1302	0.0287	0.6123	3.0379
0.3123	0.1051	0.1225	0.5399	0.2240	0.2244	0.1302	0.0269	0.6055	2.9793
0.2871	0.0922	0.1061	0.4854	0.1945	0.1945	0.1122	0.0267	0.5279	2.6072
0.2992	0.0895	0.1061	0.4948	0.1875	0.1825	0.1123	0.0267	0.5090	2.7158

City of Azle, Texas

PRINCIPAL PROPERTY TAX PAYERS

Current and Nine Years Ago (Unaudited)

	2025			2016		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
SPAA MF INVESTMENT LP	$ 34,990,646	1	1.87%	$ -	-	0.00%
TFG REATA WEST LLC	33,035,725	2	1.77%	-	-	0.00%
CSL AZLE 2016 LLC	30,236,632	3	1.62%	-	-	0.00%
SMC AZLE LLC	22,999,954	4	1.23%	-	-	0.00%
WALMART	21,512,230	5	1.15%	18,219,750	1	2.72%
AZLE MANOR INC/EAGLE CREST PROPERTIES LP	11,161,761	6	0.60%	5,939,422	5	0.89%
CHARTER COMMUNICATIONS	10,643,442	7	0.57%		-	0.00%
KORCHA LLC/KORCHA MANAGEMENT LLC	10,398,295	8	0.56%		.	0.00%
STUART C IRBY	7,746,150	9	0.41%		-	0.00%
ONCOR	7,637,300	10	0.41%		-	0.00%
Quality Trailer	-	-	0.00%	7,756,830	2	1.16%
TJ Machine & Tool	-	-	0.00%	6,481,110	4	0.97%
RR Cross, LLC	-	-	0.00%	3,501,140	6	0.52%
ABS Tx Investor LP	-	-	0.00%	7,736,990	3	1.15%
Jack D Truly				3,175,000	7	0.47%
RaceTrac Petroleum INC	-	-	0.00%	3,152,818	9	0.47%
US Realty 87 Azle Assoc	-	-	0.00%	2,500,000	9	0.37%
Cole CV				2,289,000	10	0.34%
Total	$ 190,362,135			$ 60,752,060		
Total Assessed Value	$ 1,866,839,971			$ 671,058,656		

Source: Tarrant and Parker County Appraisal Districts

City of Azle, Texas

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Tax Levy		Amount	Percentage of Tax Levy
2016	$ 4,559,843	$ 4,506,994	98.8%	$ 48,834	$ 4,555,828	99.9%
2017	4,936,343	4,874,866	98.8%	58,884	4,933,750	99.9%
2018	5,512,173	5,457,462	99.0%	51,210	5,508,672	99.9%
2019	6,101,605	6,049,771	99.2%	44,808	6,094,579	99.9%
2020	6,838,436	6,762,029	98.9%	68,849	6,830,878	99.9%
2021	7,321,815	7,255,949	99.1%	57,365	7,313,314	99.9%
2022	8,033,295	7,940,275	98.8%	78,652	8,018,927	99.8%
2023	8,713,460	8,620,755	98.9%	64,210	8,684,965	99.7%
2024	9,667,576	9,565,409	98.9%	57,701	9,623,110	99.5%
2025	11,215,606	11,092,020	98.9%	-	11,092,020	98.9%

Source: Tarrant County Tax Office

City of Azle, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years (Unaudited)

	Governmental Activities			Business-type Activities		
Fiscal Year	General Obligation Bonds	Notes Payable	Lease Liabilities	Water & Sewer Bonds	General Obligation Bonds	Tax Notes
2016	$ 4,801,804	$ -	$ -	$ 15,100,000	$ 283,333	$ 80,000
2017	13,917,139	-	-	13,900,000	1,550,000	-
2018	13,455,671	-	-	12,675,000	2,655,000	-
2019	12,975,870	-	-	11,430,000	2,398,333	-
2020	12,487,108	-	-	1,965,000	9,825,000	-
2021	11,981,988	37,527	-	1,395,000	8,905,000	-
2022	11,445,692	19,042	-	810,000	7,970,000	-
2023	10,899,396	61,086	-	215,000	7,030,000	-
2024	16,501,650	59,669	31,942	-	6,070,000	-
2025	15,624,096	49,162	111,088	-	5,100,000	-

Notes: Details regarding the City's outstanding debt can be found in the notes to financial statements.

Business-type Activities				
Notes Payable	Lease Liabilities	Total Primary Government	Percentage of Personal Income	Per Capita
$ 84,458	$ -	$ 20,349,595	6.17%	$ 1,783
68,702	-	29,435,841	8.52%	2,495
52,398	-	28,838,069	8.46%	2,375
35,526	-	26,839,729	7.03%	2,118
256,341	-	24,533,449	5.81%	1,914
402,188	11,417	22,733,120	5.20%	1,757
709,981	5,793	20,960,508	4.21%	1,540
546,391	17,930	18,769,803	3.40%	1,313
641,786	11,114	23,316,161	4.06%	1,570
481,263	16,446	21,382,055	3.59%	1,420

City of Azle, Texas

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value[1] of Property	Per Capita[2]
2016	$ 5,165,137	$ 48,448	$ 5,116,689	0.76%	$ 448
2017	15,467,139	88,532	15,378,607	2.12%	1,303
2018	16,110,671	123,607	15,987,064	1.95%	1,317
2019	15,374,203	149,826	15,224,377	1.66%	1,202
2020	22,312,108	141,014	22,171,094	2.13%	1,729
2021	20,886,988	151,158	20,735,830	1.86%	1,602
2022	19,415,692	162,870	19,252,822	1.55%	1,415
2023	17,929,396	160,504	17,768,892	1.28%	1,243
2024	22,571,650	107,819	22,463,831	1.32%	1,513
2025	20,724,096	116,214	20,607,882	1.10%	1,369

[1] See the Schedule of Assessed and Estimated Actual Value of Taxable Property for property value data.

[2] Population data can be found in the Schedule of Demographic and Economic Statistics.

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

City of Azle, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2025 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Azle Independent School District	$ 268,840,000	29.23%	$ 78,581,932
Parker County	197,600,000	1.66%	3,280,160
Parker County Junior College District	1,040,000	1.66%	17,264
Tarrant County	314,050,000	0.42%	1,319,010
Tarrant County College District	547,535,000	0.42%	2,299,647
Tarrant County Hospital District	431,255,000	0.42%	1,811,271
Tarrant Regional WD	98,710,000	1.14%	1,125,294
Subtotal, overlapping debt			87,309,284
City of Azle, direct debt		100%	15,784,346
Total direct and overlapping debt			$ 103,093,630

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping by the residents and businesses of the City of Azle. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply the every taxpayer is a resident--and therefore responsible for repaying the debt--of each overlapping government.

[1] For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Source: Debt outstanding estimates and percentage of debt provided by the Municipal Advisory Council of Texas.

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City of Azle, Texas

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Tax Rate Limit	Tax Rate	Available Tax Rate
2016	2.5000	0.6795	1.8205
2017	2.5000	0.6795	1.8205
2018	2.5000	0.6715	1.8285
2019	2.5000	0.6673	1.8327
2020	2.5000	0.6572	1.8428
2021	2.5000	0.6462	1.8538
2022	2.5000	0.6462	1.8538
2023	2.5000	0.6234	1.8766
2024	2.5000	0.5689	1.9311
2025	2.5000	0.6141	1.8859

Note: The City Charter of the City of Azle does not provide for a debt limit. Under the provisions of state law, the maximum tax rate is limited to $2.50 per $100 assessed valuation.

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City of Azle, Texas

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Waterworks and Sewer System Revenue Bonds					
	Total Revenues[1]	Less: Operating Expenses[3]	Net Available Revenue	Debt Service [2]		
				Principal	Interest	Coverage
2016	$ 7,149,828	$ 4,783,361	$ 2,366,467	$ 1,180,000	$ 375,824	1.52
2017	7,471,966	4,962,666	2,509,300	1,200,000	356,539	1.61
2018	8,670,978	5,385,715	3,285,263	1,225,000	335,045	2.11
2019	8,567,224	5,664,023	2,903,201	1,245,000	311,529	1.87
2020	9,071,016	6,170,629	2,900,387	1,270,000	309,363	1.84
2021	9,223,859	6,428,568	2,795,291	570,000	41,488	4.57
2022	10,391,730	6,947,598	3,444,132	585,000	29,376	5.61
2023	11,375,471	8,788,472	2,586,999	595,000	16,986	4.23
2024	10,775,166	7,888,895	2,886,271	215,000	4,386	13.16
2025	10,334,388	8,212,893	2,121,495	-	-	-

[1] Total revenue includes total water and sewer operating and non-operating revenue.

[2] Includes principal and interest of revenue bonds only. It does not include certificates of obligation or other debt reported in the water and sewer fund.

[3] Water and sewer operating expenses less depreciation and amortization.

City of Azle, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population[1]	Personal Income[3]	Per Capita Personal Income	Median Age
2016	11,410	$ 329,851,690	$ 28,909 [1]	41.8 [1]
2017	11,800	345,492,200	29,279 [1]	43.5 [1]
2018	12,140	340,879,060	28,079 [1]	42.2 [1]
2019	12,670	381,531,710	30,113 [1]	42.2 [1]
2020	12,820	422,277,980	32,939 [1]	40.1 [2]
2021	12,940	437,423,760	33,804 [1]	40.4 [2]
2022	13,610	497,949,070	36,587 [1]	38.2 [2]
2023	14,300	552,537,700	38,639 [1]	36.9 [2]
2024	14,847	573,673,233	38,639 [1]	36.9 [2]
2025	15,054	595,882,482	39,583 [1]	35.9 [2]

Data Sources:

[1] North Central Texas Council of Governments

[2] United States Census Bureau

[3] Personal Income derived by multiplying per capita personal income by population

[4] ESRI Business Analyst

[5] Azle Independent School District

[6] U.S. Bureau of Labor Statistics

School Enrollment[5]	Unemployment Rate[6]
6,325	4.1%
6,460	3.4%
6,553	3.4%
6,817	3.1%
6,815	7.6%
6,885	4.5%
6,889	3.5%
7,089	3.8%
7,218	3.9%
7,288	3.9%

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City of Azle, Texas

PRINCIPAL EMPLOYERS

Current and Nine Years Ago (Unaudited)

	2025			2016		
Employer	No. Employees [1]	Rank	Percentage of Total City Employment	No. Employees [2]	Rank	Percentage of Total City Employment
Azle Independent School District	1,137	1	17.4%	842	1	15.5%
Wal-Mart	426	2	6.5%	384	2	7.1%
Texas Health/Harris Methodist Hospital	291	3	4.4%	240	3	4.4%
City of Azle	163	4	2.5%	112	6	2.1%
Integrated Machine Solutions	154	5	2.4%	61	10	1.1%
Tri-County Electric Coop	142	6	2.2%	142	4	2.6%
Rockwell American (Quality Trailer)	105	7	1.6%	100	7	-
Azle Manor Nursing Home	100	8	1.5%	-	-	-
Albertson's Grocery	100	9	1.5%	100	8	1.8%
Brookshires	90	10	1.4%	65	9	1.2%
Bur-Mont Inc	-	-	-	138	5	2.5%
City of Azle Total	2,708		41.4%	2,184		38.5%

(1) Total city employment for year 2025 is 6545, which is based on the change in unemployment rate and population.

(2) Total employment per employer was taken from Municipal Advisory Council of Texas, First Southwest Company or directly from Employer

Note: Total employment per employer was taken from Azle Absolutely.com/City of Azle website or directly from the employer

City of Azle, Texas

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

	2025	2024	2023	2022
Function / Program				
General government	18.5	14.5	15.5	15
Public safety:				
Police	44.0	41.0	44.5	43
Fire	27	24	24	24
Animal control	6	6	5	4
Public works	9	9	9	9
Recreation and leisure	14	13	14	14
Community development	2.5	4.5	5.0	5.5
Golf course	5	5	5	4
Water	11	11	11	8.5
Sewer	7	7	7	6.5
Maintenance	10	10	10	10
Total all funds	154.0	145.0	150.0	143.5

Source: City budget

2021	2020	2019	2018	2017	2016
15	15	13	13	13	12
39.5	39.5	38	35	35	35
21	21	21	18	17	17
4	4	4	4	4	4
8	8	8	8	8	9
14	14	13	13	13	14
5	5	5	4	4	4
3	3	3	3	2	2
8.5	8.5	9	9	9	8
6.5	6.5	7	6	6	6
9	9	9	9	9	9
133.5	133.5	130	122	120	120

City of Azle, Texas

OPERATING INDICATORS BY FUNCTIONS/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function/Program	2025	2024	2023	2022
Public Safety				
Number of employees	42	40	45	43
Number of violations	5,462	5,517	5,794	5,864
Fire:				
Number of employees	38	19	24	24
Number of fire runs	4,188	3,903	4,149	3,738
Number of EMS runs	2,522	2,230	2,437	2,567
Streets				
Street resurfacing (miles)	1.71	2.25	1.9	2.03
Recreation & leisure				
Parks and recreation				
Number of facility rentals processed	331	221	-	-
Library				
Volumes in collection	66,018	60,629	58,932	57,563
Community development				
Number of inspections performed	8,645	5,557	7,163	7,717
Number of permits issued	1,059	1,214	834	951
Golf course				
Number of paid rounds played	44,302	38,307	44,878	42,062
Water				
Number of water customers	6,737	6,249	5,162	6,144
Average daily consumption (gallons	1,798,480	1,748,518	1,867,280	1,763,824
Maximum storage capacity (gallons)	3,900,000	3,900,000	3,900,000	3,900,000
Sewer				
Average daily treatment (gallons)	1,334,000	1,346,000	1,282,222	1,250,946

Source: City departments

2021	2020	2019	2018	2017	2016
42	42	40	37	34	34
2,551	3,865	3,520	3,997	4,403	5,390
21	21	21	17	17	17
3,138	2,868	2,511	1,900	1,688	1,337
2,437	2,202	2,173	1,938	2,029	1,954
1.65	2.9	1.5	1.31	2.4	1.96
-	40	251	204	180	194
55,873	53,681	58,789	58,544	59,274	62,854
2,439	2,184	1,640	2,260	2,813	1,652
734	353	776	825	1,017	1,325
41,268	36,668	35,205	33,131	33,680	32,641
5,822	5,719	5,544	5,468	5,334	5,161
1,463,428	1,506,760	1,277,360	1,579,447	1,414,786	1,347,286
3,900,000	3,900,000	3,900,000	3,900,000	3,900,000	3,900,000
1,278,101	1,231,000	1,161,580	932,811	1,035,000	1,084,481

City of Azle, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function	2025	2024	2023	2022
Police				
Number of stations	1	1	1	1
Number of patrol units	24	27	27	27
Fire				
Number of stations	1	1	1	1
Streets and Grounds				
Streets (miles)	71.5	71.5	69	68
Streetlights	729	682	643	574
Recreation & leisure				
Parks (acreage)	89	89	89	89
Parks	4	4	4	4
Community/senior centers	3	3	3	3
Golf course				
Course (acreage)	213	213	213	213
Water				
Water mains (miles)	136.0	136.0	134.5	133
Fire hydrants	772	772	760	753
Maximum daily capacity (gallons)	6,000,000	6,000,000	6,000,000	6,000,000
Sewer				
Sanitary sewer (miles)	71	71	69	68
Maximum daily capacity (gallons)	2,450,000	2,450,000	2,450,000	2,450,000
Storm water				
Storm sewers (miles)	84	84	83.25	82.5

Source: City departments

2021	2020	2019	2018	2017	2016
1	1	1	1	1	1
24	23	21	20	20	18
1	1	1	1	1	1
65.91	65.16	65.16	65.16	65.16	64.76
570	570	582	459	459	459
89	89	89	89	89	88
4	4	4	4	4	4
3	3	3	3	3	3
213	213	213	213	213	213
127	125	124	119	116	115
702	686	683	653	644	636
6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
62	60	60	58	57	56
2,450,000	2,450,000	2,450,000	2,450,000	2,450,000	2,450,000
81.65	81	80	80	80	80

BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

February 16, 2026

To the Honorable Mayor,
Members of the City Council
and management
City of Azle, Texas

We have audited the financial statements of the City of Azle, Texas as of and for the year ended September 30, 2025, and have issued our report thereon dated February 16, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 1, 2023, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Azle, Texas solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting material weaknesses and material noncompliance, and other matters noted during our audit in a separate letter to you dated February 16, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, and as appropriate, our firm have complied with all relevant ethical requirements regarding independence.

Our firm and staff do not have any existing relationships, conflicts of interest, or other conditions or circumstances that would impair our independence with the City under U.S. GAAS or ***Government Auditing Standards***

For any nonattest service provided by our firm, management of the City maintained responsibility for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Azle, Texas is included in Note 1 to the financial statements. The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 101, entitled Compensated Absences. during the year end September 30, 2025; No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are.

Management's estimate of the useful lives of capital assets is based on industry standards relating to capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City of Azle, Texas's financial statements relate to the City's disclosure of capital assets and long-term debt.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements to report during the year.

In addition, professional standards require us to communicate to you all material, audit adjustments that were brought to the attention of management as a result of our audit procedures. See exhibit 1 for a listing of audit adjustments noted during the year.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City of Azle, Texas's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated February 16, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City of Azle, Texas, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City of Azle, Texas's auditors.

Emphasis of Matters

As discussed in Note V.F. to the financial statements, due to the implementation of GASB 101, *Compensated Absences*, the City restated beginning net position for governmental activities, utility fund, golf course fund, business-type activities, and component unit activities. Our opinion is not modified with respect to this matter.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City of Azle, Texas's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

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

Respectfully,

BrooksWatson & Co., PLLC
Houston, Texas

Exhibit 1

Correcting Audit Entries

Adjusting Journal Entries JE # 1 To restate for GASB 101 sick leave balances			
02-4900	FUND BALANCE - UNRESERVED	48,342.65	
10-4900	FUND BALANCE - UNRESERVED	45,725.35	
15-4900	FUND BALANCE - UNRESERVED	358.49	
02-700-5002	SALARIES		4,199.84
02-701-5002	SALARIES		10,664.84
02-710-5002	SALARIES		12,299.03
02-720-5002	SALARIES		16,836.53
02-730-5002	SALARIES		4,342.41
10-750-5002	SALARIES		26,587.99
10-751-5002	SALARIES		5,394.41
10-753-5002	SALARIES		13,742.95
15-636-5002	SALARIES		348.14
15-647-5002	SALARIES		10.35
Total		**94,426.49**	**94,426.49**

Adjusting Journal Entries JE # 2 To remove erroneous outstanding deposit associated with TMRS accrual			
01-2200	TMRS PAYABLE	210,186.93	
02-2200	TMRS PAYABLE	35,923.24	
99-2300	DUE TO OTHER FUNDS	246,110.17	
01-1000	CLAIM ON CASH		210,186.93
02-1000	CLAIM ON CASH		35,923.24
99-1000	POOLED CASH		246,110.17
Total		**492,220.34**	**492,220.34**

BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

February 16, 2026

To the Honorable Mayor,
Members of the City Council
and management
City of Azle, Texas

In planning and performing our audit of the financial statements of the City of Azle, Texas (the "City"), as of and for the year ended September 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Other matters are any additional noteworthy items that are unrelated to internal control such as compliance with laws and regulations. In addition, we noted other matters involving the internal control and its operation:

1. **TMRS CENSUS DATA**

   Finding

   An employee who was active in the City's payroll records was reflected as inactive in the TMRS census data report. In addition, covered pay per the census data did not agree to City payroll wages because the TMRS deduction was not enabled for that employee. Management has since corrected the issue.

   Recommendation

   We recommend the City periodically reconcile the TMRS census data report to the City's payroll records to confirm employee status and covered payroll are reported accurately. If a similar discrepancy occurs in the future, the City should promptly contact TMRS to ensure changes are captured properly and employees are reported correctly for the applicable calendar year.

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

Respectfully,

BrooksWatson & Co.

BrooksWatson & Co., PLLC
Houston, Texas

Item Number: 9

Presenter:	**David Hawkins, Director of Planning and Development**
Agenda Item:	**Consider any action on Ordinance No. 2026-04 regarding the adoption of the 2024 International Building Codes and the 2023 National Electrical Code with North Central Texas Council of Governments (NCTCOG) amendments.**

Background and Explanation:

The City is currently working under the 2018 International Codes (Building, Fire, Mechanical, Plumbing, Residential, Energy Conservation, and Fuel Gas) and the 2017 National Electrical Code, all with North Central Texas Council of Governments (NCTCOG) amendments. Staff is proposing the City Council to adopt the latest edition of the International Codes (2024) and National Electrical Code (2023) along with the NCTCOG recommended amendments. The NCTCOG amendments have been adopted by the majority of municipalities in the area so that contractors working in numerous municipalities may work under the same regulations. Staff is also proposing a 60-day grace period before the code goes into effect to allow time for the City to communicate with the building community about this new change.

Included in this packet are the draft ordinances for the 2024 ICC codes and 2023 National Electric Code with proposed amendments, and a Significant Code Update Handout that summarizes the big changes.

Board/Commission/Committee Recommendation:

The Building Board of Appeals considered the proposed 2024 International Codes and 2023 NEC with the NCTCOG amendments at their January 26, 2026 meeting and recommended approval by a vote of 4-0 as presented.

Staff Recommendation:

Staff forwards this agenda item to the CIty Council with a recommendation for approval.

Attachments:

1. Ordinance No. 2026-04 2024 ICC Codes with Amendments
2. Azle Significant Code Update Handout

ORDINANCE NO. 2026-04

AN ORDINANCE OF THE CITY OF AZLE, TEXAS AMENDING VARIOUS PROVISIONS OF CHAPTER 3, "BUILDING REGULATIONS" TO ADOPT THE 2024 INTERNATIONAL BUILDING CODE, 2024 INTERNATIONAL RESIDENTIAL CODE, 2023 NATIONAL ELECTRICAL CODE, 2024 INTERNATIONAL PLUMBING CODE, 2024 INTERNATIONAL MECHANICAL CODE, 2024 INTERNATIONAL ENERGY CONSERVATION CODE, AND 2024 INTERNATIONAL FUEL GAS CODE AS THE OFFICIAL MUNICIPAL CODES OF THE CITY; PROVIDING FOR RECORDING OF THE CODES AS A PUBLIC RECORD; PROVIDING FOR THE ISSUANCE OF PERMITS AND COLLECTION OF FEES THEREFORE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Azle is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the State of Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City of Azle has previously adopted versions of nationally-recognized municipal codes, codified in Chapter 3 "Building Regulations" of the Code of Ordinances, City of Azle, Texas; and

WHEREAS, the City, having reviewed the available codes, desires to adopt a more recent set of nationally-recognized municipal codes to meet the needs of the City; and

WHEREAS, the City of Azle desires to amend various provisions of Chapter 3, "Building Regulations" of the Code of Ordinances, City of Azle, Texas to adopt the 2024 International Building Code with local amendments, the 2024 International Residential Code with local amendments, the 2023 National Electrical Code with local amendments, the 2024 International Plumbing Code with local amendments, the 2024 International Mechanical Code with local amendments, the 2024 International Energy Conservation Code with local amendments, and the 2024 International Fuel Gas Code with local amendments, as the official municipal codes of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AZLE, TEXAS;

SECTION 1.

Division 2 "Building Code" of Article 3.03 "Technical and Construction Codes and Standards" of Chapter 3 "Building Regulations" of the Code of Ordinances, City of Azle, Texas is hereby amended to read as follows:

“Section 3.03.051 Adopted.

The 2024 Edition of the International Building Code is hereby adopted as the official building code of the City of Azle, Texas, and is fully incorporated by reference as though copied into this section in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours."

Section 3.03.052 Local Amendments.

The 2024 Edition of the International Building Code, as adopted herein, is hereby amended by adoption of those local amendments shown on Exhibit "A" attached hereto.

Sections 3.03.053-3.03.100 (Reserved).”

SECTION 2.

Division 3 "Residential Code" of Article 3.03 "Technical and Construction Codes and Standards" of Chapter 3 "Building Regulations" of the Code of Ordinances, City of Azle, Texas is hereby amended to read as follows:

“Section 3.03.101 Adopted.

The 2024 International Residential Code is hereby adopted as the official residential code of the City of Azle, Texas, and is fully incorporated by reference as though copied into this section in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours."

Section 3.03.102 Local Amendments.

The 2024 Edition of the International Residential Code, as adopted herein, is hereby amended by adoption of those local amendments shown on Exhibit "B" attached hereto."

Sections 3.03.103-3.03.150 (Reserved).”

SECTION 3.

Part II "National Electrical Code" of Division 4 "Electrical Work" of Article 3.03 "Technical and Construction Codes and Standards" Chapter 3 "Building Regulations" of the Code of Ordinances, City of Azle, Texas is hereby amended to read as follows:

“Section 3.03.211 Adopted.

The 2023 National Electrical Code is hereby adopted as the official electrical code of the City of Azle, Texas, and is fully incorporated by reference as though copied into this section in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours.

Section 3.03.212 Local Amendments.

The 2023 Edition of the National Electrical Code, as adopted herein, is hereby amended by adoption of those local amendments shown on Exhibit "C" attached hereto.

Sections 3.03.213-3.03.240 (Reserved).”

SECTION 4.

Section 3.03.301 "Adopted", of Division 5 "Plumbing Code" of Article 3.03 "Technical and Construction Codes and Standards" of Chapter 3 "Building Regulations" of the Code of Ordinances, City Azle, Texas is hereby amended to read as follows:

“Section 3.03.301 Adopted.

The 2024 International Plumbing Code is hereby adopted as the official plumbing code of the City of Azle, Texas, and is fully incorporated by reference as though copied into this section in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours."

SECTION 5.

Section 3.03.303, "Local Amendments" of Division 5 "Plumbing Code" of Article 3.03 "Technical and Construction Codes and Standards" of Chapter 3 "Building Regulations" of the Code of Ordinances, City of Azle, Texas is hereby amended to read as follows:

“Section 3.03.303 Local Amendments.

The 2024 Edition of the International Plumbing Code, as adopted herein, is hereby amended by adoption of those local amendments shown on Exhibit "D" attached hereto."

SECTION 6.

Section 3.03.051 "Adopted", of Division 6 "Mechanical Code" of Article 3.03 'Technical and Construction Codes and Standards" of Chapter 3 "Building Regulations" of the Code of Ordinances, City of Azle, Texas is hereby amended to read as follows:

“Section 3.401 Adopted.

The 2024 International Mechanical Code is hereby adopted as the official mechanical code of the City of Azle, Texas, and is fully incorporated by reference as though copied into this section in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours."

SECTION 7.

Section 3.03.353, "Local Amendments" of Division 6 "Mechanical Code" of Article 3.03

"Technical and Construction Codes and Standards" of Chapter 3 "Building Regulations" of the Code of Ordinances, City Azle, Texas is hereby amended to read as follows:

“Section 3.404 Local Amendments.

The 2024 Edition of the International Mechanical Code, as adopted herein, is hereby amended by adoption of those local amendments shown on Exhibit "E" attached hereto."

SECTION 8.

Division 7 "Energy Conservation Code" of Article 3.03 "Technical and Construction Codes and Standards" of Chapter 3 "Building Regulations" of the Code of Ordinances, City of Azle, Texas is hereby amended to read as follows:

“Section 3.03.401 Adopted.

The 2024 International Energy Conservation Code is hereby adopted as the official energy conservation code of the City of Azle, Texas, and is fully incorporated by reference as though copied into this section in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours."

Section 3.03.402 Local Amendments.

The 2024 Edition of the International Energy Conservation Code, as adopted herein, is hereby amended by adoption of those local amendments shown on Exhibit "F" attached hereto."

Sections 3.03.403-3.03.450 (Reserved).”

SECTION 9.

Division 8 "Fuel Gas Code" of Article 3.03 "Technical and Construction Codes and Standards" of Chapter 3 "Building Regulations" of the Code of Ordinances, City of Azle, Texas is hereby amended to read as follows:

“Section 3.03.451 Adopted.

The 2024 International Fuel Gas Code is hereby adopted as the official fuel gas code of the City of Azle, Texas, and is fully incorporated by reference as though copied into this section in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours."

Section 3.03.452 Local Amendments.

The 2024 Edition of the International Fuel Gas Code, as adopted herein, is hereby amended by adoption of those local amendments shown on Exhibit "G" attached hereto."

SECTION 10.

This ordinance shall become effective sixty (60) days after the adoption date by the City Council.

SECTION 11.

This ordinance shall be cumulative of all provisions of ordinances and on the Code of the City of Azle, Texas as amended, except where the provisions are in direct conflict with the provisions of other ordinances, in which event the conflicting provisions of the other ordinances are hereby repealed.

SECTION 12.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or degree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences**,** paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 13.

Any person, firm or corporation who violates, disobeys, omits, neglects, refuses or fails to comply with, or who resists the enforcement of any provision of this ordinance shall be fined not more than Five Hundred Dollars ($500.00) for each offence. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 14.

All rights and remedies of the City of Azle are expressly saved as to any and all violations of the provisions of the Azle Municipal Code, or any other ordinances affecting construction which have accrued at the time of the effective date of this ordinance; and as such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this ordinance but may be prosecuted until final disposition by the court.

SECTION 15.

The City Secretary of the City of Azle is hereby directed to publish caption, penalty clause, and effective date clause in the official newspaper at least once within ten (10) days after the passage of this ordinance.

SECTION 16.

This ordinance shall be in full force and effect from and after its passage and publication as provided by law, and it is so ordained.

DULY PASSED AND APPROVED by the City Council of the City of Azle, Texas, on this the _____ day of ___, 2026.

_____
Randa Goode, Mayor

ATTEST:

_____
Yael Hoffman, City Secretary

APPROVED AS FORM:

_____
Andrea Russell, City Attorney

Exhibit "A"

Amendments to the

2024 International Building Code

The following sections, paragraphs, and sentences of the *2024 International Building Code* are hereby amended as follows: Standard type is text from the IBC. Underlined type is text inserted. ~~Lined through type is deleted text from IBC~~. A double asterisk (**) at the beginning of a section identifies an amendment carried over from the 2021 edition of the code and a triple asterisk (***) identifies a new or revised amendment with the 2024 code.

Section 101.4; changed to read as follows:

101.1: Title. These regulations shall be known as the Building Code of CITY OF AZLE, hereinafter referred to as “this code.”

***Section 101.4; change to read as follows:**

101.4 Referenced codes. The other codes listed in Sections 101.4.1 through 101.4.8 and referenced elsewhere in this code, when specifically adopted, shall be considered part of the requirements of this code to the prescribed extent of each such reference. Whenever amendments have been adopted to the referenced codes and standards, each reference to said code and standard shall be considered to reference the amendments as well. Any reference to NFPA 70 or the Electrical Code shall mean the Electrical Code as adopted.

***Section 101.4.8; add the following:**

101.4.8 Electrical. The provisions of the local adopted Electrical Code shall apply to the installation of electrical systems, including alterations, repairs, replacement, equipment, appliances, fixtures, fittings and appurtenances thereto.

****Sections 103.1; amend to insert the Department Name**

103.1 Creation of enforcement agency. The CITY OF AZLE BUILDING INSPECTION DIVISION is hereby created and the official in charge thereof shall be known as the *building official*. {remainder of text unchanged }

****Section 105.2 Work exempt from permit; under sub-title entitled “Building” delete items 1, 2, 10 and 11 and re-number as follows:**

Building:

~~1. One-story detached accessory structures used as tool and storage sheds, playhouses and similar uses, provided the floor area does not exceed 120 square feet (11 m_2).~~

~~2. Fences not over 7 feet (1829 mm) high.~~

~~3.~~ 1. Oil derricks.

~~4.~~ 2. Retaining walls that are not over 4 feet (1219 mm) in height measured from the bottom of the footing to the top of the wall, unless supporting a surcharge or impounding Class I, II, or IIIA liquids.

~~5.~~ 3. Water tanks supported directly on grade if the capacity is not greater than 5,000 gallons (18,925 L) and the ratio of height to diameter or width is not greater than 2:1.

~~6.~~ 4. Sidewalks and driveways not more than 30 inches above adjacent grade, and not over any *basement* or story below and are not part of an accessible route.

~~7.~~ 5. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.

~~8.~~ 6. Temporary motion picture, television and theatre stage sets and scenery.

~~9.~~ 7. Prefabricated *swimming pools* accessory to a Group R-3 occupancy that are less than 24 inches (610 mm) deep, are not greater than 5,000 gallons are installed entirely above ground.

~~10. Shade cloth structures constructed for nursery or agricultural purposes, not including service systems.~~

~~11.~~ 8. Swings and other playground equipment accessory to detached one- and two-family *dwellings*.

~~12.~~ 9. Window *awnings* in Group R-3 and U occupancies, supported by an *exterior wall* that do not project more than 54 inches (1372 mm) from the *exterior wall* and do not require additional support.

~~13.~~ 10. Nonfixed and movable fixtures, cases, racks, counters and partitions not over 5 feet 9 inches.

***Section 109; add Section 109.7, 109.8, 109.8.1, 109.8.2 and 109.9 to read as follows:**

109.7 Re-inspection Fee. A fee as established by city council resolution may be charged when:

1. The inspection called for is not ready when the inspector arrives.

2. No building address or permit card is clearly posted.

3. City approved plans are not on the job site available to the inspector.

4. The building is locked or work otherwise not available for inspection when called.

5. The job site is red-tagged twice for the same item.

6. The original red tag has been removed from the job site.

7. Failure to maintain erosion control, trash control or tree protection.

Any re-inspection fees assessed shall be paid before any more inspections are made on that job site.

109.8 Work without a permit.

109.8.1 Investigation. Whenever work for which a permit is required by this code has been commenced without first obtaining a permit, a special investigation shall be made before a permit may be issued for such work.

109.8.2 Fee. An investigation fee, in addition to the permit fee, shall be collected whether or not a permit is subsequently issued. The investigation fee shall be equal to the amount of the permit fee required by this code or the city fee schedule as applicable. The payment of such investigation fee shall not exempt the applicant from compliance with all other provisions of either this code or the technical codes nor from penalty prescribed by law.

109.9 Unauthorized cover up fee. Any work concealed without first obtaining the required inspection in violation of Section 110 shall be assessed a fee as established by the city fee schedule.

Section 110.3.6; Lath, gypsum board and gypsum panel product inspection; Delete exception

~~***Exception:*** *Gypsum board and gypsum panel products that are not part of a fire resistance rated assembly or a shear assembly.*~~

Section 202; amend definition of Ambulatory Care Facility as follows:

AMBULATORY CARE FACILITY. Buildings or portions thereof used to provide medical, surgical, psychiatric, nursing or similar care on a less than 24-hour basis to persons who are rendered incapable of self-preservation by the services provided ~~or staff has accepted responsibility for care recipients already incapable~~. This group may include but not be limited to the following:

- Dialysis centers
- Sedation dentistry
- Surgery centers
- Colonic centers
- Psychiatric centers

Section 202; add definition of Assisting Living Facilities to read as follows.

ASSISTED LIVING FACILITIES. *A building or part thereof housing persons, on a 24-hour basis, who because of age, mental disability or other reasons, live in a supervised residential environment which provides personal care services. The occupants are capable of responding to an emergency situation without physical assistance from staff.*

Section 202; amend definition to read as follows:

****HIGH-PILED COMBUSTIBLE STORAGE: add a second paragraph to read as follows:***
Any building classified as a group S Occupancy or Speculative Building exceeding 6,000 sq. ft. that has a clear height in excess of 14 feet, making it possible to be used for storage in excess of 12 feet, shall be considered to be high-piled storage. When a specific product cannot be identified (speculative warehouse), a fire protection system and life safety features shall be installed for Class IV commodities, to the maximum pile height.

HIGH-RISE BUILDING. A building with an occupied floor or occupied roof located more than ~~75~~ 55 feet ~~(22 860 mm)~~ (16 764 mm) above the lowest level of fire department vehicle access.

Section 202; amend definition of "Repair Garage" as follows:

REPAIR GARAGE. A building, structure or portion thereof used for servicing or repairing motor vehicles. This occupancy shall also include garages involved in minor repair, modification and servicing of motor vehicles for items such as lube changes, inspections, windshield repair or replacement, shocks, minor part replacement and other such minor repairs.

***Section 202; amend definition of SPECIAL INSPECTOR to read as follows:**

SPECIAL INSPECTOR. A qualified person employed or retained by an approved agency who shall prove to the satisfaction of the registered design professional in responsible charge and ~~approved by~~ the Building Official as having the competence necessary to inspect a particular type of construction requiring special inspection.

***Section 303.1.3; add a sentence to read as follows:**

303.1.3 Associated with Group E occupancies. A room or space used for assembly purposes that is associated with a Group E occupancy is not considered a separate occupancy, except when applying the assembly requirements of Chapters 10 and 11.

***Section 304.1; add the following to the list of occupancies:**

Fire stations
Police stations with detention facilities for 5 or less

***Table 307.1.1; add the following sentence to Cleaning establishments with combustible liquid solvents** Cleaning establishments with combustible liquid solvents… *{Text unchanged}* …with Section 707 or 1-hour horizontal assemblies constructed in accordance with Section 711 or both. See also IFC Chapter 21, Dry Cleaning Plant provisions.

***Section 403.1, Exception 3; change to read as follows:**

3. The open-air portion of a building *[remainder unchanged]*

***Section 403.3, Automatic Sprinkler System. Delete exception.**

***Section 403.3.2; change to read as follows:**

403.3.2 Water Supply to required Fire Pumps. In all buildings that are more than ~~420~~ 120 feet (128 36.6 m) in building height, ~~and buildings of Type IVA and IVB construction that are more than 120 feet (36.6 m) in building height~~, required fire pumps shall be supplied by connections to no fewer than two water mains located in different streets. Separate supply piping shall be provided between each connection to the water main and the pumps. Each connection and the supply piping between the connection and the pumps shall be sized to supply the flow and pressure required for the pumps to operate.

Exception: {No change to exception.}

***Section 406.3.3.1 Carport separation; add sentence to read as follows:**

A fire separation is not required between a Group R-2 and U carport provided that the carport is entirely open on all sides and that the distance between the two is at least 10 feet (3048 mm).

****Section 503.1.; add sentence to read as follows:**
503.1. General. [Existing Text to remain]

Where a building contains more than one distinct type of construction, the building shall comply with the most restrictive area, height, and stories, for the lesser type of construction or be separated by fire walls, except as allowed in Section 510.

Table 506.2; delete footnote i from table

~~i. The maximum allowable area for a single-story non sprinklered Group U greenhouse is permitted to be 9000 square feet or the allowable area shall be permitted to comply with Table C102.1 of Appendix C.~~

Section 506.3.1; add sentence to read as follows:

506.3.1 Minimum percentage of perimeter. [Existing Text remains]

In order to be considered as accessible, if not in direct contact with a street or fire lane, a minimum 10-foot-wide pathway meeting fire department access from the street or approved fire lane shall be provided.

Section 708.4.3; change sentence to read as follows:

708.4.3 Fireblocks and draftstops in combustible construction. *[Body of text unchanged]*

Exceptions:

1. Buildings equipped with an automatic sprinkler system installed throughout in accordance with Section 903.3.1.1, or in accordance with Section 903.3.1.2 provided that sprinkler protection is provided in the space between the top of the fire partition and the underside of the floor or roof sheathing, deck or slab above as required for systems complying with Section 903.3.1.1. Portions of buildings containing concealed spaces filled with noncombustible insulation as permitted for sprinkler omission shall not apply to this exception for draftstopping. *[Remainder unchanged]*

Section 718.3; change sentence to read as follows:

718.3 Draftstops in floors. *[Body of text unchanged]*

Exceptions: Buildings equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1. and provided that in combustible construction, sprinkler protection is provided in the floor space.

Section 718.4; change sentence to read as follows:

718.4 Draftstops in attics. *[Body of text unchanged]*

Exceptions: Buildings equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1 and provided that in combustible construction, sprinkler protection is provided in the attic space.

Section 901.6.1.1; add to read as follows:

901.6.1.1 Standpipe Testing. Building owners/managers must maintain and test standpipe systems as per NFPA 25 requirements. The following additional requirements shall be applied to the testing that is required every 5 years:

1. The piping between the Fire Department Connection (FDC) and the standpipe shall be backflushed or inspected by approved camera when foreign material is present or when caps are missing, and also hydrostatically tested for all FDC's on any type of standpipe system. Hydrostatic testing shall also be conducted in accordance with NFPA 25 requirements for the different types of standpipe systems.

2. For any manual (dry or wet) standpipe system not having an automatic water supply capable of flowing water through the standpipe, the tester shall connect hose from a fire hydrant or portable pumping system (as approved by the *fire code official*) to each FDC, and flow water through the standpipe system to the roof outlet to verify that each inlet connection functions properly. Confirm that there are no open hose valves prior to introducing water into a dry standpipe. There are no required pressure criteria at the outlet. Verify that check valves function properly and that there are no closed control valves on the system.

3. Any pressure relief, reducing, or control valves shall be tested in accordance with the requirements of NFPA 25. All hose valves shall be exercised.

4. If the FDC is not already provided with approved caps, the contractor shall install such caps for all FDC's as required by the *fire code official*.

5. Upon successful completion of standpipe test, place a blue tag (as per Texas Administrative Code, Fire Sprinkler Rules for Inspection, Test and Maintenance Service (ITM) Tag) at the bottom of each standpipe riser in the building. The tag shall be check-marked as "Fifth Year" for Type of ITM, and the note on the back of the tag shall read "5 Year Standpipe Test" at a minimum.

6. The procedures required by Texas Administrative Code Fire Sprinkler Rules with regard to Yellow Tags and Red Tags or any deficiencies noted during the testing, including the required notification of the local Authority Having Jurisdiction (*fire code official*) shall be followed.

7. Additionally, records of the testing shall be maintained by the owner and contractor, if applicable, as required by the State Rules mentioned above and NFPA 25.

8. Standpipe system tests where water will be flowed external to the building shall not be conducted during freezing conditions or during the day prior to expected nighttime freezing conditions.

9. Contact the *fire code official* for requests to remove existing fire hose from Class II and III standpipe systems where employees are not trained in the utilization of this firefighting equipment. All standpipe hose valves must remain in place and be provided with an approved cap and chain when approval is given to remove hose by the *fire code official*.

***Section 901.6.4; add to read as follows:**

901.6.4 False Alarms and Nuisance Alarms. False alarms and nuisance alarms shall not be given, signaled or transmitted or caused or permitted to be given, signaled or transmitted in any manner.

***Section 901.7; change to read as follows:**

901.7 Systems Out of Service. Where a required *fire protection system* is out of service or in the event of an excessive number of activations, the fire department and the *fire code official* shall be notified immediately and, where required by the *fire code official*, the building shall either be evacuated or an *approved fire watch* shall be provided for all occupants left unprotected by the shut down until the *fire protection system* has been returned to service. *… {Remainder of section unchanged}*}

***Section 903.1.1; change to read as follows:**

903.1.1 Alternative Protection. Alternative automatic fire-extinguishing systems complying with Section 904 shall be permitted ~~instead of~~ in addition to automatic sprinkler protection where recognized by the applicable standard ~~and~~, or as *approved* by the *fire code official*.

***Section 903.2; add paragraph to read as follows and delete the Exception:**

903.2 Where required. Approved automatic sprinkler systems in new buildings and structures shall be provided in the locations described in Sections 903.2.1 through 903.2.12. Automatic Sprinklers shall not be installed in elevator machine rooms, elevator machine spaces, and elevator hoistways, other than pits where such sprinklers would not necessitate shunt trip requirements under any circumstances.

~~Exception: Spaces or areas in telecommunications buildings used exclusively for telecommunications equipment, associated electrical power distribution equipment, batteries not required to have an automatic sprinkler system by Section 1207 for energy storage systems and standby engines, provided that those spaces or areas are equipped throughout with an automatic smoke detection system in accordance with Section 907.2 and are separated from the remainder of the building by not less than 1-hour fire barriers constructed in accordance with Section 707 of the International Building Code or not less than 2-hour horizontal assemblies constructed in accordance with Section 711 of the International Building Code, or both.~~

****Section 903.2.2.1; change exception to read as follows:**

903.2.2.1 Ambulatory care facilities. An automatic sprinkler system shall be installed throughout the entire floor containing an ambulatory care facility where either of the following conditions exist at any time:

1. Four or more care recipients are incapable of self-preservation.
2. One or more care recipients that are incapable of self-preservation are located at other than the level of exit discharge serving such a facility.

In buildings where ambulatory care is provided on levels other than the level of exit discharge, an automatic sprinkler system shall be installed throughout the entire floor as well as all floors below where such care is provided, and all floors between the level of ambulatory care and the nearest level of exit discharge, the level of exit discharge, and all floors below the level of exit discharge.

Exception: Unless otherwise required by this code, floors classified as an open parking garage are not required to be sprinklered.

******Section 903.2.4.2; change to read as follows:***

903.2.4.2 Group F-1 distilled spirits. An automatic sprinkler system shall be provided throughout a Group F-1 fire area used for the manufacture of distilled spirits involving more than 120 gallons of distilled spirits (>20% alcohol) in the fire area at any one time.

******Section 903.2.9.3; change to read as follows:***

903.2.9.3 Group S-1 distilled spirits or wine. An automatic sprinkler system shall be provided throughout a Group S-1 fire area used for the bulk storage of distilled spirits or wine involving more than 120 gallons of distilled spirits or wine (>20% alcohol) in the fire area at any one time.

*****Section 903.2.9.4; delete Exception:***

903.2.9.4 Group S-1 upholstered furniture and mattresses. An automatic sprinkler system shall be provided throughout a Group S-1 fire area where the area used for the storage of upholstered furniture or mattresses exceeds 2,500 square feet (232 m^2).

~~**Exception:** Self-service storage facilities not greater than one story above grade plane where all storage spaces can be accessed directly from the exterior.~~

******Section 903.2.9.5; add to read as follows:***

903.2.9.5 Self-Service Storage Facility. An automatic sprinkler system shall be installed throughout all self-service storage facilities. The minimum sprinkler system design shall be based on an Ordinary Hazard Group II classification, in accordance with NFPA 13 requirements. Physical construction in compliance with open-grid ceilings as per NFPA 13, such as an open metal grid ceiling or chicken wire that does not obstruct the overhead sprinkler protection, shall be installed to prevent storage from exceeding the lower of either 12 feet above finished floor or 18 inches beneath standard sprinkler head deflectors. At least one sprinkler head shall be provided in each storage unit/room (additional sprinklers may be necessary for compliance with NFPA 13 spacing requirements), regardless of wall height or construction type separating such units.

Section 903.2.11; change 903.2.11.3 and add 903.2.11.7, 903.2.11.8, and 903.2.11.9 as follows:

903.2.11.3 Buildings ~~55~~ 35 feet or more in height. An automatic sprinkler system shall be installed throughout buildings that have one or more stories ~~with an occupant load of 30 or more~~, other than penthouses in compliance with Section 1511 of the *International Building Code*, located ~~55~~ 35 feet (~~16 764~~ 10 668 mm) or more above the lowest level of fire department

vehicle access, measured to the finished floor.

~~**Exception:**~~
~~1. Occupancies in Group F-2.~~

903.2.11.7 High-Piled Combustible Storage. For any building with a clear height exceeding 12 feet (4572 mm), see Chapter 32 to determine if those provisions apply.

903.2.11.8 Spray Booths and Rooms. New and existing spray booths and spraying rooms shall be protected by an approved automatic fire-extinguishing system.

903.2.11.9 Buildings Over 6,000 sq. ft. An automatic sprinkler system shall be installed throughout all buildings with a building area 6,000 sq. ft. or greater and in all existing buildings that are enlarged to be 6,000 sq. ft. or greater. For the purpose of this provision, fire walls shall not define separate buildings.

Exception: Open parking garages complying with 903.2.10

******Section 903.3.1.1.1; change to read as follows:***

903.3.1.1.1 Exempt Locations. When approved by the *fire code official*, automatic sprinklers shall not be required in the following rooms or areas where such *... {text unchanged}…* because it is damp, of fire-resistance-rated construction or contains electrical equipment.

1. A room or space where sprinklers constitute a serious life or fire hazard because of the nature of the contents, where approved by the fire code official.
2. Generator and transformer rooms, under the direct control of a public utility, separated from the remainder of the building by walls and floor/ceiling or roof/ceiling assemblies having a fire-resistance rating of not less than 2 hours.
3. ~~Rooms or areas that are of noncombustible construction with wholly noncombustible contents.~~
4. ~~Fire service access~~ Elevator machine rooms, ~~and~~ machinery spaces, and hoistways, other than pits where such sprinklers would not necessitate shunt trip requirements under any circumstances.
5. ~~Machine rooms, machinery spaces, control rooms and control spaces associated with occupant evacuation elevators designed in accordance with Section 3008 of the International Building Code.~~

******Section 903.3.1.1.4; add the following Section:***

903.3.1.1.4 Dry pipe sprinkler systems. Dry pipe sprinkler systems protecting fire areas of Type V construction shall be required to meet the 60 second water delivery time, per NFPA 13, to the system test connection regardless of the system size, unless more stringent criteria are applicable in NFPA 13, and all dry pipe sprinkler systems shall be trip tested to flow/discharge water to verify compliance with this requirement, unless otherwise approved by the fire code official.

*****Section 903.3.1.2.2; change to read as follows:***

903.3.1.2.2 Corridors and balconies ~~**in the means of egress.**~~ Sprinkler protection shall be provided in all corridors and for all balconies. ~~in the means of egress where any of the following conditions apply:~~

~~1. Corridors with combustible floor or walls.~~
~~2. Corridors with an interior change of direction exceeding 45 degrees (0.79 rad).~~
~~3. Corridors that are less than 50 percent open to the outside atmosphere at the ends.~~
~~4. Open-ended corridors and associated exterior stairways and ramps as specified in Section 1027.6, Exception 3.~~
~~5. Egress balconies not complying with Sections 1021.2 and 1021.3.~~

***Section 903.3.1.2.3; delete section and replace as follows:**

Section 903.3.1.2.3 Attached Garages and Attics. Sprinkler protection is required in attached garages, and in the following attic spaces:

1. Attics that are used or intended for living purposes or storage shall be protected by an automatic sprinkler system.
2. Where fuel-fired equipment is installed in an unsprinklered attic, not fewer than one quick-response intermediate temperature sprinkler shall be installed above the equipment.
3. Attic spaces of buildings that are two or more stories in height above grade plane or above the lowest level of fire department vehicle access.
4. Group R-4, Condition 2 occupancy attics not required by Item 1 or 3 to have sprinklers shall comply with one of the following:
    4.1. Provide automatic sprinkler system protection.
    4.2. Provide a heat detection system throughout the attic that is arranged to activate the building fire alarm system.
    4.3. Construct the attic using noncombustible materials.
    4.4. Construct the attic using fire-retardant-treated wood complying with Section 2303.2 of the International Building Code.
    4.5. Fill the attic with noncombustible insulation.

***Section 903.3.1.3; change to read as follows:**

903.3.1.3 NFPA 13D Sprinkler Systems. *Automatic sprinkler systems* installed in one- and two-family *dwellings*; Group R-3; Group R-4, Condition 1; and *townhouses* shall be permitted to be installed throughout in accordance with NFPA 13D or in accordance with state law.

****Section 903.3.1.4; add to read as follows:**

903.3.1.4 Freeze protection. Freeze protection systems for automatic fire sprinkler systems shall be in accordance with the requirements of the applicable referenced NFPA standard and this section.

903.3.1.4.1 Attics. Only dry-pipe, preaction, or listed antifreeze automatic fire sprinkler systems shall be allowed to protect unheated attic spaces.

Exception: Wet-pipe fire sprinkler systems shall be allowed to protect non-ventilated attic spaces where:

1. The attic sprinklers are supplied by a separate floor control valve assembly to allow ease of draining the attic system without impairing sprinklers throughout the rest of the building, and
2. Adequate heat shall be provided for freeze protection as per the applicable

referenced NFPA standard, and

3. The attic space is a part of the building's thermal, or heat, envelope, such that insulation is provided at the roof deck, rather than at the ceiling level.

903.3.1.4.2 Heat trace/insulation. Heat trace/insulation shall only be allowed where approved by the fire code official for small sections of large diameter water-filled pipe.

***Section 903.3.5; add a second paragraph to read as follows:**

Water supply as required for such systems shall be provided in conformance with the supply requirements of the respective NFPA standards; however, every water-based fire protection system shall be designed with a 10-psi safety factor. Reference Section 507.4 for additional design requirements.

****Section 903.3.9; change to read as follows:**

903.3.9 ~~High-rise~~ Building floor control valves. Approved supervised indicating control valves shall be provided at the point of connection to the riser as indicated below: ~~in high-rise buildings~~

1. In High Rise Buildings, f*loor control assemblies shall be located in protected stairwells, or as otherwise approved by the fire code official.*
2. In all other buildings, floor control assemblies shall be located as approved by the fire code official.

****Section 903.4.1; add a second paragraph after the Exceptions to read as follows:**
Sprinkler and standpipe system water-flow detectors shall be provided for each floor tap to the sprinkler system and shall cause an alarm upon detection of water flow for more than 45 seconds. Reference Section 903.3.9 for required floor control assemblies. All control valves in the sprinkler and standpipe systems except for fire department hose connection valves shall be electrically supervised to initiate a supervisory signal at the central station upon tampering.

***Section 903.4.3; add second paragraph to read as follows:**

The alarm device required on the exterior of the building shall be a weatherproof horn/strobe notification appliance with a minimum 75 candela strobe rating, installed as close as practicable to the fire department connection.

****Section 905.3.8; add to read as follows:**

905.3.8 Buildings Exceeding 10,000 sq. ft. In buildings exceeding 10,000 square feet in area per story and where any portion of the building's interior area is more than 200 feet (60960 mm) of travel, vertically and horizontally, from the nearest point of fire department vehicle access, Class I standpipes shall be provided.

****Section 905.4; change Item 5, and add Item 7 to read as follows:**

5. Where the roof has a slope less than 4 units vertical in 12 units horizontal (33.3-percent

slope), each standpipe shall be provided with a two-way ~~a~~ hose connection ~~shall be~~ located to serve the roof or at the highest landing of an ~~interior~~ exit stairway with stair access to the roof provided in accordance with Section 1011.12.

6. {No change.}
7. When required by this Chapter, standpipe connections shall be placed adjacent to all required exits to the structure and at two hundred feet (200') intervals along major corridors thereafter, or as otherwise approved by the fire code official.

Section 905.8; change to read as follows:

905.8 Dry standpipes. Dry standpipes shall not be installed.

Exception: Where subject to freezing and in accordance with NFPA 14. Additionally, manual dry standpipe systems shall be supervised with a minimum of 10 psig and a maximum of 40 psig air pressure with a high/low Supervisory alarm.

Section 905.9; add a second paragraph after the exceptions to read as follows:

Sprinkler and standpipe system water-flow detectors shall be provided for each floor tap to the sprinkler system and shall cause an alarm upon detection of water flow for more than 45 seconds. Reference Section 903.3.9 for required floor control assemblies. All control valves in the sprinkler and standpipe systems except for fire department hose connection valves shall be electrically supervised to initiate a supervisory signal at the central station upon tampering.

Section 906.1(1); delete Exception 3 as follows:

~~3. In storage areas of Group S occupancies where forklift, powered industrial truck or powered cart operators are the primary occupants,~~
~~fixed extinguishers, as specified in NFPA 10, shall not be required where in accordance with all of the following:~~

~~3.1. Use of vehicle-mounted extinguishers shall be approved by the fire code official.~~
~~3.2. Each vehicle shall be equipped with a 10-pound, 40A:80B:C extinguisher affixed to the vehicle using a mounting bracket approved~~
~~by the extinguisher manufacturer or the fire code official for vehicular use.~~
~~3.3. Not less than two spare extinguishers of equal or greater rating shall be available on-site to replace a discharged extinguisher.~~
~~3.4. Vehicle operators shall be trained in the proper operation, use and inspection of extinguishers.~~
~~3.5. Inspections of vehicle-mounted extinguishers shall be performed daily.~~

Section 907.1.4; add to read as follows:

907.1.4 Design Standards. Where a new fire alarm system is installed, the devices shall be addressable.

Section 907.2.1; change to read as follows:

907.2.1 Group A. A manual fire alarm system that activates the occupant notification system in accordance with Section 907.5 shall be installed in Group A occupancies ~~where the~~ having an

occupant load ~~due to the assembly occupancy is~~ of 300 or more persons, or where the ~~Group A~~ occupant load is more than 100 persons above or below the *lowest level of exit discharge*. Group A occupancies not separated from one another in accordance with Section 707.3.10 of the *International Building Code* shall be considered as a single occupancy for the purposes of applying this section. Portions of Group E occupancies occupied for assembly purposes shall be provided with a fire alarm system as required for the Group E occupancy.

Exceptions: {No change.}

*****Section 907.2.3; change to read as follows:***

907.2.3 Group E. A manual fire alarm system that initiates the occupant notification signal utilizing an emergency voice/alarm communication system meeting the requirements of Section 907.5.2.2 and installed in accordance with Section 907.6 shall be installed in Group E educational occupancies. When *automatic sprinkler systems* or smoke detectors are installed, such systems or detectors shall be connected to the building fire alarm system. An approved smoke detection system shall be installed in Group E day care occupancies. Unless separated by a minimum of 100' open space, all buildings, whether portable buildings or the main building, will be considered one building for alarm occupant load consideration and interconnection of alarm systems.

Exceptions:

1. {No change.}
   1.1. Residential In-Home day care with not more than 12 children may use interconnected single station detectors in all habitable rooms. (For care of more than five children 2 1/2 or less years of age, see Section 907.2.6.)

{No change to remainder of exceptions.}

******Section 907.2.10.1; change to read as follows:***

907.2.10.1 Public- and Self-Storage Occupancies. A manual fire alarm system that activates the occupant notification system in accordance with Section 907.5 shall be installed in Group S public- and self-storage occupancies ~~three stories or greater in height~~ for interior corridors and interior common areas. Visible notification appliances are not required within storage units.

Exception: {No change.}

*****Section 907.2.13, Exception #3; change to read as follows:***

3. Open air portions of buildings with an occupancy in Group A-5 in accordance with Section 303.1 of the *International Building Code*; however, this exception does not apply to accessory uses including but not limited to sky boxes, restaurants, and similarly enclosed areas.

*****Section 907.4.2.7; add to read as follows:***

907.4.2.7 Type. Manual alarm initiating devices shall be an approved double action type.

*****Section 907.6.1.1; add to read as follows:***

907.6.1.1 Wiring Installation. All fire alarm systems shall be installed in such a manner that a failure of any single initiating device or single open in an initiating circuit conductor will not interfere

with the normal operation of other such devices. All signaling line circuits (SLC) shall be installed in such a way that a single open will not interfere with the operation of any addressable devices (Class A). Outgoing and return SLC conductors shall be installed in accordance with NFPA 72 requirements for Class A circuits and shall have a minimum of four feet separation horizontal and one foot vertical between supply and return circuit conductors. The initiating device circuit (IDC) from a signaling line circuit interface device may be wired Class B, provided the distance from the interface device to the initiating device is ten feet or less.

Section 907.6.3; delete all four Exceptions.

907.6.3 Initiating device identification. The fire alarm system shall identify the specific initiating device address, location, device type, floor level where applicable and status including indication of normal, alarm, trouble and supervisory status, as appropriate.

~~**Exceptions:**~~

1. ~~Fire alarm systems in single-story buildings less than 22,500 square feet (2090 m2) in area.~~
2. ~~Fire alarm systems that only include manual fire alarm boxes, waterflow initiating devices and not more than 10 additional alarm-initiating devices.~~
3. ~~Special initiating devices that do not support individual device identification.~~
4. ~~Fire alarm systems or devices that are replacing existing equipment.~~

Section 907.6.6; add sentence at end of paragraph to read as follows:

See 907.6.3 for the required information transmitted to the supervising station.

Section 910.2.3; add to read as follows:

910.2.3 Group H. Buildings and portions thereof used as a Group H occupancy as follows:

1. In occupancies classified as Group H-2 or H-3, any of which are more than 15,000 square feet (1394 m^2) in single floor area.

   Exception: Buildings of noncombustible construction containing only noncombustible materials.

2. In areas of buildings in Group H used for storing Class 2, 3, and 4 liquid and solid oxidizers, Class 1 and unclassified detonable organic peroxides, Class 3 and 4 unstable (reactive) materials, or Class 2 or 3 water-reactive materials as required for a high-hazard commodity classification.

   Exception: Buildings of noncombustible construction containing only noncombustible materials.

Section 910.4.3.1; change to read as follows:

910.4.3.1 Makeup Air. Makeup air openings shall be provided within 6 feet (1829 mm) of the

floor level. Operation of makeup air openings shall be ~~manual or~~ automatic. The minimum gross area of makeup air inlets shall be 8 square feet per 1,000 cubic feet per minute (0.74 m2 per 0.4719 m3/s) of smoke exhaust.

***Section 912.2.3; add to read as follows:**

912.2.3 Hydrant Distance. An approved fire hydrant shall be located within 100 feet of the fire department connection as the fire hose lays along an unobstructed path.

***Section 913.2.1; add second paragraph and exception to read as follows:**

When located on the ground level at an exterior wall, the fire pump room shall be provided with an exterior fire department access door that is not less than 3 ft. in width and 6 ft. – 8 in. in height, regardless of any interior doors that are provided. A key box shall be provided at this door, as required by Section 506.1.

> **Exception:** When it is necessary to locate the fire pump room on other levels or not at an exterior wall, the corridor leading to the fire pump room access from the exterior of the building shall be provided with equivalent fire resistance as that required for the pump room, or as approved by the *fire code official*. Access keys shall be provided in the key box as required by Section 506.1.

***Section 914.3.1.2; add section:**

914.3.1.2 Water Supply to required Fire Pumps. In all buildings that are more than ~~420~~ 120 feet (~~128~~ 36.6 m) in *building height*, ~~and buildings of Type IVA and IVB construction that are more than 120 feet (36.6 m) in building height,~~ required fire pumps shall be supplied by connections to no fewer than two water mains located in different streets. Separate supply piping shall be provided between each connection to the water main and the pumps. Each connection and the supply piping between the connection and the pumps shall be sized to supply the flow and pressure required for the pumps to operate.

Exception: {No change to exception.}

****Section 915 Carbon Monoxide (CO) Detection; delete and replace to read as follows:**

915.1 General. New and existing buildings shall be provided with carbon monoxide (CO) detection in accordance with Sections 915.2 through 915.5.

915.2 Where required. Carbon monoxide detection shall be provided in interior spaces, other than dwelling units or sleeping units, that are exposed to a carbon monoxide source in accordance with Sections 915.2.1 through 915.2.3. Carbon monoxide detection for dwelling units or sleeping units that are exposed to a carbon monoxide source shall be in accordance with Section 915.2.4.

915.2.1 Interior spaces with direct carbon monoxide sources. In all occupancies, interior spaces with a direct carbon monoxide source shall be provided with carbon monoxide detection located in close proximity to the direct carbon monoxide source and in accordance with Section 915.3.

Exception: Where environmental conditions in an enclosed space are incompatible with carbon

monoxide detection devices, carbon monoxide detection shall be provided in an approved adjacent location.

915.2.2 Interior spaces adjacent to a space containing a carbon monoxide source. In Groups A, B, E, I, M and R Occupancies, interior spaces that are separated from and adjacent to an enclosed parking garage or an interior space that contains a direct carbon monoxide source shall be provided with carbon monoxide detection if there are communicating openings between the spaces. Detection devices shall be located in close proximity to communicating openings on the side that is furthest from the carbon monoxide source and in accordance with Section 915.3

Exceptions:

1. Where communicating openings between the space containing a direct carbon monoxide source and the adjacent space are permanently sealed airtight, carbon monoxide detection is not required for the adjacent space.
2. Where the fire code official determines that the volume or configuration of the adjacent interior space is such that dilution or geometry would diminish the effectiveness of carbon monoxide detection devices located in such spaces, detection devices additional to those required by Section 915.2.1 shall be located on the side of communicating openings that is closest to the carbon monoxide source.

915.2.3 Interior spaces with forced-indirect carbon monoxide sources. In all occupancies, interior spaces with a forced-indirect carbon monoxide source shall be provided with carbon monoxide detection in accordance with either of the following:

1. Detection in each space with a forced-indirect carbon monoxide source, located in accordance with Section 915.3.
2. Detection only in the first space served by the main duct leaving the forced-indirect carbon monoxide source, located in accordance with Section 915.3, with an audible and visual alarm signal provided at an approved location.

915.2.4 Dwelling units and sleeping units. Carbon monoxide detection for dwelling units and sleeping units shall comply with Sections 915.2.4.1 and 915.2.4.2.

915.2.4.1 Direct carbon monoxide sources. Where a direct carbon monoxide source is located in a bedroom or sleeping room, or a bathroom attached to either, carbon monoxide detection shall be installed in the bedroom or sleeping room. Where carbon monoxide detection is not installed in bedrooms or sleeping rooms, carbon monoxide detection shall be installed outside of each separate sleeping area in close proximity to bedrooms or sleeping rooms for either of the following conditions:

1. The dwelling unit or sleeping unit has a communicating opening to an attached, enclosed garage.
2. A direct carbon monoxide source is located in the dwelling unit or sleeping unit outside of bedrooms or sleeping rooms.

915.2.4.2 Forced-indirect carbon monoxide sources. Bedrooms or sleeping rooms in dwelling units or sleeping units that are exposed to a forced-indirect carbon monoxide source shall be provided with carbon monoxide detection in accordance with Section 915.2.4.1 or Section 915.2.3.

915.3 Location of detection devices. Carbon monoxide detection devices shall be installed in accordance with manufacturer's instructions in a location that avoids dead air spaces, turbulent air spaces, fresh air returns, open windows, and obstructions that would inhibit accumulation of carbon monoxide at the detection location. Carbon monoxide detection in air ducts or plenums

shall not be permitted as an alternative to required detection locations.

915.4 Permissible detection devices. Carbon monoxide detection shall be provided by a carbon monoxide detection system complying with Section 915.4.2 unless carbon monoxide alarms are permitted by Sections 915.4.1.

915.4.1 Carbon monoxide alarms. Carbon monoxide alarms complying with Sections 915.4.1.1 through 915.4.1.3 shall be permitted in lieu of a carbon monoxide detection system in both of the following:

1. Dwelling units and sleeping units.
2. Locations other than dwelling units or sleeping units, where approved, provided that the manufacturer's instructions do not prohibit installation in locations other than dwelling units or sleeping units and that the alarm signal for any carbon monoxide alarm installed in a normally unoccupied location is annunciated by an audible and visual signal in an approved location.

915.4.1.1 Power source. In buildings with a wired power source, carbon monoxide alarms shall receive their primary power from a permanent connection to building wiring, with no disconnecting means other than for overcurrent protection, and shall be provided with a battery backup. In buildings without a wired power source, carbon monoxide alarms shall be battery powered.

Exception: For existing buildings not previously required to have carbon monoxide alarms permanently connected to a wired power source, existing battery-powered and plug-in with battery backup carbon monoxide alarms shall be permitted to remain in service. When replaced, replacement with battery-powered and plug-in with battery backup carbon monoxide alarms shall be permitted.

915.4.1.2 Listings. Carbon monoxide alarms shall be listed in accordance with UL 2034. Combination carbon monoxide/smoke alarms shall also be listed in accordance with UL 217.

915.4.1.3 Interconnection. Where more than one carbon monoxide alarm is installed, actuation of any alarm shall cause all of the alarms to signal an alarm condition.

915.4.2 Carbon monoxide detection systems. Carbon monoxide detection systems shall be installed in accordance with NFPA 72.

915.4.2.1 Fire alarm system integration. Where a building fire alarm system or combination fire alarm system, as defined in NFPA 72, is installed, carbon monoxide detection shall be provided by connecting carbon monoxide detectors to the fire alarm system. Where a building fire alarm system or a combination fire alarm system is not installed, carbon monoxide detection shall be provided by connecting carbon monoxide detectors to a carbon monoxide detection system complying with NFPA 72.

915.4.2.2 Listings. Carbon monoxide detectors shall be listed in accordance with UL 2075. Combination carbon monoxide/smoke detectors shall be listed in accordance with UL 268 and UL 2075.

915.4.2.3 Alarm notification. For other than Group E Occupancies, activation of a carbon monoxide detector shall initiate alarm notification in accordance with any of the following:

1. An audible and visible alarm notification throughout the building and at the control unit.
2. Where specified in an approved fire safety plan, an audible and visible alarm in the signaling zone where the carbon monoxide has been detected and other signaling zones

specified in the fire safety plan, and at the control unit.
3. Where a sounder base is provided for each detector, an audible alarm at the activated carbon monoxide detector and an audible and visible alarm at the control unit.

For Group E Occupancies having an occupant load of 30 or less, alarm notification shall be provided in an on-site location staffed by school personnel or in accordance with the notification requirements for other occupancies. For Group E occupancies having an occupant load of more than 30, an audible and visible alarm shall be provided in an on-site location staffed by school personnel.

915.5 Maintenance. Carbon monoxide alarms and carbon monoxide detection systems shall be maintained in accordance with NFPA 72 and the manufacturer's instructions. Carbon monoxide alarms and carbon monoxide detectors that become inoperable or begin producing end-of-life signals shall be replaced.

*****Section 1006.2.1 change exception 3 to read as follows;***
Section 1006.2.1 Egress based on occupant load and common path of egress travel distance.
3. Unoccupied rooftop mechanical rooms and penthouses are not required to comply with the common path of egress travel distance measurement.

******Table 1010.2.4; amend Table - Manual Bolts, Automatic Flush Bolts and Constant Latching Bolts on the Inactive Leaf of A pair of Doors; to add Group M and A occupancies as follows:***

Add Group M to Line item #1 in Table 1010.2.4: Group B, F, M or S occupancies with occupant load less than 50. [Remainder unchanged]

Add Group A and M to Line item #2 in Table 1010.2.4: Group A, B, F, M or S occupancies where the building is equipped… [Remainder unchanged]

****Section 1020.2 Construction; add new exception 6 as follows:**

6. In unsprinklered group B occupancies, corridor walls and ceilings need not be of fire-resistive construction within a single tenant space when the space is equipped with approved automatic smoke-detection within the corridor. The actuation of any detector must activate self-annunciating alarms audible in all areas within the corridor. Smoke detectors must be connected to an approved automatic fire alarm system where such system is provided.

****Section 1030.1.1.1 Spaces under grandstands and bleachers; delete this section.**

****Section 1101.1 Scope; add exception to Section 1101.1 as follows:**

Exception: Components of projects regulated by and registered with Architectural Barriers Division of Texas Department of Licensing and Regulation shall be deemed to be in compliance with the requirements of this chapter.

****Section 2702.5; added to read as follows:**

Section 2702.5 Designated Critical Operations Areas (DCOA): In areas within a facility or site requiring continuous operation for the purpose of public safety, emergency management, national security or business continuity, the power systems shall comply with NFPA 70 Article 708.

Section 2901.1; add a sentence to read as follows:

[P] 2901.1 Scope. {*existing text to remain*} The provisions of this Chapter are meant to work in coordination with the provisions of Chapter 4 of the International Plumbing Code. Should any conflicts arise between the two chapters, the Building Official shall determine which provision applies.

Section 2902.1; add a second paragraph to read as follows:

In other than E Occupancies, the minimum number of fixtures in Table 2902.1 may be lowered, if requested in writing, by the applicant stating reasons for a reduced number and approved by the Building Official.

Table 2902.1; add footnote g to read as follows:

g. Drinking fountains are not required in M Occupancies with an occupant load of 100 or less, B Occupancies with an occupant load of 25 or less, and for dining and/or drinking establishments.

Add Section 2902.1.4 to read as follows:

2902.1.4 Additional fixtures for food preparation facilities. In addition to the fixtures required in this Chapter, all food service facilities shall be provided with additional fixtures set out in this section.

2902.1.4.1 Hand washing lavatory. At least one hand washing lavatory shall be provided for use by employees that is accessible from food preparation, food dispensing and ware washing areas. Additional hand washing lavatories may be required based on convenience of use by employees.

2902.1.4.2 Service sink. In new or remodeled food service establishments, at least one service sink or one floor sink shall be provided so that it is conveniently located for the cleaning of mops or similar wet floor cleaning tool and for the disposal of mop water and similar liquid waste. The location of the service sink(s) and/or mop sink(s) shall be approved by the **Tarrant County** health department.

***Section 3002.1 Hoistway Enclosure Protection required. Add pointer and exception as follows:**

A hoistway for elevators, dumbwaiters and other vertical-access devices shall comply with Sections 712 and 713. Where the hoistway is required to be enclosed, it shall be constructed as a shaft enclosure in accordance with 713. Refer to 712.1.10 for elevators in parking garages.

Exception:

1. Elevators completely located within atriums shall not require hoistway enclosure protection.

3004.2.1 Enclosure. *Add text to read as follows:

Escalator floor openings shall be enclosed with shaft enclosures complying with Section 712 and 713.

*****Section 3005.4 Machine rooms, control rooms, machinery spaces and control spaces; Delete existing IBC exceptions and replace with two new NCTCOG exceptions as follows:**

Exceptions:

1. For other than FSAE and occupant evacuation elevators, elevator machine rooms, control rooms, machinery spaces and control spaces completely located within atriums shall not require enclosure protection.

2. For other than FSAE and occupant evacuation elevators, elevator machine rooms, control rooms, machinery spaces and control spaces in open or enclosed parking garages that serve only the parking garage, shall not require enclosure protection.

*****Section 3005.5: Add a new subsection to Section 3005.5.1 as follows:**

3005.5.1 Fire Protection in Machine rooms, control rooms, machinery spaces and control spaces.

3005.5.1.1 Automatic sprinkler system. The building shall be equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1, except as otherwise permitted by Section 903.3.1.1.1 and as prohibited by Section 3005.5.1.1.1.

3005.5.1.1.1 Prohibited locations. Automatic sprinklers shall not be installed in machine rooms, elevator machinery spaces, control rooms, control spaces and elevator hoistways.

3005.5.1.1.2 Automatic Sprinkler system monitoring. The automatic sprinkler system shall have a sprinkler control valve supervisory switch and water-flow initiating device provided for each floor that is monitored by the building's fire alarm system.

3005.5.1.2 Water protection. An approved method to prevent water from infiltrating into the hoistway enclosure from the operation of the automatic sprinkler system outside the elevator lobby shall be provided.

3005.5.1.3 Omission of Shunt trip. Means for elevator shutdown in accordance with Section 3005.5 shall not be installed.

(Reason: Firefighter and public safety. This amendment eliminates the shunt trip requirement of the International Building Code Section 3005.5 for the purpose of elevator passenger and firefighter safety. The new section above is intended to be identical to Sections 3007.2, 3007.3, and 3007.4 for Fire Service Access Elevators and Sections 3008.2, 3008.3 and 3008.4 for Occupant Evacuation Elevators except where amended by the NCTOG Amendments.)

****Section 3005; add Section 3005.7 as follows:**

3005.7 Storage. Storage shall not be allowed within the elevator machine room, control room, machinery spaces and or control spaces. Provide approved signage at each entry to the above listed locations stating: "No Storage Allowed".

****Section 3006.2, Hoistway opening protection required;** Revise text in item 5 as follows:

5. The building is a high rise and the elevator hoistway is more than ~~75 feet (22 860 mm)~~ 55 feet (16 764 mm) in height. The height of the hoistway shall be measured from the lowest floor at or above grade to the highest floors served by the hoistway.

****Section 3007.3 and Section 3008.3: Revise text by deleting "enclosed" as follows:**

3007.3 Water Protection. Water from the operation of an automatic sprinkler system outside the elevator ~~enclosed~~ lobby shall be prevented from infiltrating into the hoistway enclosure in accordance with an approved method.

3008.3 Water Protection. Water from the operation of an automatic sprinkler system outside the elevator ~~enclosed~~ lobby shall be prevented from infiltrating into the hoistway enclosure in accordance with an approved method.

Exhibit “B”

Amendments to the

2024 International Residential Code

The following sections, paragraphs, and sentences of the *2024 International Residential Code* are hereby amended as follows: Standard type is text from the IRC. Underlined type is text inserted. ~~Lined through~~ ~~type is deleted text from the IPC.~~ A double asterisk at the beginning of a section identifies an amendment carried over from the 2021 edition of the code and a triple asterisk identifies a new or revised amendment with the 2024 edition of the code.

The energy provisions in IRC Chapter 11 is deleted in its entirety. Reference the 2024 IECC for energy code provisions and recommended amendments.

Section 101.1; changed to read as follows:

101.1 Title. These provisions shall be known as the Residential Code for One- and two family Dwelling of the City Of Azle hereinafter referred to as “this code.” {remained unchanged}

Section 103.1; amended to read as follows

103.1 Creation of agency. The CITY OF AZLE BUILDING INSPECTION DIVISION is hereby created and the official in charge thereof shall be known as the *building official*.

*****Section R102.4 Referenced codes and standards; change to read as follows:***

R102.4 Referenced codes and standards. The *codes*, when specifically adopted, and standards referenced in this *code* shall be considered part of the requirements of this *code* to the prescribed extent of each such reference and as further regulated in Sections R102.4.1 and R102.4.2. Whenever amendments have been adopted to the referenced *codes* and standards, each reference to said *code* and standard shall be considered to reference the amendments as well. Any reference made to NFPA 70 or the *Electrical Code* shall mean the *Electrical Code* as adopted.

*****Section R104.2.3.1 Flood Hazard areas; delete this section***

*****Section R104.3.1 & R106.1.4; delete these sections regarding flood hazards.***

******Section R104.7 to read as follows:***

R104.7 Official records.

The building official shall keep official records as required in Sections R104.7.1 through R104.7.5. Such official records shall be retained for as long as the building or structure to which such records relate remains in existence, unless otherwise provided by other regulations.

*****R105.3 Application for permit. delete item # 5 – regarding valuation of work**

*****Section R110.1 Use and change of occupancy; Change to read**

A building or structure shall not be used or occupied in whole or in part, and a change of

occupancy of a building or structure or portion thereof shall not be made, until the building official has issued ~~a certificate of occupancy~~ an approval therefore as provided herein. Issuance of ~~a certificate of occupancy~~ an approval shall not be construed as an approval of a violation of the provisions of this code or of other ordinances of the jurisdiction. Certificates presuming to give authority to violate or cancel the provisions of this code or other ordinances of the jurisdiction shall not be valid.

******Section R110.2 Certificate issued. delete the entire section.***

***** Section R110.3 Temporary occupancy; Change to read**

The building official is authorized to issue a temporary ~~certificate of occupancy~~ approval before the completion of the entire work covered by the permit, provided that such portion or portions shall be occupied safely. The building official shall set a time period during which the temporary ~~certificate of occupancy~~ approval is valid.

***** Section R110.4 Revocation; Change to read**

The building official is authorized to suspend or revoke ~~a certificate of occupancy~~ approval issued under the provisions of this code, in writing, wherever the ~~certificate~~ approval is issued in error, or on the basis of incorrect information supplied, or where it is determined that the building or structure or portion thereof is in violation of the provisions of this code or other ordinance of the jurisdiction.

*****Section R202 Definitions; change definition of "Townhouse Unit" to read as follows:***

TOWNHOUSE UNIT. A single-family dwelling unit separated by property lines in a townhouse that extends from foundation to roof and that has a yard or public way on not less than two sides.

******Table R301.2 Climatic and Geographic Design Criteria; fill in as follows:***
Delete remainder of table Manual J Design Criteria and footnote N

GROUND SNOW LOAD[o]	WIND DESIGN				SEISMIC DESIGN CATEGORY[f]	SUBJECT TO DAMAGE FROM			Winter Design Temp	ICE BARRIER UNDER-LAYMENT[h]	FLOOD HAZARDS[g]	AIR FREEZING INDEX[i]	MEAN ANNUAL TEMP[j]
	SPEED[d] (MPH)	Topographic Effects[k]	Special wind Region[L]	Windborne Debris Zone[m]		Weathering[a]	Frost Line Depth[b]	Termite[c]					
9 lb/ft²	105 (3 sec-gust)/ 33 ft.above ground Exposure C	No	No	No	A	Moderate	6”	Very Heavy	22[0] F	No	Local Code	150	64.9 [0] F

(Reason: To promote regional uniformity. Manual J is utilized by third party and not part of performed plan reviews. This is reference table only, not needed.)

*****Section R302.1 Exterior walls; add exception #6 to read as follows:***

Exceptions: *{previous exceptions unchanged}*
6. Open non-combustible carport structures may be constructed when also approved within

adopted ordinances.

***Section R302.2.6 Structural independence; delete exception #6:**

Exceptions: {previous exceptions unchanged}

1. ~~Townhouse units protected by an automatic fire sprinkler system complying with Section P2904 or NFPA 13D.~~

***Section R302.5.1 Opening protection; change to read as follows:**

R302.5.1 Opening protection. Openings from a private garage directly into a room used for sleeping purposes shall not be permitted. Other openings between the garage and dwelling unit shall be equipped with solid wood doors not less than 1-3/8 inches (35 mm) in thickness, solid or honeycomb-core steel doors not less than 1-3/8 inches (35 mm) thick, or 20-minute fire-rated doors. ~~Doors shall be self-latching and equipped with a self-closing or automatic closing device.~~

***Section R306 Flood Resistant Construction; deleted entire section.**

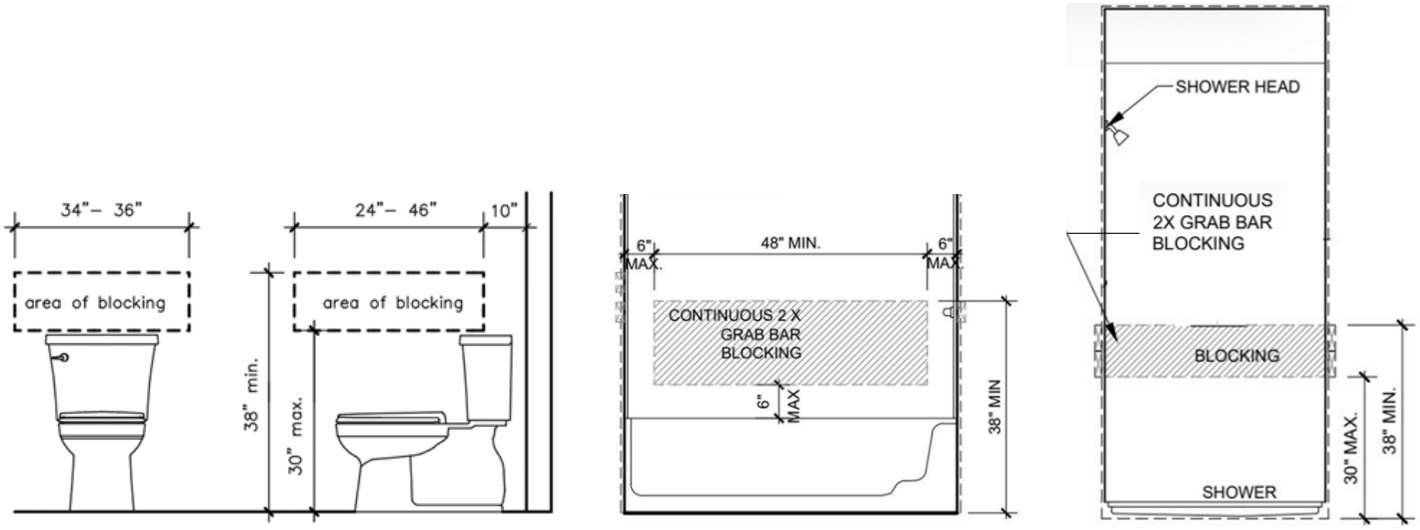
***Section R309.2 One- and two-family dwellings automatic sprinkler systems; Delete this section and subsection in their entirety**.

***Section R325.2 Bathrooms, Exception; amend to read as follows:**

Exception: {existing text unchanged**}** Spaces containing only a water closet or water closet and a lavatory may be ventilated with an approved mechanical recirculating fan or similar device designed to remove odors from the air.

****R327.3 Blocking Locations; add to read as follows:**

R327.3 Blocking locations. Required at one toilet at grade level with blocking installed at rear wall and, if available, one wall adjacent to toilet and at one tub or shower at grade level. Blocking as shown in Figure R327.3.



Toilet Tub Shower

Fig R327.3

R327.4 Wall Blocking; add to read as follows:

R327.4 Wall Blocking. Blocking may be ½" plywood or 2 x solid wood blocking or equivalent, flush with wall as shown in Figure R327.4.

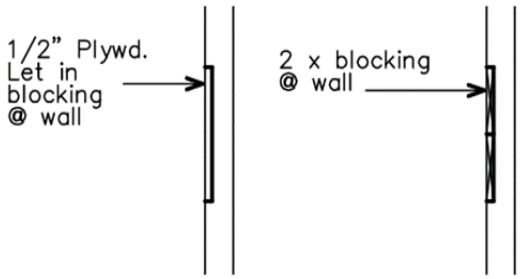


Fig R327.4

**Section 328.1.1; add to read as follows:*

Section 328.1.1 Adjacency to Structural Foundation. Depth of the swimming pool and spa shall maintain a ratio of 1:1 from the nearest building foundation or footing of a retaining wall.

Exception: A sealed engineered design drawing of the proposed new structure shall be submitted for approval.

Section R401.2; add a new paragraph following the existing paragraph to read as follows.

Section R401.2. Requirements. {existing text unchanged} …

Every foundation and/or footing, or any size addition to an existing post-tension foundation, regulated by this code shall be designed and sealed by a Texas-registered engineer.

Section R602.6.1; amend the following:

R602.6.1 Drilling and notching of top plate. When piping or ductwork is placed in or partly in an exterior wall or interior load-bearing wall, necessitating cutting, drilling or notching of the top plate by more than 50 percent of its width, a galvanized metal tie not less than 0.054 inch thick (1.37 mm) (16 Ga) and ~~1 ½ inches (38) mm~~ 5 inches (127 mm) wide shall be fastened across and to the plate at each side of the opening with not less than eight 10d (0.148 inch diameter) having a minimum length of 1 ½ inches (38 mm) at each side or equivalent. Fasteners will be offset to prevent splitting of the top plate material. The metal tie must extend a minimum of 6 inches past the opening. See figure R602.6.1. {remainder unchanged}

**Figure R602.6.1; delete the figure and insert the following figure:*

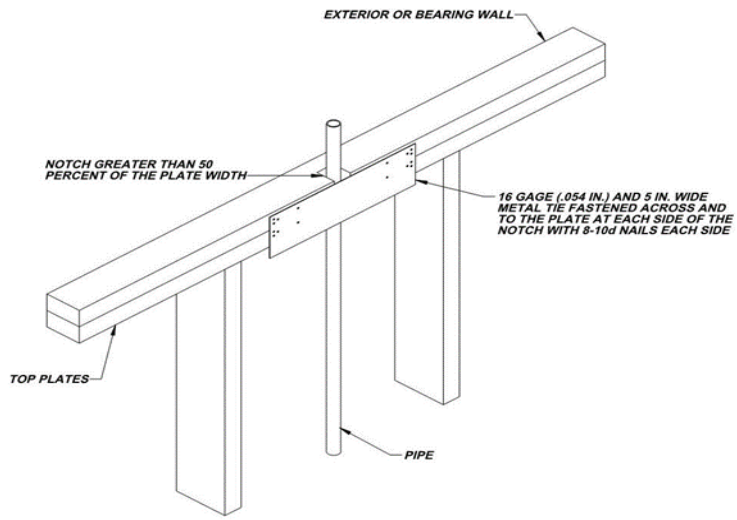


***Table R603.7(2); change footnotes to read as follows:*

a. *All screw sizes shown are minimum size, not to exceed 2 sizes larger.*
b. *{delete}*
c. *{delete}*
d. *{unchanged}*

**Add section R703.8.4.1.2 Veneer Ties for Wall Studs; to read as follows:

R703.8.4.1.2 Veneer Ties for Wall Studs. In stud-framed exterior walls, all ties may be anchored to studs as follows:

1. When studs are 16 in (407 mm) o.c., stud ties shall be spaced no further apart than 24 in (737 mm) vertically starting approximately 12 in (381 mm) from the foundation; or

2. When studs are 24 in (610 mm) o.c., stud ties shall be spaced no further apart than 16 in (483 mm) vertically starting approximately 8 in (254 mm) from the foundation.

***Section R1005.7 Factory-built chimney offsets; change to read as follows:

R1005.7 Factory-built chimney offsets.
Where a factory-built chimney assembly incorporates offsets or where a fireplace manufacturer's instructions do not address factory-built chimney offsets, no part of the chimney shall be at an angle of more than 30 degrees (0.52 rad) from vertical at any point in the assembly and the chimney assembly shall not include more than four elbows.

***Delete Section R1005.9 Factory-built chimney offsets.**

*** Chapter 11 [RE] – Energy Efficiency is deleted in its entirety; Reference the 2024 IECC for energy code provisions and recommended amendments.*

**Section M1305.1.2; change to read as follows:*

M1305.1.2 Appliances in attics. Attics containing appliances shall be provided . . . {bulk of

paragraph unchanged} . . . side of the appliance. The clear access opening dimensions shall be a minimum of 20 inches by 30 inches (508 mm by 762 mm), and large enough to allow removal of the largest appliance. As a minimum, for access to the attic space, provide one of the following:

1. A permanent stair.
2. A pull down stair with a minimum 300 lb (136 kg) capacity.
3. An *access* door from an upper floor level.

Exceptions:

1. The passageway and level service space are not required where the *appliance* is capable of being serviced and removed through the required opening with the approval of the code official.
2. Where the passageway is unobstructed and not less than 6 feet (1829 mm) high and 22 inches (559 mm) wide for its entire length, the passageway shall be not greater than 50 feet (15,250 mm) in length.

*****M1401.1.1; is added to read as follows:**

M1401.1.1 Air conditioning equipment. All residential dwelling units shall be designed and installed with an air conditioning system with the ability to condition and maintain conditioned air 20 degrees below the ambient outside air temperature in all habitable spaces.

****M1411.9; is amended to read as follows:**

Condensate from all cooling coils and evaporators shall be conveyed from the drain pan outlet to ~~an approved place of disposal~~ a sanitary sewer through a trap, by means of a direct or indirect drain. *{remaining text unchanged}*

*****Section M1411.9.1, Items 3 and 4; add text to read as follows:**

M1411.9.1 Auxiliary and secondary drain systems. *{bulk of paragraph unchanged}*

1. *{text unchanged}*
2. *{text unchanged}*
3. An auxiliary drain pan… *{bulk of text unchanged}…* with Item 1 of this section. A water level detection device may be installed only with prior approval of the *building official.*
4. ***A water level detection device… {bulk of text unchanged}… overflow rim of such pan. A water level detection device may be installed only with prior approval of the building official.***

*****Section M1411.9.1.1; add text to read as follows**

M1411.9.1.1 Water-level monitoring devices. On down-flow units …*{bulk of text unchanged}*… installed in the drain line. A water level detection device may be installed only with prior approval of the *building official.*

****M1503.6 Makeup Air Required; amend and add exception as follows:**

G2417.1 (406.1) General. Prior to acceptance and initial operation, all *piping* installations shall be inspected and *pressure tested* to determine that the materials, design, fabrication, and installation practices comply with the requirements of this *code*. The *permit* holder shall make the applicable tests prescribed in

Sections 2417.1.1 through 2417.1.5 to determine compliance with the provisions of this *code*. The *permit* holder shall give reasonable advance notice to the *building official* when the *piping system* is ready for testing. The *equipment*, material, power and labor necessary for the inspections and test shall be furnished by the *permit* holder and the *permit* holder shall be responsible for determining that the work will withstand the test pressure prescribed in the following tests.

****Section G2417.4; change to read as follows:**

G2417.4 (406.4) Test pressure measurement. Test pressure shall be measured with a monometer or with a pressure-measuring device designed and calibrated to read, record, or indicate a pressure loss caused by leakage during the pressure test period. The source of pressure shall be isolated before the pressure tests are made. ~~Mechanical gauges used to measure test pressures shall have a range such that the highest end of the scale is not greater than five times the test pressure.~~

****Section G2417.4.1; change to read as follows:**

G2417.4.1 (406.4.1) Test pressure. The test pressure to be used shall be no less than 3 psig (20 kPa gauge), or at the discretion of the Code Official, the piping and valves may be tested at a pressure of at least six (6) inches (152 mm) of mercury, measured with a manometer or slope gauge, ~~irrespective of design pressure. Where the test pressure exceeds 125 psig (862 kPa gauge), the test pressure shall not exceed a value that produces a hoop stress in the piping greater than 50 percent of the specified minimum yield strength of the pipe.~~ For tests requiring a pressure of 3 psig, diaphragm gauges shall utilize a dial with a minimum diameter of three and one half inches (3 ½"), a set hand, 1/10 pound incrementation and pressure range not to exceed 6 psi for tests requiring a pressure of 3 psig. For tests requiring a pressure of 10 psig, diaphragm gauges shall utilize a dial with a minimum diameter of three and one-half inches (3 ½"), a set hand, a minimum of 2/10 pound incrementation and a pressure range not to exceed 20 psi. For welded piping, and for piping carrying gas at pressures in excess of fourteen (14) inches water column pressure (3.48 kPa) (1/2 psi) and less than 200 inches of water column pressure (52.2 kPa) (7.5 psi), the test pressure shall not be less than ten (10) pounds per square inch (69.6 kPa). For piping carrying gas at a pressure that exceeds 200 inches of water column (52.2 kPa) (7.5 psi), the test pressure shall be not less than one and one-half times the proposed maximum working pressure.

Diaphragm gauges used for testing must display a current calibration and be in good working condition. The appropriate test must be applied to the diaphragm gauge used for testing.

****Section G2417.4.2; change to read as follows:**

G2417.4.2 (406.4.2) Test duration. The test duration shall be held for a length of time satisfactory to the *Building Official*, but in no case for ~~be not~~ less than ~~10~~ fifteen (15) minutes. For welded *piping*, and for *piping* carrying gas at pressures in excess of fourteen (14) inches water column pressure (3.48 kPa), the test duration shall be held for a length of time satisfactory to the *Building Official*, but in no case for less than thirty (30) minutes.

****Section G2420.1 (409.1) add Section G2420.1.4 (409.1.4)to read as follows:**

G2420.1.4 (409.1.4) Valves in CSST installations. Shutoff *valves* installed with corrugated stainless steel (CSST) *piping systems* shall be supported with an approved termination fitting, or equivalent support, suitable for the size of the *valves*, of adequate strength and quality, and located at intervals so as to prevent or damp out excessive vibration but in no case greater than 12-inches from the center of the *valve*. Supports shall be installed so as not to interfere with the free expansion and contraction of the system's *piping*, fittings, and *valves* between anchors. All *valves* and supports shall be designed and installed so they will not be disengaged by movement of the supporting *piping*.

****Section G2420.5.1 (409.5.1); add text to read as follows:**

G2420.5.1 (409.5.1) Located within the same room. The shutoff valve…*{bulk of paragraph unchanged}…* in accordance with the appliance manufacturer's instructions. A secondary shutoff valve must be installed within 3 feet (914 mm) of the firebox if appliance shutoff is located in the firebox.

****Section G2421.1 (410.1); add text and Exception to read as follows:**

G2421.1 (410.1) Pressure regulators. A line *pressure regulator* shall be *… {bulk of paragraph unchanged}… approved* for outdoor installation. Access to *regulators* shall comply with the requirements for access to *appliances* as specified in Section M1305.

> **Exception:** A passageway or level service space is not required when the *regulator* is capable of being serviced and removed through the required *attic* opening.

*****Section G2445.2 (621.2); add Exception to read as follows:***

G2445.2 (621.2) Prohibited use. One or more *unvented room heaters* shall not be used as the sole source of comfort heating in a *dwelling unit*.

> **Exception:** Existing *approved unvented room heaters* may continue to be used in *dwelling units*, in accordance with the *code* provisions in effect when installed, when *approved* by the *Building Official* unless an unsafe condition is determined to exist as described in *International Fuel Gas Code* Section 108.7 of the Fuel Gas Code.

*****Section P2603; add to read as follows:***

P2603.3 Protection against corrosion. Metallic piping, except for cast iron, ductile iron and galvanized steel, shall not be placed in direct contact with steel framing members, concrete or cinder walls and floors or other masonry. Metallic piping shall not be placed in direct contact with corrosive soil. Where sheathing is used to prevent direct contact, the sheathing shall have a thickness of not less than 0.008 inch (8 mil) (0.203 mm) and the sheathing shall be made of approved material ~~plastic~~. Where sheathing protects piping that penetrates concrete or masonry walls or floors, the sheathing shall be installed in a manner that allows movement of the piping within the sheathing.

*****Section P2603.5.1 Sewer Depth; change to read as follows:***

P2603.5.1 Sewer depth. Building sewers that connect to private sewage disposal systems shall be a minimum of 12 inches (304 mm) below finished grade at the point of septic tank connection. Building sewers shall be a minimum of 12 inches (304 mm) below grade.

*****Section P2604; P2604.1.1add to read as follows:***

P2604.1.1 Plastic sewer and DWV piping installation. Plastic sewer and DWV piping installed underground shall be installed in accordance with the manufacturer's installation instructions.

Trench width shall be controlled to not exceed the outside the pipe diameter plus 16 inches or in a trench which has a controlled width equal to the nominal diameter of the piping multiplied by 1.25 plus 12 inches. The piping shall be bedded in 4 inches of granular fill and then backfilled compacting the side fill in 6-inch layers on each side of the piping. The compaction shall be to minimum of 85 percent standard proctor density and extend to a minimum of 6 inches above the top of the pipe.

****Section P2801.5.1; change to read as follows:**

Section P2801.5.1 Pan size and drain. The pan shall be not less than 11/2 inches (38 mm) in depth and shall be of sufficient size and shape to receive all dripping or condensate from the tank or water heater. The pan shall be drained by an indirect waste pipe having a diameter of not less than 3/4 inch (19 mm). Piping for safety pan drains shall be of those materials listed in Table P2906.5.
Multiple pan drains may terminate to a single discharge piping system when *approved* by the administrative authority and permitted by the manufacturers installation instructions and installed with those instructions. {*existing text unchanged}*

***** Section P2804.6.1; change to read as follows:***

Section P2804.6.1 Requirements for discharge piping. The discharge piping serving a pressure relief valve, temperature relief valve or combination thereof shall:

1. Not be directly connected to the drainage system.
2. Discharge through an air gap ~~located in the same room as the water heater.~~
3. Not be smaller than the diameter of the outlet of the valve served and shall discharge full size to the air gap.
4. Serve a single relief device and shall not connect to piping serving any other relief device or equipment.

   Exception: Multiple relief devices may be installed to a single T & P discharge piping system when approved by the administrative authority and permitted by the manufactures installation instructions and installed with those instructions.

5. Discharge to ~~the floor, to the pan serving the water heater or storage tank, to a waste receptor~~ an approved location or to the outdoors.

   [remainder unchanged]

****Section P2902.5.3; change to read as follows:**

P2902.5.3 Lawn irrigation systems. The potable water supply to lawn irrigation systems shall be protected against backflow by an atmospheric-type vacuum breaker, a pressure-type vacuum breaker, a double-check assembly or a reduced pressure principle backflow preventer. A valve shall not be installed downstream from an atmospheric vacuum breaker. Where chemicals are introduced into the system, the potable water supply shall be protected against backflow by a reduced pressure principle backflow

preventer.

****Section P3003.9; change to read as follows:**

P3003.9.2 Solvent cementing. Joint surfaces shall be clean and free from moisture. A purple primer, ~~or other approved primer,~~ that conforms to ASTM F 656 shall be applied. Solvent cement not purple in color and conforming to ASTM D 2564, CSA B137.3, CSA B181.2 or CSA B182.1 shall be applied to all joint surfaces. The joint shall be made while the cement is wet and shall be in accordance with ASTM D 2855. Solvent cement joints shall be permitted above or below ground.

~~Exception: A primer is not required where all of the following conditions apply:~~

1. ~~The solvent cement used is third-party certified as conforming to ASTM D 2564~~
2. ~~The solvent cement is used only for joining PVC drain, waste, and vent pipe and fittings in not pressure applications in sizes up to and including 4 inches (102mm) in diameter.~~
3. ~~The joint is made in accordance with ASTM F3328~~

*****Section P3111Combination waste and vent systems; delete this section in its entirety.***

*****Section P3112.2 Vent Connection; delete and replace with the following:***

P3112.2 Installation. Traps for island sinks and similar equipment shall be roughed in above the floor and may be vented by extending the vent as high as possible, but not less than the drainboard height and then returning it downward and connecting it to the horizontal sink drain immediately downstream from the vertical fixture drain. The return vent shall be connected to the horizontal drain through a wye-branch fitting and shall, in addition, be provided with a foot vent taken off the vertical fixture vent by means of a wye-branch immediately below the floor and extending to the nearest partition and then through the roof to the open air or may be connected to other vents at a point not less than six (6) inches (152 mm) above the flood level rim of the fixtures served. Drainage fittings shall be used on all parts of the vent below the floor level and a minimum slope of one-quarter (1/4) inch per foot (20.9 mm/m) back to the drain shall be maintained. The return bend used under the drain-board shall be a one (1) piece fitting or an assembly of a forty-five (45) degree (0.79 radius), a ninety (90) degree (1.6 radius) and a forty-five (45) degree (0.79 radius) elbow in the order named. Pipe sizing shall be as elsewhere required in this Code. The island sink drain, upstream of the return vent, shall serve no other fixtures. An accessible cleanout shall be installed in the vertical portion of the foot vent.

Exhibit “C”

Amendments to the

2023 National Electric Code (NEC)

The following articles, paragraphs, and sentences of the *2023 National Electrical Code (NEC)* are hereby amended as follows: Standard type is text from the NEC. Underlined is text inserted. ~~Lined through type is deleted~~ text from NEC. A double asterisk (**) at the beginning of an article identifies an amendment carried over from the 2020 edition of the code and a triple asterisk (***) identifies a new or revised amendment with the 2023 code.

******Article 100; add the following to definitions:***

Engineering Supervision. Supervision by a Qualified State of Texas Licensed Professional Engineer engaged primarily in the design or maintenance of electrical installations **as referenced by TBPELS 137.59 (a)(b) as acceptable by the AHJ**

*****Article 110.2; change the following to read as follows:***

110.2 Approval. The conductors and equipment required or permitted by this *Code* shall be acceptable only if approved. Approval of equipment may be evident by listing and labeling of equipment by a Nationally Recognized Testing Lab (NRTL) with a certification mark of that laboratory or a qualified third-party inspection agency or a field evaluation by a Field Evaluation Body accredited by either the International Code Council International Accreditation Service AC354 or ANSI National Accreditation Board programs and approved by the AHJ.

Exception: Unlisted equipment that is relocated to another location within a jurisdiction or is field modified is subject to the approval by the AHJ. This approval may be by a field evaluation by a NRTL or qualified third-party inspection agency or a field evaluation by a Field Evaluation Body accredited by either the ICC IAS AC354 or ANAB programs *and approved by the AHJ.* ~~Manufacturer’s self-certification of any equipment shall not be used as a basis for approval by the AHJ.~~

Informational Note No. 1: =See 90.7, Examination of Equipment for Safety, and 110.3, Examination, Identification, Installation, and Use of Equipment. See definitions of *Approved*, *Identified*, *Labeled*, and *Listed*.

Informational Note No. 2: Manufacturer’s self-certification of equipment may not necessarily comply with U.S. product safety standards as certified by an NRTL.

Informational Note No. 3: National Fire Protection Association (NFPA) 790 and 791 provide an example of an approved method for qualifying a third-party inspection agency.

******Article110.12 B; add the following to:***

(B) Integrity of Electrical Equipment and Connections.

Internal parts of electrical equipment, including busbars, wiring terminals, insulators, and other

surfaces, shall not be damaged or contaminated by foreign materials such as paint, plaster, cleaners, abrasives, corrosive residues *or influences, fire, products of combustion, or water*. There shall be no damaged parts that may adversely affect safe operation or mechanical strength of the equipment such as parts that are broken; bent, cut; or deteriorated by corrosion, chemical action, or overheating. *Except where prohibited elsewhere in this Code, equipment shall be specifically evaluated by its manufacturer or a qualified testing laboratory prior to being returned to service.*

***Article 210.8 A 1 Bathrooms Exception; change the following to read as follows:**

(A) Dwelling Units.

All 125-volt through 250-volt receptacles installed in the following locations and supplied by single-phase branch circuits rated 150 volts or less to ground shall have ground-fault circuit-interrupter protection for personnel:

(1) Bathrooms

Exception No. 4: Factory-installed receptacles that are not readily accessible and are mounted internally to ~~bathroom~~ exhaust fan assemblies shall not require GFCI protection unless required by the installation instructions or listing.

***Article 210.52 C 1 Countertop and Work Surfaces Exception; change the following to read as follows:**

C) Countertops and Work Surfaces.

In kitchens, pantries, breakfast rooms, dining rooms, and similar areas of dwelling units, receptacle outlets for countertop and work surfaces that are 300 mm (12 in.) or wider shall be installed in accordance with 210.52(C)(1) through (C)(3) and shall not be considered as the receptacle outlets required by **210.52(A)**.

For the purposes of this section, where using multioutlet assemblies, each 300 mm (12 in.) of multioutlet assembly containing two or more receptacles installed in individual or continuous lengths shall be considered to be one receptacle outlet.

(1) Wall Spaces.
Receptacle outlets shall be installed so that no point along the wall line is more than 600 mm (24 in.) measured horizontally from a receptacle outlet in that space. The location of the receptacles shall be in accordance with 210.52(C)(3).

*Exception ~~No. 1~~: Receptacle outlets shall not be required directly behind a range, counter-mounted cooking unit, or sink in the installation described in **Figure 210.52(C)(1)**.*

~~Exception No. 2: Where a required receptacle outlet cannot be installed in the wall areas shown in Figure 210.52(C)(1), the receptacle outlet shall be permitted to be installed as close as practicable to the countertop area to be served. The total number of receptacle outlets serving~~

~~the countertop shall not be less than the number needed to satisfy 210.52(C)(1). These outlets shall be located in accordance with 210.52(C)(3).~~

***Article 210.52 C 2 *Island and Peninsular Countertops and Work Surfaces*: Change the following to read as follows:**

Receptacle outlets, if installed to serve an island or peninsular countertop or work surface, shall be installed in accordance with 210.52(C)(3). If a receptacle outlet is not provided to serve an island or peninsular countertop or work surface, ~~provisions shall be provided at the island or peninsula for~~ a chapter 3 wiring method shall be installed and supplied from a Small Appliance Branch Circuit to a Listed Outlet Box in the Peninsular or Island Cabinet at an Accessible Location, for future addition of a receptacle outlet to serve the island or peninsular countertop or work surface.

***Article 210.63 B 1 *Equipment Requiring Servicing.*; change the following to read as follows:**

(B) Other Electrical Equipment.

In other than one- and two-family dwellings, a receptacle outlet shall be located as specified in 210.63(B)(1) and (B)(2).

(1) Indoor Service Equipment.

The required receptacle outlet shall be located within the same room or area as the service equipment.

(2) Indoor Equipment Requiring Dedicated Equipment Spaces.

Where equipment, other than service equipment, requires dedicated equipment space as specified in 110.26(E), the required receptacle outlet shall be located within the same room or area as the electrical equipment ~~and shall not be connected to the load side of the equipment's disconnecting means~~.

***** New Article 220.7 Load Calculation; add the following:**

A load calculation shall be provided upon request when modifications to the electrical installation occur.

*****Article 230.85 C Emergency Disconnects: Change the following to read as follows:**

For one- and two-family dwelling units, an emergency disconnecting means shall be installed.

(C) Replacement.

Where service equipment is replaced, all of the requirements of this section shall apply.

Exception: Where a pre-existing installation is Code Compliant with 230.70 A, only meter sockets,

service entrance conductors, or related raceways and fittings are replaced, the requirements of this section shall not apply.

******Article 408.4 Descriptions ~~Field Identification~~ Required: Change the following to read as follows***

(A) Circuit Directory or Circuit Description.
Every circuit and circuit modification shall be provided with a legible and permanent description that complies with all of the following conditions as applicable:

(1) Located at each switch or circuit breaker in a switchboard or switchgear
(2) Included in a circuit directory that is located on the face of, inside of, or in an approved location adjacent and permanently affixed to the panel door in the case of a panelboard
(3) Clear, evident, and specific to the purpose or use of each circuit including spare positions with an unused overcurrent device
(4) Described with a degree of detail and clarity that is unlikely to result in confusion between circuits
(5) Not dependent on transient conditions of occupancy
(6) Clear in explaining abbreviations and symbols when used

*****Article 410.118: Change the following to read as follows***

410.118 Access to other boxes.
Luminaires recessed in the ceilings, floors, or walls shall not be used to access outlet, pull, or junction boxes or conduit bodies, unless the box or conduit body is an integral part of the listed luminaire.

Exception: removable luminaires with a minimum measurement of 22 in. X 22 in. shall be permitted to be used as access to outlet, pull, junction boxes or conduit bodies.

*****Article 422.31 B: Change the following to read as follows***

422.31 B Appliances Rated over 300 Volt-Amperes

(B) Appliances Rated over 300 Volt-Amperes. For permanently connected appliances rated over 300 volt-amperes, the branch-circuit switch or circuit breaker shall be permitted to serve as the disconnecting means where the switch or circuit breaker is within sight from and is readily accessible to the appliance it serves or is capable of being locked in the open position in accordance with 110.25 and is readily accessible to the appliance it serves.

Informational Note No. *1*: For appliances employing unit switches, see 422.34.

Informational Note No 2: The following means of access are considered to constitute readily accessible for this code change when conforming to the additional access requirements of the I Codes:

(1) A permanent stair.
(2) A pull-down stair with a minimum 300 lb. (136 kg) capacity.
(3) An access door from an upper floor level.

Article 500.8 (A) (3); change to read as follows:

500.8 Equipment.
Articles 500 through 504 require equipment construction and installation that ensure safe performance under conditions of proper use and maintenance.

Informational Note No. 1: It is important that inspection authorities and users exercise more than ordinary care with regard to installation and maintenance.

Informational Note No. 2: Since there is no consistent relationship between explosion properties and ignition temperature, the two are independent requirements.

Informational Note No. 3: Low ambient conditions require special consideration. Explosion proof or dust-ignition proof equipment may not be suitable for use at temperatures lower than -25°C (-13°F) unless they are identified for low-temperature service. However, at low ambient temperatures, flammable concentrations of vapors may not exist in a location classified as Class I, Division 1 at normal ambient temperature.

(A) Suitability. Suitability of identified equipment shall be determined by one of the following:

(1) Equipment listing or labeling;
(2) Evidence of equipment evaluation from a qualified testing laboratory or inspection agency concerned with product evaluation; or,
(3) By Special Permission Only, Evidence acceptable to the authority having jurisdiction such as a manufacturer's self-evaluation *accompanied by* or an owner's engineering judgment an engineering judgment signed and sealed Under Supervision by a Qualified State of Texas Licensed Professional Engineer engaged primarily in the design or maintenance of electrical installations as referenced by TBPELS 137.59 (a)(b) as acceptable by the AHJ.

Informational Note: Additional documentation for equipment may include certificates demonstrating compliance with applicable equipment standards, indicating special conditions of use, and other pertinent information.

Article 505.7 and 505.7 (A); change to read as follows:

505.7 Special Precaution.
~~Article 505~~ This article requires equipment construction and installation that ensures safe performance under conditions of proper use and maintenance.

Informational Note No. 1: It is important that inspection authorities and users exercise more than ordinary care ~~with regard~~ to regarding the installation and maintenance of electrical equipment in hazardous (classified) locations.

Informational Note No. 2: ~~Low ambient conditions require special consideration.~~ Electrical equipment ~~depending~~ that is dependent on the protection ~~techniques described~~ technique permitted by 505.8(A) may not be suitable for use at temperatures lower than -20°C (-4°F) unless they are identified for use at lower temperatures. ~~However~~, Low ambient conditions require special consideration. At low ambient temperatures, flammable concentrations of vapors ~~may~~ might not exist in a location classified Class I, Zones 0, 1, or 2 at normal ambient temperature.

(A) Implementation of Zone Classification System. Classification of areas, engineering and design, selection of equipment and wiring methods, installation, and inspection shall be performed ~~By Special Permission Only, under~~ Supervision by a Qualified State of Texas Licensed Professional Engineer engaged primarily in the design or maintenance of electrical installations as referenced by TBPELS 137.59 (a)(b) as acceptable by the AHJ.

(B) GO TO TBPE LAW FOR THE DEFINITION OF AN ENGINEER
https://pels.texas.gov/
https://pels.texas.gov/downloads/lawrules.pdf

*****Article 695.6 A 1: Change the following to read as follows:***

695.6 (A) Supply Conductors.

(1) Services and On-Site Power Production Facilities. Service conductors and conductors supplied by on-site power production facilities shall be physically routed outside a building(s) and shall be installed as service-entrance conductors in accordance with 230.6, 230.9, and Parts III and IV of Article 230. Where supply conductors cannot be physically routed outside of buildings, the conductors shall be permitted to be routed through the building(s) where installed in accordance with 230.6(1) or (2).
~~*Exception: The supply conductors within the fire pump room shall not be required to meet 230.6 (1) or (2)*~~

******Article 690.9 D: Change the following to read as follows:***

690.9(D) Transformers. Overcurrent protection for power transformers shall be installed in accordance with 705.30(F).

~~***Exception: A power transformer with a current rating on the side connected toward the interactive inverter output, not less than the rated continuous output current of the inverter, shall be permitted without overcurrent protection from the inverter.***~~

******Article 705.8 System Installation: Change the following to read as follows:***

705.8 System Installation. Installation of one or more electrical power production sources operating in parallel with a primary source(s) of electricity shall be performed only by qualified persons. During the installation there shall be on site one of the following:

(1) A person holding a Master Electrician License issued by the Texas Department of Licensing

and Regulation.

(2)A person holding a Journeyman Electrician License issued by the Texas Department of Licensing and Regulation.

~~(3) A person holding a Residential Wireman License issued by the Texas Department of Licensing and Regulation. Additionally this person must have formal training in interconnected electric power production sources. This training must be approved by the AHJ.~~

705.80 Power Source Capacity.

For interconnected power production sources that operate in island mode, capacity shall be calculated using the sum of all power source output maximum currents for the connected power production source. Solar photovoltaic (PV) and wind systems shall not be included in the sum capacity.

****Article 710.15 A: Change the following to read as follows***

~~**710.15 General**~~

~~**710.15(A) Supply Output.**~~
~~Power supply to premises wiring systems fed by stand-alone or isolated microgrid power sources shall be permitted to have less capacity than the calculated load. The capacity of the sum of all sources of the stand-alone supply shall be equal to or greater than the load posed by the largest single utilization equipment connected to the system. Calculated general lighting loads shall not be considered as a single load have adequate capacity to meet the calculated load in accordance with Article 220.~~

~~Informational Note: For general-use loads the system capacity can be calculated using the sum of the capacity of the firm sources, such as generators and ESS inverters. For specialty loads intended to be powered directly from a variable source, the capacity can be calculated using the sum of the variable sources, such as PV or wind inverters, or the combined capacity of both firm and variable sources.~~

Exhibit “D”

Amendments to the

2024 International Plumbing Code

The following sections, paragraphs, and sentences of the *2024 International Plumbing Code* are hereby amended as follows: Standard type is text from the IPC. Underlined type is text inserted. ~~Lined through type is deleted text from the IPC.~~ A double asterisk at the beginning of a section identifies an amendment carried over from the 2021 edition of the code and a triple asterisk identifies a new or revised amendment with the 2024 edition of the code.

Section 101.1; changed to read as follows:

These regulations shall be known as the Plumbing Code of the CITY OF AZLE hereinafter referred to as “this code.”

Section 103.1; amended to read as follows

103.1 Creation of agency. The CITY OF AZLE BUILDING INSPECTION DIVISION is hereby created and the official in charge thereof shall be known as the *building official*.

Section 109; delete entire section and insert to following:

Section 109
Means of Appeal

109. 1 Application for appeal. Any person shall have the right to appeal a decision of the code official to the board of appeals established by ordinance. The board shall be governed by the enabling ordinance.

***Section 102.8; change to read as follows:*

102.8 Referenced codes and standards. The codes and standards referenced in this code shall be those that are listed in Chapter 15 and such codes, when specifically adopted, and standards shall be considered as part of the requirements of this code to the prescribed extent of each such reference and as further regulated in Section 102.8.1 and 102.8.2. Whenever amendments have been adopted to the referenced codes and standards, each reference to said code and standard shall be considered to reference the adopted amendments. Any reference to NFPA 70 shall mean the National Electrical Code as adopted.

> **Exception:** Where enforcement of a code provision would violate the conditions of the listing of the *equipment* or *appliance*, the conditions of the listing and the manufacturer’s installation instruction shall apply.

***Section 305; change to read as follows:*

305.1 Protection against contact. Metallic piping, except for cast iron, ductile iron and galvanized steel, shall not be placed in direct contact with steel framing members, concrete or cinder walls and floors or other masonry. Metallic piping shall not be placed in direct contact with corrosive soil. Where sheathing is used to prevent direct contact, the sheathing shall have a thickness of not less than 0.008 inch (8 mil) (0.203 mm) and the sheathing shall be made of approved material ~~plastic~~. Where sheathing protects piping that

penetrates concrete or masonry walls or floors, the sheathing shall be installed in a manner that allows movement of the piping within the sheathing.

***Section 305.4.1; changed to read as follows:*

305.4.1 Sewer depth. ~~Building sewers that connect to private sewage disposal systems shall be a minimum of [number] inches (mm) below finished grade at the point of septic tank connection.~~ Building sewers shall be a minimum of 12 inches (304 mm) below grade.

Section 305.7 Protection of components of plumbing system.
Components of a plumbing system within 3 feet along alleyways

****Section 306.2.5; added to read as follows:*

****306.2.5 Plastic sewer and DWV piping installation.** Plastic sewer and DWV piping installed underground shall be installed in accordance with the manufacturer's installation instructions and ASTM D2321. Trench width shall be controlled to not exceed the outside pipe diameter plus 16 inches or in a trench which has a controlled width equal to the nominal diameter of the diameter of the piping multiplied by 1.25 plus 12 inches. The piping shall be bedded in 4 inches of granular fill and then backfilled compacting the side fill in 6-inch layers on each side of the piping. The compaction shall be to a minimum of 85 percent standard proctor density and extend to a minimum of 6 inches above the top of the pipe.

****Section 403.1; add a second paragraph to read as follows:*

403.1 Minimum number of fixtures. Plumbing fixtures shall be proved in the minimum number as shown in Table 403.1, based on the actual use of the building or space. Uses not shown in Table 403.1 shall be considered individually by the Code Official. The number of occupants shall be determined by the *International Building Code.*

In other than E Occupancies, the minimum number of fixtures in Tabel 403.1 may be lowered, if requested in writing, by the applicant stating reasons for a reduction number and approved by the Building Official.

**** Table 403.1; add footnote g to read as follows:*

g. Drinking fountains are not required in M Occupancies with an occupant load of 100 or less, B Occupancies with an occupant load of 25 or less, and for dining and/or drinking establishments.

****Section 413.4; change to read as follows:*

413.4 Required location for floor drains ~~Public laundries and central washing facilities~~. Floor drains shall be installed in the following areas:

2. In public laundries and in the central washing facilities of multiple family dwellings, the rooms containing automatic clothes washers shall be provided with floor drains located to readily drain the entire floor area. Such drains shall have a minimum outlet of not less than 3 inches (76 mm) in diameter.
3. Commercial kitchens.

   Exception: In lieu of floor drains in commercial kitchens, the Code Official may accept floor sinks.

4. Public restrooms.
5. Closets containing mop/service sinks.

***Section 502.3; change to read as follows:*

502.3 Water heaters installed in attics. (Remain the same) As a minimum access to the attic space shall be provided by one of the following:

1. A permanent stair.
2. A pull-down stair rated for 300 lb. minimum.
3. An access door from an upper floor level.

***Section 608.17.5; change to read as follows:*

608.17.5 Connections to lawn irrigation systems. The potable water supply to lawn irrigation systems shall be protected against backflow by an atmospheric-type vacuum breaker, a pressure-type vacuum breaker, a double-check assembly or a reduced pressure principal backflow preventer. A valve shall not be installed downstream from an atmospheric vacuum breaker. Where chemicals are introduced into the system, the potable water supply shall be protected against backflow by a reduced pressure principal backflow preventer.

***Section 703.6; Combined sanitary and storm public sewer. Delete*

***Section 704.5; added to read as follows:*

***704.5* Single stack fittings.** Single stack fittings with internal baffle, PVC schedule 40 or cast-iron single stack shall be designed by a registered engineer and comply to a national recognized standard.

***Section 712.4.3; add Section 712.4.3 to read as follows:*

712.4.3 Dual Pump System. All sumps shall be automatically discharged and, when in any "public use" occupancy where the sump serves more than 10 fixture units, shall be provided with dual pumps or ejectors arranged to function independently in case of overload or mechanical failure. For storm drainage sumps and pumping systems, see Section 1113.

Section 713; changed to read as follows:

713 Engineered ~~Computerized~~ Drainage Design

***Section 903.1.1; change to read as follows:*

903.1.1 Roof extension unprotected. Open vent pipes that extend through a roof shall terminate not less than six (6) inches (152 mm) above the roof.

***Section 1109; Combined Sanitary and Storm Public Sewer: delete this section.*

***Section 1202.1; delete Exceptions 1 and 2.*

***Chapter 15; ASTM D2321; added to Referenced Standards*

ASTM D2321 - Underground Installation of Thermoplastic Pipe for Sewers and Other Gravity-Flow Applications. 306.2.5

Exhibit “E”

Amendments to the

2024 International Mechanical Code

The following sections, paragraphs, and sentences of the *2024 International Mechanical Code* (IMC) are hereby amended as follows: Standard type is text from the IMC. Underlined type is text inserted. ~~Lined through type is deleted text from the IMC~~. A double asterisk at the beginning of a section identifies an amendment carried over from the 2021 edition of the code and a triple asterisk identifies a new or revised amendment of the 2024 edition of the code.

Section 101.1; change to read as follows:

101.1: Title.
These regulations shall be known as the Mechanical Code of the CITY OF AZLE, hereinafter referred to as “this code.”

Section 102.8; change to read as follows:

102.8 Referenced Codes and Standards. The codes and standards referenced herein shall be those that are listed in Chapter 15 and such codes and standards, when specifically adopted, shall be considered part of the requirements of this code to the prescribed extent of each such reference and as further regulated in Sections 102.8.1 and 102.8.2.

Whenever amendments have been adopted to the referenced codes and standards, each reference to said code and standard shall be considered to reference the adopted amendments. Any reference to NFPA 70 shall mean the National Electrical Code as adopted.

> Exception: Where enforcement of a code provision would violate the conditions of the listing of the *equipment* or *appliance*, the conditions of the listing and the manufacturer’s installation instruction shall apply.

Section 103.1; amend to read as follows

103.1 Creation of agency. The CITY OF AZLE BUILDING INSPECTION DIVISION is hereby created and the official in charge thereof shall be known as the *building official*. {remainder of text unchanged}

****Section 202; add definition of Effective Dispersal Volume Charge as follows:**

Effective Dispersal Volume Charge (EDVC). The maximum refrigerant charge permitted for an effective dispersal volume.

****Section 202; add definition of Refrigerant Detection System as follows:**

Refrigerant Detection System - The product safety standard addresses both refrigerant detection systems and leak detection systems. In the product safety standard, a leak detection system is defined as “a sensing system which responds to refrigerant leaking from a refrigerating system.” A leak detection system may include gas sensing, ultrasonic, or other such methods that meet the standards UL 60335-2-40/CSA C22.2 No. 60335-2-40 or UL 60335-2-89/CSA C22.2 No. 60335-2-89. [ASHRAE 15-2022: 3.1]

***Section 202; add definition of Refrigerant Detector as follows:**

Refrigerant Detector - "Refrigerant sensor" is another term for refrigerant detector. A refrigerant sensor is a sensing element combined with electronic circuitry that provides a digital output or an analog signal output that corresponds to the sensed refrigerant gas concentration. [ASHRAE 15-2022: 3.1]

***Section 306.3; change to read as follows:**

306.3 Appliances in attics. Attics containing *appliances* shall be provided with an opening and unobstructed passageway large enough to allow removal of the largest *appliance.* The passageway shall be not less than 30 inches (762 mm) high and 22 inches (599 mm) wide and to more than 20 feet (6096 mm) in length measured along the centerline of the passageway from the opening to the *appliance.* The passageway shall have continuous solid flooring not less than 24 inches (610 mm) wide. A level service space not less than 30 inches (762 mm) deep and 30 inches (762 mm) wide shall be present at the front or service side of the *appliance.* The clear access opening dimensions shall be not less than 20 inches by 30 inches (508 mm by 762 mm), and large enough to allow removal of the largest appliance. As a minimum access to the attic space shall be provided by one of the following:

1. A permanent Stair.
2. A pull-down stair with a minimum 300 lb (136 kg) capacity.
3. An access door from an upper floor level.

Exceptions:

3. The passageway and level service space are not required where the *appliance* is capable of being serviced and removed through the required opening with the approval of the code official.
4. Where the passageway is unobstructed and not less than 6 feet (1829 mm) high and 22 inches (559 mm) wide for its entire length, the passageway shall be not greater than 50 feet (15,250 mm) in length.

***Section 306.5.1; change to read as follows:**

306.5.1 Sloped Roofs. Where appliances, *equipment*, fans or other components that require service are installed on a roof having a slope of 3 units vertical in 12 units horizontal (25-percent slope) or greater and having an edge more than 30 inches (762 mm) above grade at such edge, a catwalk at least 16 inches in width with substantial cleats spaced not more than 16 inches apart shall be provided from the roof *access* to a level platform at the appliance. The level platform shall be provided on each side of the *appliance* or *equipment* to which *access* is required for service, repair or maintenance. The platform shall be not less than 30 inches (762 mm) in any dimension and shall be provided with guards. The guards shall extend not less than 42 inches (1067 mm) above the platform, shall be constructed so as to prevent the passage of a 21-inch-diameter (533 mm) sphere and shall comply with the loading requirements for guards specified in the *International Building Code*…*{remainder of text unchanged}*.

***Section 501.3; add an exception to read as follows:**

501.3 Exhaust Discharge. The air removed by every mechanical exhaust system shall be discharged outdoors at a point where it will not cause a public nuisance and not less than the distances specified in Section 501.3.1. The air shall be discharged to a location from which it cannot again be readily drawn in by a ventilating system. Air shall not be exhausted into an attic, crawl space, or be directed onto walkways.

Exceptions:

1. Whole-house ventilation-type attic fans shall be permitted to discharge into the attic space of dwelling units having private attics.

2. Commercial cooking recirculating systems.

3. Where installed in accordance with the manufacturer's instructions and where mechanical or natural ventilation is otherwise provided in accordance with Chapter 4, listed and labeled domestic ductless range hoods shall not be required to discharge to the outdoors.

4. Toilet room exhaust ducts may terminate in a warehouse or shop area when infiltration of outside air is present.

****Section 1104.2 Machinery Room ; add an exception to read as follows:**

Exception

5. Machinery Rooms are not required when in compliance with ASHRAE 15 Section 7.4.

***** Section 1104.3.1.1 Group A2L High-Probability Systems. Add this section to read:**

1104.3.1.1 Group A2L High-Probability Systems. High-probability systems using Group A2L refrigerants shall comply with ASHRAE 15 section 7.6.

*****Section 1109.2.5 Refrigerant pipe shafts. Change to read:**
[Existing text to remain]

Exceptions:
1. *Refrigeration* systems using R-718 refrigerant (water).
2. Piping in a direct refrigeration system ~~using Group A1~~ where the refrigerant quantity does not exceed the limits of Table 1103.1 for the smallest occupied space through which the piping passes.
3. Piping located on the exterior of the building where vented to the outdoors.

Exhibit “F”

2024 International Energy Conservation Code

And the energy provisions of the 2024 International Residential Code

(Climate Zone 3 of the IECC)

The following sections, paragraphs, and sentences of the *2024 International Energy Conservation Code* (IECC) are hereby amended as follows: Standard type is text from the IECC. Underlined type is text inserted. ~~Lined through type is deleted text from IECC.~~ A double (**) asterisk at the beginning of a section identifies an amendment carried over from the 2021 edition of the code and a triple (***) asterisk identifies a new or revised amendment with the 2024 code. Section numbers in parenthesis represent the corresponding numbers of the energy provisions of the 2024 *International Residential Code* for parallel amendments.

***Section C101.1 Title;* amend to read as follows**:
This code shall be known as the *Energy Conservation Code* of the City of Azle and shall be cited as such. It is referred to herein as “this code.”

Section 103.1; amended to read as follows

103.1 Creation of enforcement agency. The CITY OF AZLE BUILDING INSPECTION DIVISION is hereby created and the official in charge thereof shall be known as the *building official*. {remaining text unchaged}

Section C102/R102 General; add Section C102.1.2 and R102.1.2 (N1101.4.1) to read as follows:

C104.1.2 Alternative compliance. A building certified by a national, state, or local accredited energy efficiency program and determined by the Energy Systems Laboratory to be in compliance with the energy efficiency requirements of this section may, at the option of the Code Official, be considered in compliance. The United States Environmental Protection Agency's Energy Star Program certification of energy code equivalency shall be considered in compliance.

R104.1.2 (N1101.4.1) Alternative compliance. A building certified by a national, state, or local accredited energy efficiency program and determined by the Energy Systems Laboratory to be in compliance with the energy efficiency requirements of this section may, at the option of the Code Official, be considered in compliance. The United States Environmental Protection Agency's Energy Star Program certification of energy code equivalency shall be considered in compliance. Regardless of the program or the path to compliance, each 1- and 2-family dwelling shall be tested for air and duct leakage as prescribed in Section R402.5.1.2 (N1102. 5.1.2) and R403.3.7 (N1103.3.7) respectively.

****Section C403.7.4.1 Nontransient dwelling units.; *amend as follows.***

C403.7.4.1 Nontransient dwelling units. Nontransient dwelling units shall be provided with outdoor air energy recovery ventilation systems complying with not less than one of the following:

1. The system shall have an enthalpy recovery ratio of not less than 50 percent at cooling design condition and not less than 60 percent at heating design condition.
2. The system shall have a sensible recovery efficiency (SRE) that is not less than 65 percent at 32°F (0°C) and in Climate Zones 0A, 1A, 2A and 3A shall have a net moisture transfer (NMT) that is not less than 40 percent at 95°F (35°C). SRE and NMT shall be determined from a listed value or from interpolation of listed values at an airflow not less than the design airflow, based on testing in accordance with CAN/CSA C439.

Exceptions:

1. Nontransient dwelling units in Climate Zone 3C.
2. Nontransient dwelling units with not more than 500 square feet (46 m^2) of conditioned floor area in Climate Zones 0, 1, 2, 3, 4C and 5C.
3. Enthalpy recovery ratio requirements at heating design condition in Climate Zones 0, 1 and 2.
4. Enthalpy recovery ratio requirements at cooling design condition in Climate Zones 4, 5, 6, 7 and 8.
5. Dwelling units using ventilation systems per the Fan Efficacy Table in R406, shall be considered in compliance.

*****Section C405.2.10 Sleeping unit and dwelling unit lighting and switched receptacle controls; *deleted in its entirety.***

*****Section R105.2.2 Solar Ready System; deleted in entirety.**

*****Section R106.3 Permit Valuation; deleted in entirety.**

Section R202 (N1101.6) Definitions; *add the following definition:*

****DYNAMIC GLAZING.** Any fenestration product that has the fully reversible ability to change its performance properties, including *U*-factor, solar heat gain coefficient (SHGC), or visible transmittance (VT).

******Section R402.2.10 (N1102.2.10) Slab-on-grade floors; amend as follows.***

Exception: Slab-edge insulation is not required in jurisdictions designated by the *code official* as having a moderate to heavy or very heavy termite infestation probability.

***** Section R402.5.5 (N1102.5.5) Air-sealed electrical and communication outlet boxes*; amend as follows.***

Section R402.5.5 (N1102.5.5) Air-sealed electrical and communication outlet boxes. Air-sealed electrical and communication outlet boxes that penetrated the *air barrier* of the *building thermal envelope* shall be caulked, taped, gasketed or otherwise sealed to the *air barrier* element being penetrated. Air-sealed boxes shall be buried in or surrounded by insulation. Air-sealed boxes shall be tested and marked in accordance with NEMA OS 4. Air-sealed boxes shall be installed in accordance with the manufacturer's instructions.

Exception: Boxes may be air-sealed in the field using caulk, tape, gasket or other approved method to prevent air leakage through the box in lieu of NEMA OS 4 boxes. Boxes air-sealed in

the field shall be sealed to the air barrier element being penetrated and installed in accordance with manufacturer's instructions

******Table 402.1.2 (1102.1.2) Maximum Assembly/Climate Zone items: amend table as follows.***

TABLE R402.1.2 (N1102.1.2) - MAXIMUM ASSEMBLY U-FACTOR AND FENESTRATION REQUIREMENTS

Portions of table not shown remain unchanged.

CLIMATE ZONE	***2***	***3***
Attic Roofline U-factor[f]	***0.035***	***0.035***

f. Air-impermeable insulation located at the attic roofline but below the roof deck may be used if mechanical equipment and air distribution system are located entirely within the building thermal envelope. "Air-impermeable" shall be defined as having an air permeance not exceeding 0.02 L/s-m 2 at 75 Pa pressure differential tested according to ASTM E 2178 or ASTM E 283.

TABLE R402.1.3 (N1102.1.3) - INSULATION MINIMUM R-VALUES AND FENESTRATION REQUIREMENTS BY COMPONENT

Portions of table not shown remain unchanged.

CLIMATE ZONE	***2***	***3***
attic roofline R-value[i]	***30+0ci***	***30+0ci***

i. Air-impermeable insulation of R-30&0 or greater located at the attic roofline but below the roof deck may be used if mechanical equipment and air distribution system are located entirely within the building thermal envelope. "Air-impermeable" shall be defined as having an air permeance not exceeding 0.02 L/s-m 2 at 75 Pa pressure differential tested according to ASTM E 2178 or ASTM E 283.

*****Section R404.2 (N1104.2) Interior lighting controls; *deleted in its entirety.***

****** TABLE R405.4.2(1) (N1105.4.2(1)) - SPECIFICATIONS FOR THE STANDARD REFERENCE AND PROPOSED DESIGNS: amend table as follows.***

TABLE R405.4.2(1) (N1105.4.2(1)) SPECIFICATIONS FOR THE STANDARD REFERENCE AND PROPOSED DESIGNS

Portions of table not shown remain unchanged.

BUILDING COMPONENT	STANDARD REFERENCE DESIGN	PROPOSED DESIGN
Foundations	Type: same as proposed.	As proposed
	Foundation wall or slab extension above grade: 1 foot (30cm)	As proposed

	Foundation wall or slab extension below grade: same as proposed Foundation wall or slab perimeter length: same as proposed Soil characteristics: same as proposed.	
	Foundation wall U-factor and slab-on-grade F-factor: as specified in Table R402.1.2.[n]	As proposed

For SI: 1 square foot = 0.93 m2, 1 British thermal unit = 1055 J, 1 pound per square foot = 4.88 kg/m2, 1 gallon (US) = 3.785 L, °C = (°F-32)/1.8, 1 degree = 0.79 rad.

n. In accordance with Section R402.2.10, a maximum *F*-factor of 0.73 shall apply for the reference design in jurisdictions designated by the *code official* as having a moderate to heavy or very heavy termite infestation probability.

***TABLE R406.5 (N1106.5) MAXIMUM ENERGY RATING INDEX;* amend to read as follows**:

TABLE R406.5 *(N1106.5)* [2]
MAXIMUM ENERGY RATING INDEX

CLIMATE ZONE	ENERGY RATING INDEX NOT INCLUDING OPP	ENERGY RATING INDEX WITH OPP
2	~~51~~ 59	~~34~~
3	~~50~~ 59	~~33~~

[2] The table is effective from September 1, 2022 to August 31, 2025.

TABLE R406.5 *(N1106.5)* [3]
MAXIMUM ENERGY RATING INDEX

CLIMATE ZONE	ENERGY RATING INDEX NOT INCLUDING OPP	ENERGY RATING INDEX WITH OPP
2	~~51~~ 57	~~34~~
3	~~50~~ 57	~~33~~

[3] The table is effective from September 1, 2025 to August 31, 2028.

TABLE R406.5 *(N1106.5)* [4]
MAXIMUM ENERGY RATING INDEX

CLIMATE ZONE	ENERGY RATING INDEX NOT INCLUDING OPP	ENERGY RATING INDEX WITH OPP
2	~~51~~ 55	~~34~~
3	~~50~~ 55	~~33~~

[4] This table is effective on or after September 1, 2028.

****** Section R408 Additional Efficiency Requirements; deleted in entirety.***

Exhibit “G”

Amendments to the

2024 International Fuel Gas Code

The following sections, paragraphs, and sentences of the *2024 International Fuel Gas Code* are hereby amended as follows: Standard type is text from the IFGC. Underlined type is text inserted. ~~Lined through type is deleted text from IFGC.~~ A double asterisk at the beginning of a section identifies an amendment carried over from the 2021 edition of the code and a triple asterisk identifies a new or revised amendment with the 2024 code.

***Section 101.1 Title;* amend to read as follows**:
This code shall be known as the *Fuel Gas Code* of the City of Azle and shall be cited as such. It is referred to herein as “this code.”

Section 103.1; amend to read as follows

103.1 Creation of agency. The CITY OF AZLE BUILDING INSPECTION DIVISION is hereby created and the official in charge thereof shall be known as the *building official*.

Section 102.2; add an exception to read as follows:

Exception: Existing dwelling units shall comply with Section 621.2.

Section 102.8; change to read as follows:

102.8 Referenced codes and standards. The codes and standards referenced in this code shall be those that are listed in Chapter 8 and such codes, when specifically adopted, and standards shall be considered part of the requirements of this code to the prescribed extent of each such reference and as further regulated in Sections 102.8.1 and 102.8.2. Whenever amendments have been adopted to the referenced codes and standards, each reference to said code and standard shall be considered to reference the amendments as well. Any reference to NFPA 70 or the *National Electrical Code* shall mean the National Electrical Code as adopted.

Exception: Where enforcement of a code provision would violate the conditions of the listing of the *equipment* or *appliance*, the conditions of the listing and the manufacturer’s installation instructions shall apply.

****Section 306.3; change to read as follows:***

306.3 Appliances in attics. Attics containing *appliances* shall be provided with an opening and unobstructed passageway large enough to allow removal of the largest *appliance.* The passageway shall be not less than 30 inches (762 mm) high and 22 inches (599 mm) wide and to more than 20 feet (6096 mm) in length measured along the centerline of the passageway from the opening to the *appliance.* The passageway shall have continuous solid flooring not less than 24 inches (610 mm) wide. A level service space not less than 30 inches (762 mm) deep and 30 inches (762 mm) wide shall be present at the front or service side of the *appliance.* The clear access opening dimensions shall be not less than 20 inches by 30 inches (508 mm by 762 mm), and large enough to allow removal of the largest appliance. As a minimum access to the attic space shall be provided by one of the following:

4. A permanent Stair.
5. A pull-down stair with a minimum 300 lb (136 kg) capacity.
6. An access door from an upper floor level.

Exceptions:

6. The passageway and level service space are not required where the *appliance* is capable of being serviced and removed through the required opening with the approval of the code official.
7. Where the passageway is unobstructed and not less than 6 feet (1829 mm) high and 22 inches (559 mm) wide for its entire length, the passageway shall be not greater than 50 feet (15,250 mm) in length.

***Section 306.5.1; change to read as follows:**

[M] 306.5.1 Sloped roofs. Where appliances, *equipment*, fans or other components that require service are installed on a roof having a slope of 3 units vertical in 12 units horizontal (25-percent slope) or greater and having an edge more than 30 inches (762 mm) above grade at such edge, a catwalk at least 16 inches in width with substantial cleats spaced not more than 16 inches apart shall be provided from the roof *access* to a level platform at the appliance. The level platform shall be provided on each side of the appliance to which *access* is required for service, repair or maintenance. The platform shall be not less than 30 inches (762 mm) in any dimension and shall be provided with guards. The guards shall extend not less than 42 inches (1067 mm) above the platform, shall be constructed so as to prevent the passage of a 21-inch-diameter (533 mm) sphere and shall comply with the loading requirements for guards specified in the *International Building Code*. (*remainder of text unchanged)*.

***Section 401.5; add a second paragraph to read as follows:**

Both ends of each section of medium pressure gas piping shall identify its operating gas pressure with an *approved* tag. The tags are to be composed of aluminum or stainless steel and the following wording shall be stamped into the tag:

"WARNING
1/2 to 5 psi gas pressure
Do Not Remove"

***Section 404.12; change to read as follows:**

404.12 Minimum burial depth. Underground piping systems shall be installed a minimum depth of ~~12~~ 18 inches (~~305~~ 458 mm) top of pipe below grade, ~~except as provided for in Section 404.12.1~~.

***Section 406.4; change to read as follows:**

406.4 Test pressure measurement. Test pressure shall be measured with a monometer or with a pressure-measuring device designed and calibrated to read, record, or indicate a pressure loss caused by leakage during the pressure test period. The source of pressure shall be isolated before the pressure tests are made. Mechanical gauges used to measure test pressures shall have a range such that the highest end of the scale is not greater than five times the test pressure. Spring type gauges do not meet the requirement of a calibrated gauge.

***Section 406.4.1; change to read as follows:**

406.4.1 Test pressure. The test pressure to be used shall be no less than ~~1 1/2 times the proposed maximum working pressure, but no less than~~ 3 psig (20 kPa gauge), or at the discretion of the Code Official, the piping and valves may be tested at a pressure of at least six (6) inches (152 mm) of mercury, measured with a manometer or slope gauge, ~~irrespective of design pressure. Where the test pressure exceeds 125 psig (862 kPa gauge), the test pressure shall not exceed a value that produces a hoop stress in the piping greater than 50 percent of the specified minimum yield strength of the pipe.~~ For tests requiring a pressure of 3 psig, diaphragm gauges shall utilize a dial with a minimum diameter of three and one half inches (3 ½"), a set hand, 1/10 pound incrementation and pressure range not to exceed 15 psi for tests requiring a

pressure of 3 psig. For tests requiring a pressure of 10 psig, diaphragm gauges shall utilize a dial with a minimum diameter of three and one-half inches (3 ½"), a set hand, a minimum of 2/10 pound incrementation and a pressure range not to exceed 50 psi. For welded piping, and for piping carrying gas at pressures in excess of fourteen (14) inches water column pressure (3.48 kPa) (1/2 psi) and less than 200 inches of water column pressure (52.2 kPa) (7.5 psi), the test pressure shall not be less than ten (10) pounds per square inch (69.6 kPa). For piping carrying gas at a pressure that exceeds 200 inches of water column (52.2 kPa) (7.5 psi), the test pressure shall be not less than one and one-half times the proposed maximum working pressure.

Diaphragm gauges used for testing must display a current calibration and be in good working condition. The appropriate test must be applied to the diaphragm gauge used for testing.

Section 409.1; add Section 409.1.4 to read as follows:

409.1.4 Valves in CSST installations. Shutoff valves installed with corrugated stainless steel (CSST) piping systems shall be supported with an *approved* termination fitting, or equivalent support, suitable for the size of the valves, of adequate strength and quality, and located at intervals so as to prevent or damp out excessive vibration but in no case greater than 12-inches from the center of the valve. Supports shall be installed so as not to interfere with the free expansion and contraction of the system's piping, fittings, and valves between anchors. All valves and supports shall be designed and installed so they will not be disengaged by movement of the supporting piping.

Section 410.1; add a second paragraph and exception to read as follows:

Access to regulators shall comply with the requirements for *access* to appliances as specified in Section 306.

> **Exception:** A passageway or level service space is not required when the regulator is capable of being serviced and removed through the required attic opening.

Section 621.2; add exception as follows:

621.2 Prohibited use. One or more unvented room heaters shall not be used as the sole source of comfort heating in a dwelling unit.

> **Exception:** Existing *approved* unvented heaters may continue to be used in dwelling units, in accordance with the code provisions in effect when installed, when *approved* by the Code Official unless an unsafe condition is determined to exist as described in Section 108.7.

Preparing for the Proposed 2024 ICC and 2023 NEC Code Adoption: Key Updates and Local Impacts for the City of Azle, Texas

Prepared for City Council consideration

Executive Summary

The proposed adoption of the 2024 International Code Council (ICC) model codes and the 2023 National Electrical Code (NEC) introduces notable updates affecting structural design, life safety, fire protection, mechanical and plumbing systems, energy efficiency, and electrical safety. This briefing outlines the most significant proposed changes and anticipated impacts for the City of Azle as part of City Council's consideration of a code update, including the use of North Central Texas Council of Governments (NCTCOG) regional amendments. This document is intended to provide a high-level overview for City Council and a practical reference for developers, builders, and design professionals.

Key Proposed Changes in the 2024 ICC Codes (with NCTCOG Amendments)

1) International Building Code (IBC)

- **Fire & Life Safety:** Expanded requirements for automatic fire sprinkler systems in larger and higher-risk buildings; updated fire alarm and emergency notification standards.
    - Carbon Monoxide Detection: Expanded CO detection requirements in additional occupancies and building conditions.
    - Construction Fire Safety: Enhanced expectations for construction-site fire safety planning and system coordination.
    - Administration & Enforcement: Clarified authority of the Building Official, documentation for alternate materials and methods, and inspection readiness requirements.
- **NCTCOG Emphasis for IBC:**
    - Regional amendments typically strengthen fire protection standards, clarify inspection and certificate of occupancy procedures, and promote consistent enforcement practices across North Texas.
    - Additional clarity is provided for fire protection system submittals, standpipe and fire pump requirements, and emergency access.

2) International Residential Code (IRC)

- Mechanical Systems: Allows newer low-flammability refrigerants (A2L) with added safety provisions.
- Fire Separation & Site Design: Updated fire separation distances and clarification for multiple dwellings on a single lot.
- Structural References: Updated wind and load references coordinated with the IBC.
- **NCTCOG Emphasis for IRC:**
    - Administrative clarifications related to inspections, certificates of occupancy, and project closeout.
    - Alignment with regional practices for valuation, permits, and inspection sequencing.

3) International Energy Conservation Code (IECC)

- Increased Energy Efficiency Targets: Higher baseline efficiency requirements compared to prior code editions.
- Flexible Compliance Paths: Expanded performance and trade-off options for compliance.
- Building Performance: Stronger envelope, mechanical system efficiency, and verification requirements.
- **NCTCOG Emphasis for IECC:**
    - Regional amendments typically clarify documentation, testing, commissioning, and compliance submittal expectations to support uniform enforcement.

4) Other ICC Codes (IMC, IPC, IFGC, IFC)

- IMC/IPC: Updates to equipment access, ventilation, fixtures, and coordination with accessibility requirements.
- IFGC: Clarified fuel gas installation and safety standards.
- IFC: Alignment with IBC construction fire safety provisions, hazardous materials references, and operational permit requirements.

5) National Electrical Code (NEC) – 2023 Edition

- The proposed ordinance includes adoption of the 2023 National Electrical Code, which introduces several technical updates intended to improve electrical safety and inspection consistency:
    - Emergency Disconnecting Means: Expanded requirements for readily accessible emergency disconnects, particularly in residential construction.
    - GFCI Protection: Expanded ground-fault circuit-interrupter protection in additional locations.
    - Equipment Approval & Field Evaluation: Clearer pathways for approval of listed equipment and third-party field evaluations.
    - Load Calculations & Documentation: Increased emphasis on providing electrical load calculations when systems are modified.
    - Circuit Identification: Improved labeling and documentation requirements for panels and circuits.

Impacts for Azle's Development Community

- Project Planning & Design: Greater emphasis on early coordination with City staff, fire officials, and design professionals.
- Construction Cost & Scope: Potential modest increases in upfront costs due to enhanced safety and energy standards.
- Permitting & Inspections: Clearer, more consistent expectations for plan submittals and inspections.
- Regional Consistency: Alignment with neighboring jurisdictions reduces redesign and rework.
- Long-Term Performance: Improved safety, efficiency, and reliability reduce long-term risk.

Implications for the City of Azle (Council & Staff)

- Public Safety & Resilience: Stronger fire protection, electrical safety, and emergency response provisions.
- Administrative Clarity: Improved enforcement consistency and inspection authority.
- Economic Competitiveness: Modern codes support responsible growth and regional alignment.

Summary Table – Proposed 2024 Codes + NCTCOG Amendments

Code Area	What's Changing	Who's Affected	Primary Impact
IBC	Expanded fire protection, life safety, construction fire safety, and carbon monoxide detection	Developers, architects, engineers, contractors	Earlier coordination; enhanced safety planning
IRC	Updated mechanical provisions, fire separation clarity, structural reference updates	Homebuilders, residential designers, trades	Minor design changes; clearer standards
IECC	Higher energy efficiency baselines and verification requirements	Developers, architects, MEP engineers	Envelope/MEP upgrades; additional documentation
IMC / IPC / IFGC / IFC	Equipment access, ventilation, fixtures, fuel gas, and operational permit updates	Contractors, inspectors	Improved coordination; predictable inspections
NEC (2023)	Emergency disconnects, expanded GFCI protection, equipment approval, labeling	Electricians, engineers, builders	Improved electrical safety; inspection consistency
NCTCOG Amendments	Regional administrative and fire protection refinements	Applicants, City staff	Regional consistency; clearer enforcement

Presenter:	**David Hawkins, Director of Planning and Development**
Agenda Item:	**Consider any action on Ordinance No. 2026-05 regarding the adoption of the 2024 International Fire Code with North Central Texas Council of Governments (NCTCOG) amendments.**

Background and Explanation:

The City is currently working under the 2018 International Fire Code (IFC) with North Central Texas Council of Governments (NCTCOG) amendments, which were adopted in 2019. Staff is proposing for City Council to adopt the latest edition of the International Fire Code (2024) along with NCTCOG recommended amendments. The NCTCOG amendments have been adopted by the majority of municipalities in the area, allowing contractors to work under the same regulations. Staff is also proposing a 60-day grace period before the code goes into effect to allow time for the City to communicate with the building community about this new change.

Included in this packet is the draft ordinance for the 2024 IFC with proposed amendments, and a significant code update handout which summarizes significant changes.

Board/Commission/Committee Recommendation:

The Building Board of Appeals considered the proposed 2024 IFC and NCTCOG amendments at their January 26, 2026 meeting and recommended approval by a vote of 4-0 as presented.

Staff Recommendation:

Staff forwards this agenda item to the City Council with a recommendation for approval.

Attachments:

1. Ordinance No. 2026-05 2024 IFC with Amendments
2. Azle Significant Code Update Handout

ORDINANCE NO. 2026-05

AN ORDINANCE OF THE CITY OF AZLE, TEXAS AMENDING VARIOUS PROVISIONS OF CHAPTER 5, "FIRE PREVENTION AND PROTECTION" TO ADOPT THE 2024 INTERNATIONAL FIRE CODE AS THE OFFICIAL MUNICIPAL FIRE CODE OF THE CITY; PROVIDING FOR RECORDING OF THE CODES AS A PUBLIC RECORD; PROVIDING FOR THE ISSUANCE OF PERMITS AND COLLECTION OF FEES THEREFORE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Azle is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the State of Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City of Azle has previously adopted versions of nationally-recognized fire codes, codified in Chapter 5 "Fire Prevention & Protection" of the Code of Ordinances, City of Azle, Texas; and

WHEREAS, the City, having reviewed the available codes, desires to adopt a more recent fire code to meet the needs of the City; and

WHEREAS, the City of Azle desires to amend various provisions of Chapter 5, "Fire Prevention & Protection" of the Code of Ordinances, City of Azle, Texas to adopt the 2024 International Fire Code with local amendments, as the official fire code of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AZLE, TEXAS:

SECTION 1.

Article 5.05 "Fire Code" of Chapter 5 "Fire Prevention & Protection" of the Code of Ordinances, City of Azle, Texas is hereby amended to read as follows:

"Section 5.05.001 Adopted.

The 2024 Edition of the International Fire Code is hereby adopted as the official fire code of the City of Azle, Texas, and is fully incorporated by reference as though copied into this section in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours."

SECTION 2.

Article 5.05.004 "Local Amendments" of Chapter 5 "Fire Prevention & Protection" of the Code of Ordinances, City of Azle is hereby amended to read as follows:

"Section 5.05.004 Local Amendments.

The 2024 Edition of the International Fire Code, as adopted herein, is hereby amended by adoption of those local amendments shown on Exhibit "A" attached hereto."

SECTION 3.

This ordinance shall become effective sixty (60) days after the adoption date by the City Council.

SECTION 4.

This ordinance shall be cumulative of all provisions of ordinances and on the Code of the City of Azle, Texas as amended, except where the provisions are in direct conflict with the provisions of other ordinances, in which event the conflicting provisions of the other ordinances are hereby repealed.

SECTION 5.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or degree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 6.

Any person, firm or corporation who violates, disobeys, omits, neglects, refuses or fails to comply with, or who resists the enforcement of any provision of this ordinance shall be fined not more than Two Thousand Dollars ($2000.00) for each offence. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 7.

All rights and remedies of the City of Azle are expressly saved as to any and all violations of the provisions of the Azle Municipal Code, or any other ordinances affecting fire codes which have accrued at the time of the effective date of this ordinance; and as such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this ordinance but may be prosecuted until final disposition by the court.

SECTION 8.

The City Secretary of the City of Azle is hereby directed to publish caption, penalty clause, and effective date clause in the official newspaper at least once within ten (10) days after the passage of this ordinance.

SECTION 9.

This ordinance shall be in full force and effect from and after its passage and publication as provided by law, and it is so ordained.

DULY PASSED AND APPROVED by the City Council of the City of Azle, Texas, on this the _____ day of _____, 2026.

_____
Randa Goode, Mayor

ATTEST:

_____
Yael Hoffman, City Secretary

APPROVED AS FORM:

_____
Andrea Russell, City Attorney

Exhibit “A”

Amendments to the

2024 International Fire Code

The International Fire Code (IFC), 2024 edition, and the Azle Fire Prevention Code are amended and changed as published in the following respects:

(1) *Chapter 1. Scope and Administration*

(a) ***Section 101.1 Title*** is amended by deleting that section and replacing it with a new Section 101.1 to read as follows:

Title. These regulations shall be known as the *Fire Code of the City of Azle, Texas*, hereinafter referred to as “this Code.”

(b) ***Section 102.1 Construction and design provisions*** is amended by adding 102.1 #3 and 102.1.1 to read as follows:

Section 102.1 #3 Existing structures, facilities, and conditions when required in Chapter 11 or in specific sections of this code.

Section 102.1.1 Reconstruction and Remodel. A building that is being altered, remodeled or reconstructed where the cost of construction is equal to or greater than 50% of the appraised value of the structure, shall comply with current fire codes in regard to:

(1) Panic hardware;
(2) Fire alarms;
(3) Exit lights;
(4) Emergency lighting
(5) Exits and exit ways;
(6) Fire protection systems.

Section 102.7 is amended by deleting and replacing with a new Section 102.7, to read as follows:

Section 102.7 Referenced codes and standards. The codes and standards referenced in this code shall be those that are listed in Chapter 80 International Fire Code (IFC) and such codes, when specifically adopted, and standards shall be considered part of the requirements of this code to the prescribed extent of each such reference. Where differences occur between the provisions of this code and the referenced standards, the provisions of this code shall apply. Whenever amendments have been adopted to the referenced codes and standards, each reference to said code and standards shall be considered to reference the amendments as well. Any reference to NFPA 70 or the ICC Electrical Code shall mean the Electrical Code, as adopted.

Section 104.2.3; delete exception as follows:

Section 104.2.3 Alternative materials, design and methods of construction and equipment.

The provisions of this code are not intended to prevent the installation of any material or to prohibit any design or method of construction not specifically

prescribed by this code, provided that any such alternative is not specifically prohibited by this code and has been *approved*.

Section 104.6; change to read as follows:

Section 104.6 Notices and orders. The *fire code official* is authorized to issue necessary notices or orders to ensure compliance with this code. Notices of violations shall be in accordance with Section 113.

Section 104.12, **Governmental Immunity**, to read as follows:

Section 104.12 Governmental Immunity. This Fire Prevention Chapter is exercised by the City of Azle of its governmental functions, for the protection of the public peace, health and safety; and neither the City nor agents and representatives of said City (or any individual, receiver, firm, partnership, corporation, association, trustee or any of the agents thereof, in good faith carrying out, complying with or attempting to comply with any order, rule or regulation promulgated pursuant to the provisions of this Ordinance) shall be liable for any damage sustained to persons or property as the result of said activity.

Section 104.13, **Standard of Care for Emergency Action**, to read as follows:

Section 104.13 Standard of Care for Emergency Action. Every officer, agent or employee of the City, and every officer, agent, or employee of an authorized provider of emergency services, including, but not limited to every unit of government or subdivision thereof, while responding to emergency calls or reacting to emergency situations, regardless of whether any declaration of emergency has been declared or proclaimed by a unit of government or subdivision thereof, is hereby authorized to act or not to act in such a manner to effectively deal with the emergency. An action or inaction is “effective” if it in any way contributes or can reasonably be thought by the provider of such emergency service to contribute to preserving any lives or property. This Section shall prevail over every other ordinance of the City and, to the extent to which the City has the authority to so authorize, over any other law establishing a standard of care in conflict with this Section. Neither the City nor the employee, agent, or officer thereof; or other unit of government or subdivision thereof or its employees, agents, or officers shall be liable for failure to use ordinary care in such an emergency. It is the intent of the City Council, by passing this Ordinance, to assure effective action in emergency situations by those entrusted with the responsibility of saving lives and property by protecting such governmental units from liability, and their employees, agents, and officers from non-intentional tort liability to the fullest extent permitted by statutory and constitutional law. This Section shall be liberally construed to carry out the intent of the City Council.

Section 105.1.1 Permits required is amended by deleting that section and replacing it with a new Section 105.1.1 with subsections, to read as follows:

Section 105.1.1 Permits required. Permits required by this code shall be obtained from the fire code official.

Section 105.1.1.1 Permit fees. The City of Azle permits office shall collect the approved fees for all inspections and permits as provided by the International Fire Code or the City of Azle Code of Ordinances or other fire related permit or inspection fees. Permit fees shall be paid prior to the issuance of the permit. If work or construction occurs without obtaining the appropriate permit or permits first, the permit fee shall be doubled. In cases of emergency, the Fire Marshal may waive the requirement that the permit fee double.

a. The Fire Marshal's office shall collect the approved fees for inspections, plan reviews, certificates of occupancy, annual permits, the sale and storage of hazardous materials and other permits as required by the ordinances of the City of Azle.

b. The minimum cost of a permit shall be thirty dollars ($30.00) unless otherwise indicated in the approved fee schedules adopted by the city. When a permit is required, the permit fee shall be doubled when work or construction has occurred without obtaining the appropriate permits. In those cases where the work occurs on City of Azle property and no permit fee is required, an amount equal to the initial permit cost shall be charged for failure to obtain a permit.

c. Fire Marshal Inspection Fee will be billed at the completion of an inspection.

d. Payment of annual permit fees shall be the responsibility of the property owner and business owner. Fees for the storage and sale of hazardous materials shall be the responsibility of the occupant who offers the material for sale.

e. Any occupancy hereafter opening for the purpose of doing business in Azle, as evidenced by application to the Building Official for a Certificate of Occupancy, shall pay a fee for an initial Fire Code compliance inspection and for the establishment on an inspection file. This fee shall be collected by the Building Official at the same time that the Certificate of Occupancy fee is collected. This fee is based on square footage as indicated in the fee schedule.

f. The Fire Marshal may request copies of bid documents or other items to verify the estimated cost of construction when calculating permit fees.

Section 105.1.1.2 Party responsible for payment. Payment of permit fees shall be the responsibility of the property owner and business owner.

***Section 105.1.1.3 Permits required before commencement of work*.** Permits must be obtained prior to taking any action requiring a permit.

Section 105.1.1.4 Permit to be on premises. Issued permits shall be kept on the premises designated therein at all times and shall be readily available for inspection by the fire code official.

Section 105.3.3; change to read as follows:

Section 105.3.3 Occupancy Prohibited before Approval. The building or structure shall not be occupied prior to the fire code official issuing a permit when required and conducting associated inspections indicating the applicable provisions of this code have been met.

Section 105.6; change to read as follows:

Section 105.1 General. Permits shall be in accordance with Sections 105.1.1 through 105.6.27.

Section 105.6.26; add to read as follows:

Section 105.6.26 Electronic access control systems. Construction permits are required to install or modify an electronic access control system, as specified in Chapter 10. A separate construction permit is required to install or modify a fire alarm system that may be connected to the access control system. Maintenance performed in accordance with this code is not considered to be a modification and does not require a permit.

Section 105.6.27; add to read as follows:

Section 105.6.27 Electric vehicle (EV) charging stations. Construction permits are required to install or modify an electric vehicle charging station. Maintenance performed in accordance with this code is not considered to be a modification and does not require a permit.

Section 109 Board of Appeals **is amended by adding Section 109.1.1 to read as follows:**

Section 109.1.1 Building and Standards Commission to function as Azle Board of Appeals for International Fire Code*.* The Building Board of Appeals for the City of Azle, as defined by the Code of Ordinances of the City of Azle, Texas shall function as the Board of Appeals under Section 109 of the International Fire Code.

Section 113.4 Violation penalties*.*

Section 113.4 Violation penalties. Persons who shall violate a provision of this code, or shall fail to comply with any of the requirements, thereof, or who shall erect, install, alter, repair, or do work in violation of the *approved construction documents*, or directive, of the *fire code official*, or of a permit, or a certificate, used under provisions of this code, shall be guilty of a Class C Misdemeanor**,** punishable by a fine of not more than $2,000.00 dollars, or by imprisonment, not exceeding 180 days, or both such fine and imprisonment. Each day that a violation continues after due notice has been served, shall be deemed a separate offense.

Section 113.5 is added to read as follows:

Section 113.5 Compliance with codes. Any person or entity that violates, disobeys, omits, neglects, or refuses to comply with, or who resists the enforcement of the provisions of this, or other codes as referenced in this ordinance, shall be guilty of a misdemeanor and subject to the penalties as set forth in the Code of Ordinances of the City. In addition to these penalties the fire code official or his or her designee is authorized to close any business or shut down any operation when any hazard or condition exists therein that poses a serious and imminent threat to life or property. Any reasonable method may be used to affect closure, including, but not limited to, disconnection of utilities and padlocking of any doors. Any person in control of or occupying any premises ordered closed, or performing or overseeing any operation ordered discontinued, who refuses an order to leave, or to discontinue is guilty of a misdemeanor and subject to the penalties described herein."

Chapter 1 Scope and Administration **is amended by adding** ***Section 116 Compliance Certification*** **to read as follows:**

Section 116 Compliance Certification*.* A certification may be required by the Fire Marshal to show compliance with the fire code regarding technical installations of fire related equipment and systems. Such certification shall be notarized and on company letterhead. When required, certifications shall be filed with the office of the Fire Marshal before final approval of the activity or installation.

Section 116.1 *When certification required.* Certification shall be required for the following:

1. Automatic fire alarm systems;
2. Automatic fire extinguishing systems;
3. Storage and use of explosives;
4. Storage of hazardous materials;
5. Fire appliance servicing;
6. Flame retardant application;

7. Liquefied gas installations and operations;
8. Radioactive material storage and handling;
9. Emergency lighting systems;
10. Emergency power system;
11. Security gates.
12. As otherwise indicated by a specific code section or amendment.

Section 116.2 Compliance testing. All compliance testing shall be witnessed by the Fire Marshal.

Chapter 2. Definitions

Section 202. Amend by adding new definitions to the existing list of definitions in Section 202 of the IFC, to read as follows:

AMBULATORY CARE FACILITY. Buildings or portions thereof used to provide medical, surgical, psychiatric, nursing, or similar care on a less than 24-hour basis to persons who are rendered incapable of self-preservation by the services provided. This group may include but not be limited to the following:
- Dialysis centers
-Sedation dentistry
- Surgery centers
- Colonic centers
- Psychiatric centers

ASSISTED LIVING FACILITIES. A building or part thereof housing persons, on a 24-hour basis, who because of age, mental disability or other reasons, live in a supervised residential environment which provides personal care services. The occupants are capable of responding to an emergency situation without physical assistance from staff.

ATRIUM. An opening connecting three or more stories… {Remaining text unchanged}

CARBON MONOXIDE SOURCE. A combustion process that has the potential to produce carbon monoxide as a product of combustion under normal or abnormal conditions. Carbon monoxide sources include, but are not limited to solid-, liquid-, or gas-fueled appliances, equipment, devices, or systems, such as fireplaces, furnaces, heaters, boilers, cooking equipment, and vehicles with internal combustion engines.

CARBON MONOXIDE SOURCE, DIRECT. A permanently installed carbon monoxide source that is located in an interior space.

CARBON MONOXIDE SOURCE, INDIRECT. A carbon monoxide source connected to an interior space by a forced air supply duct.

DEFEND IN PLACE. A method of emergency response that engages building components and trained staff to provide occupant safety during an emergency. Emergency response involves remaining in place, relocating within the building, or both, without evacuating the building.

EMERGENCY ACCESS EASEMENT. An access road or fire lane located on private property dedicated by the owner(s) of the property to provide fire apparatus access.

FIRE WATCH. A temporary measure intended to ensure continuous and systematic surveillance of a building or portion thereof by one or more qualified individuals or standby personnel when required by the *fire code official*, for the purposes of identifying and controlling fire hazards, detecting early signs of unwanted fire, raising an alarm of fire and notifying the fire department.

***FIREWORKS*.** Any composition or device for the purpose of producing a visible or an audible effect for entertainment purposes by combustion, *deflagration*, *detonation*, and/or activated by ignition with a match or other heat producing device that meets the definition of 1.3G fireworks or 1.4G fireworks as set forth herein

HIGH-PILED COMBUSTIBLE STORAGE: add a second paragraph to read as follows:
Any building classified as a group S Occupancy or Speculative Building exceeding 6,000 sq. ft. that has a clear height in excess of 14 feet, making it possible to be used for storage in excess of 12 feet, shall be considered to be high-piled storage. When a specific product cannot be identified (speculative warehouse), a fire protection system and life safety features shall be installed as for Class IV commodities, to the maximum pile height.

***HIGH-RISE BUILDING*.** A building with an occupied floor or occupied roof located more than 55 feet (16 764 mm) above the lowest level of fire department vehicle access.

REPAIR GARAGE. A building, structure or portion thereof used for servicing or repairing motor vehicles. This occupancy shall also include garages involved in minor repair, modification and servicing of motor vehicles for items such as lube changes, inspections, windshield repair or replacement, shocks, minor part replacement, and other such minor repairs.

***SELF-SERVICE STORAGE FACILITY*.** Real property designed and used to rent or lease individual storage spaces to customers to store and remove personal property on a self-service basis.

***STANDBY PERSONNEL*.** Qualified fire service personnel, approved by the Fire Code Official. When utilized, the number required shall be as directed by the Fire Code Official. Charges for utilization shall be as normally calculated by the jurisdiction.

***UPGRADED OR REPLACED FIRE ALARM SYSTEM*.** A fire alarm system that is upgraded or replaced includes, but is not limited to the following:

- Replacing one single board or fire alarm control unit component with a newer model
- Installing a new fire alarm control unit in addition to or in place of an existing one
- Conversion from a horn system to an emergency voice/alarm communication system
- Conversion from a conventional system to one that utilizes addressable or analog devices

The following are not considered an upgrade or replacement:

- Firmware updates
- Software updates
- Replacing boards of the same model with chips utilizing the same or newer firmware

Section 203.2.3; add a sentence to read as follows:

Section 203.2.3 Associated with Group E occupancies*.* A room or space used for assembly purposes that is associated with a Group E occupancy is not considered a separate occupancy, except when applying the assembly requirements of Chapters 10 and 11.

Section 304.1.1; change to read as follows:

Section 304.1.1 Valet trash. Valet trash collection shall be permitted only where approved. The owner and valet trash collection service provider shall comply with the rules and limitations established by the jurisdiction. Refer to Appendix O for further information.

***Section 307 Open Burning, Recreational Fires and Portable Outdoor Fireplaces, Section 307.1 General* is amended by adding 307.1.1 and 307.1. 2 to read as follows:**

Section 307.1.1 Prohibited Open Burning. Open burning that is offensive or objectionable because of smoke omissions or when atmospheric conditions or local circumstances make such fires hazardous shall be prohibited.

Section 307.1.2 Recreational fires prohibited. "Recreational fires" as defined in Section 302 (IFC) shall be prohibited unless permitted by the Fire Marshal.

Exception: Chimeneas or fire pits with a mesh screen are allowed at single family residences provided that they are at least ten (10) feet away from any structure and that they only burn wood, not yard debris, trash or any other material and only if attended at all times. Chimeneas or fire pits must be extinguished before leaving unattended. If the wind exceeds twenty (20) miles per hour, no recreational fires shall be allowed, and this prohibition includes chimeneas and fire pits.

Section 307.2; change to read as follows:

Section 307.2 Permit Required. A permit shall be obtained from the *fire code official* in accordance with Section 105.6 prior to kindling a fire for recognized silvicultural or range or wildlife management practices, prevention or control of disease or pests, or open burning. Application for such approval shall only be presented by and permits issued to the owner of the land upon which the fire is to be kindled.

Examples of state or local law, or regulations referenced elsewhere in this section may include but not be limited to the following:

1. Texas Commission on Environmental Quality (TCEQ) guidelines and/or restrictions.
2. State, County, or Local temporary or permanent bans on open burning.
3. Local written policies as established by the *fire code official*.

Section 307.3; change to read as follows:

Section 307.3 Extinguishment Authority. When open burning creates or adds to a hazardous or objectionable situation or a required permit for open burning has not been obtained, the fire code official is authorized to order extinguishment of the open burning operation by the permit holder, another responsible party, or the fire department.

Section 307.4 and 307.4.1; change to read as follows:

Section 307.4 Location. The location for open burning shall not be less than 300 feet (91 440 mm) from any structure, and provisions shall be made to prevent the fire from spreading to within 300 feet (91 440 mm) of any structure.

Section 307.4.1 Bonfires A bonfire shall not be constructed within 50 feet (15 240 mm) or greater distance as determined by the fire code official of a structure or combustible material, unless the fire is contained in a barbeque pit. Conditions that could cause a fire to spread to within the required setback of a structure shall be eliminated prior to ignition.

Section 307.4.2 Recreational fires prohibited. "Recreational fires" as defined in Section 302 (IFC) shall be prohibited unless permitted by the Fire Marshal.

Section 307.4.3 Exception added:

Exceptions:

1. Portable outdoor fireplaces used at one- and two-family dwellings

Section 307.4.4 and 5; add section 307.4.4 and 307.4.5 to read as follows:

307.4.4 Permanent Outdoor Firepit Permanently installed outdoor firepits for recreational fire purposes shall not be installed within 10 feet of a structure or combustible material.

Exception: *Permanently installed outdoor fireplaces constructed in accordance with International Building Code.*

Section 307.4.5 Trench Burns.

Trench burns shall be conducted in air curtain trenches and in accordance with Section 307.2.

Section 307.5; change to read as follows:

Section 307.5 Attendance. *Open burning*, trench burns, bonfires, *recreational fires*, and use of portable or permanent outdoor fireplaces or firepits shall be constantly attended until the fire is extinguished. A minimum of one portable fire extinguisher, complying with Section 906, with a minimum 4-A rating, or other approved on-site fire extinguishing equipment, such as dirt, sand, water barrel, garden hose, or water truck, shall be available for immediate utilization.

Section 308.1.6., Portable fueled open-flame devices. Exception #3; change to read as follows:

Exceptions:

3. Torches or flame-producing devices in accordance with Section 308.4 or 308.1.3.

Section 308.1.7; change to read as follows:

Section 308.1.7 Sky Lanterns. A person shall not release or cause to be released an unmanned free-floating devices containing an open flame or other heat source, such as, but not limited to a sky lantern.

***Section 308.1.9 Aisles and exits*; change to read as follows:**

***Section 308.*1.9 Aisles and exits;** Candles or open flames shall be prohibited in areas where occupants stand, or in an aisle or exit.

Section 308.1.11; change to read as follows:

Section 308.1.11 Open-flame Cooking Devices. Open flame cooking devices shall comply with Section 4104.

Exceptions:

One- and two-family dwellings, except that LP-gas containers are limited to a water capacity not greater than 50 pounds (22.68 kg) [nominal 20 pound (9.08 kg) LP-gas capacity] with an aggregate LP-gas capacity not to exceed 100 lbs (5 containers).

***Section 308 Open Flames* is amended by adding Section 308.1.12 and Section 308.1.13 to read as follows:**

Section 308.1.12 Cooking

Open-flame or electrical element cooking devices, charcoal grills and other similar devices used for cooking shall not be located or used on combustible balconies, decks, or within 10 feet (3048 mm) of combustible construction.

Section 308 Open Flames is amended by adding Section 308.5 and subsections to read as follows:

Section 308.5 Open Burning

The use of open flame cooking devices shall be as follows:

Section 308.5.1. Multifamily structure.

It shall be a violation of this code for any person to use, allow or permit the use of a fixed or portable grill or cooking device that uses an open flame or electrical heating element within ten (10) feet of any multi-family

structure, under any covered portion of a multi-family structure, under any covered parking structure or portion thereof.

Section 308.5.2 Sign.

It shall be a violation of this code for any person to own or manage any multi-family structure without installing and maintaining on each balcony, patio, landing or similar structure of each dwelling unit an approved sign readily visible to the occupants that prohibits the use of any grill, hibachi, smoker, electrical heating element, or similar apparatus within ten (10) feet of all apartment structures. Signs shall be at least thirty (30) square inches with the word "PROHIBITED" in one (1) inch letter, and the remaining message in at least one-fourth (1/4) inch letter, red on white, and provide the following warning:

-PROHIBITED- THE USE OF ANY GRILL, HIBACHI, OR SMOKER IN OR WITHIN TEN FEET OF ALL APARTMENT STRUCTURES, PATIOS AND CARPORTS. AZLE FIRE CODE - FINE UP TO $2000.00

Section 308.5.3 Written proof.

It shall be a violation for any person to own or manage any multi-family structure without providing the Fire Marshal, upon request, written proof that each tenant has been advised of the prohibition on cooking with grills and cooking devices. Such proof shall consist of a warning document signed by the tenant and kept in the lease files that indicates the tenant is aware of the prohibition and that the sign is in place.

Section 311.5; change to read as follows:

Section 311.5 Placards. The *fire code official* is authorized to require marking of any vacant or abandoned buildings or structures determined to be unsafe pursuant to Section 115 of this code relating to structural or interior hazards, as required by Section 311.5.1 through 311.5.5.

Section 313 Fueled Equipment is amended by adding Section 313.3 Vehicle parking and storage to read as follows:

Section 313.3 Vehicle parking and storage. No motor vehicle shall be parked or stored, assembled or disassembled, at any time within any apartment, multi-family building, hotel, motel, or commercial building unless authorized by the Fire Marshal and properly zoned for such use.

Exception: Vehicles within structures properly zoned for motor vehicle sales or service that comply with all other provisions of this code.

Section 314 Indoor Displays is amended by adding Section 314.4 and subsections to read as follows:

Section 314.4; change to read as follows:

Section 314.4 Vehicles. Electric, liquid-fueled, or gaseous-fueled vehicles, aircraft, boats, or other motor craft shall not be located indoors except as follows:

1. The engine starting system is made inoperable or ignition batteries are disconnected except where the *fire code official* requires that the batteries remain connected to maintain safety features.
2. Fuel in fuel tanks does not exceed any of the following:

2.1. Class I, II, and III liquid fuel does not exceed one-quarter tank or 5 gallons (19 L), whichever is less.

2.2. LP gas does not exceed one-quarter tank or 6.6 gallons (25 L), whichever is less.

2.3. CNG does not exceed one-quarter tank or 630 cubic feet (17.8 m^3), whichever is less.
2.4. Hydrogen does not exceed one-quarter tank or 2,000 cubic feet (57 m^3), whichever is less.
3. Fuel tanks and fill openings are closed and sealed to prevent tampering.
4. Vehicles, aircraft, boats, or other motor craft equipment are not fueled or defueled within the building.
5. Electric vehicles shall not be charged inside buildings or other structures, other than where approved in parking garages, or unless otherwise approved by the fire code official.

Section 323; add new sections to read as follows:
Section 323.1 Electric Vehicle Charging Stations. Electric vehicle (EV) charging stations shall not be located inside buildings and/or structures, except where approved for parking garage locations as per the National Electrical Code.

Section 323.1.1 Charging Stations Inside Parking Garage. EV charging stations located in parking garages shall be located at grade level along the exterior perimeter walls and shall be within 150 feet of fire apparatus access roadway, or shall be located on the top level of the garage with no roof or structure above.

Section 323.1.2 Charging Stations inside R-3 and R-4 occupancies. Approved charging stations in the private garage shall have a listed heat alarm installed in the garage and interconnected to the smoke alarms inside the dwelling.

Section 323.2 Disconnect. Locations containing electric vehicle charging stations shall be provided with a clearly identified and readily accessible emergency disconnect installed in an approved location.

> The emergency disconnects for exterior electric vehicle charging stations shall be located within 100 feet (30 480 mm) of, but not less than 20 feet (6096 mm) from the charging stations, unless otherwise approved by the f*ire code official*.

Section 323.2.1 Height. The height of the emergency disconnect switch shall be not less than 42 inches (1067 mm) and not more than 48 inches (1219 mm) measured vertically, from the floor level to the activating button.

Section 323.2.2 Emergency Disconnect Sign. Emergency disconnect devices shall be distinctly labeled as: “EMERGENCY ELECTRIC VEHICLE CHARGER DISCONNECT.” Signs shall be placed in an *approved* location and shall consist of all of the following:

1. White reflective background with red letters.
2. Weather-resistant durable material.
3. Lettering not less than 2 inches (51 mm) high.
4. Permanently affixed to the building or structure in an approved manner.

Section 323.3 Damaged Electric Vehicle Batteries*.* Damaged electric vehicle batteries shall not be stored inside any building or structure, unless otherwise approved by the Fire Code Official.

Section 403.4; change Section 403.4 to read as follows:
Section 403.4 Group E Occupancies. An approved fire safety and evacuation plan in accordance with Section 404 shall be prepared and maintained for Group E occupancies and for buildings containing both a Group E occupancy and an atrium. A diagram depicting two evacuation routes shall be posted in a conspicuous location in each classroom. Group E occupancies shall also comply with Sections 403.4.1 through 403.4.3.

Section 404.2.2; add Number 4.10 to read as follows:

Section 4.10 Fire protection system controls.

Section 405.5; change Section 405.5 to read as follows:

Section 405.5 Time. The fire code official may require an evacuation drill at any time. Drills shall be held at unexpected times and under varying conditions to simulate the unusual conditions that occur in case of fire.

Exceptions:

1. {No change}
2. {No change}
3. Notification of teachers/staff having supervision of light- or sound-sensitive students/occupants, such as those on the autism spectrum, for the protection of those students/occupants, shall be allowed prior to conducting a drill.

Section 501.4; change to read as follows:

Section 501.4 Timing of Installation. When fire apparatus access roads or a water supply for fire protection are required to be installed for any structure or development, they shall be installed, tested, and approved prior to the time of which construction has progressed beyond completion of the foundation of any structure.

Section 503.1.1; add sentence to read as follows:

Except for one- or two-family dwellings, the path of measurement shall be along a minimum of a ten feet (10') wide unobstructed pathway around the external walls of the structure.

Section 503.2.1; change to read as follows:

Section 503.2.1 Dimensions. Fire apparatus access roads shall have an unobstructed width of not less than 24 feet (7315 mm), exclusive of shoulders, except for approved security gates in accordance with Section 503.6, and an unobstructed vertical clearance of not less than 14 feet (4267 mm). The inside turning radius shall be a minimum of thirty (30) feet.

Exception: Vertical clearance may be reduced; provided such reduction does not impair access by fire apparatus and *approved* signs are installed and maintained indicating the established vertical clearance when approved.

Section 503.2.2; change to read as follows:

Section 503.2.2 Authority. The *fire code official* shall have the authority to require an increase in the minimum access widths and vertical clearances where they are inadequate for fire or rescue operations or where necessary to meet the public safety objectives of the jurisdiction.

Section 503.2.3; change Section 503.2.3 to read as follows:

Section 503.2.3 Surface. Fire apparatus access roads shall be designed and maintained to support imposed loads of 85,000 Lbs. for fire apparatus and shall be surfaced so as to provide all-weather driving capabilities

Section 503.3; change to read as follows:

Section 503.3 Marking. Striping, signs, or other markings, when approved by the *fire code official*, shall be provided for fire apparatus access roads to identify such roads or prohibit the obstruction thereof.

Striping, signs and other markings shall be maintained in a clean and legible condition at all times and be replaced or repaired when necessary to provide adequate visibility.

(1) Striping – Fire apparatus access roads shall be continuously marked by painted lines of red traffic paint six inches (6") in width to show the boundaries of the lane. The words "NO PARKING FIRE LANE" or "FIRE LANE NO PARKING" shall appear in four inch (4") white letters at 25 feet intervals on the red border markings along both sides of the fire lanes. Where a curb is available, the striping shall be on the vertical face of the curb.

(2) Signs – Signs shall read "NO PARKING FIRE LANE" or "FIRE LANE NO PARKING" and shall be 12" wide and 18" high. Signs shall be painted on a white background with letters and borders in red, using not less than 2" lettering. Signs shall be permanently affixed to a stationary post and the bottom of the sign shall be six feet, six inches (6'6") above finished grade. Signs shall be spaced not more than fifty feet (50') apart along both sides of the fire lane. Signs may be installed on permanent buildings or walls or as approved by the Fire Chief.

Section 503.4; change to read as follows:

Section 503.4 Obstruction of Fire Apparatus Access Roads. Fire apparatus access roads shall not be obstructed in any manner, including the parking of vehicles. The minimum widths and clearances established in Section 503.2.1 and any area marked as a fire lane as described in Section 503.3 shall be maintained at all times.

Section 503.6 add to read as follows:

Section 503.6.1.1 Distance from street, sidewalk, roadway or right-of-way. Gates shall be located at least 30 feet back from the inside edge of the sidewalk, or 40 feet from the intersection of the private drive and the street, roadway, thoroughfare, or paved portion of the right-of-way.

Section 503.6.1.2 Electronic operation. All main gates shall be electrically operated, with a manual disconnect in case of a power failure. The manual disconnect is to be placed in a weathertight box, with a piano-type hinge on one side and a Knox Box PL-1 padlock and hasp on the other side.

Section 503.6.1.3 Open with key operated switch. All main gates shall open with the fire department Knox K.S. #2 key operated switch. The Knox key-operated switch shall be provided and installed by the owner. The key-operated switch is to be located 10 feet from the gate, on the left side of the approach, placed on a pedestal with the key switch facing the fire lane. The key switch shall be no closer than 4 feet 6 inches, or no farther than 5 feet 5 inches, from the ground.

Section 503.6.1.4 Access codes. It shall be the owner's responsibility to program the security gate with the City of Azle's assigned access code and to maintain the Azle Fire Department's accessibility through the assigned access code.

Section 503.6.1.5 Medians. Where a security gate is installed with a median, the entry side of the gate shall have a minimum opening and driving surface of 20 feet.

Section 503.6.1.6 Optically controlled emergency entry devices. All electronic security gates, commercial properties and residential subdivisions, shall be equipped with an optically controlled emergency override device that is compatible with the optical activation device

installed on fire apparatus. The devices shall provide for the opening of gates as the fire apparatus approaches and exits the property. The Fire Marshal shall approve the
installation upon completion, to determine compliance.

Section 503.6.1.7 Public access or fire lane easement. It shall be unlawful for a security gate to be placed within a public access or fire lane easement, unless such gate complies with the following:

Section 503.6.1.7.1 Minimum requirements. The minimum fire lane width requirement of 24 feet and the minimum height requirement of 14 feet shall be maintained on the entrance side of all security gates.

Section 503.6.1.7.2 Wooden gates-break away. Wooden security gates shall be constructed to break away at the base on minor impact or the application of manual pressure at the end most remote point from the mounting base. The side of the wooden rails shall be a maximum of 5 inches by ¾ inches, where attached to the mounting base. The wooden railing shall be of soft wood and mounted on the base by a knife-edge bracket or scored to create a weak point to break away.

Section 503.6.1.7.3 Horizontal swing gates. Horizontal swing security gates shall be so constructed, mounted, and maintained, whereby, such gates will open fully when manual pressure is applied by an average size individual. When opened, the gates must remain open.

Section 503.6.1.7.4 Other. Security gates, other than electronic gates, can be locked with a light duty chain and lock only with approval of the fire department.

Section 503.6.2 Application. An application to install security gates shall be submitted to the Fire Marshal and must include adequate plan detail to indicate and ensure that code compliance shall be provided. Security gates may be installed only after receipt of a permit from the Fire Marshal.

Section 503.6.3 Disclaimer of liability. Receipt of a permit from the city for the owner to restrict public access to motor vehicles does not in any way create liability for the City of Azle and the city hereby disclaims any and all liabilities resulting from damages sustained by any person or owner, either directly, or indirectly, as a result of any emergency function of the city, where such damage is occasioned by the non-compliance of any owner with the provisions of this section.

Section 505.1; change to read as follows:

Section 505.1 Address Identification. New and existing buildings shall be provided with approved address identification. The address identification shall be legible and placed in a position that is visible from the street or road fronting the property.

(1) Address identification characters shall contrast with their background. Address numbers shall be Arabic numbers or alphabetical letters. Numbers shall not be spelled out. Each suite number and letter shall be not less than six (6) inches high with a minimum one-half (1/2) inch stroke width. Where required by the fire code official, address numbers shall be provided in additional approved locations to facilitate emergency response.

(2) Where access is by means of a private road, buildings that do not immediately front a street, and/or cannot be viewed from the public way, a monument, pole or other sign with approved 6 inch (152.4 mm) height building numerals or addresses and 4 inch (101.6 mm) suite/apartment numerals of a color contrasting with the background

of the building or other approved means shall be used to identify the structure. Address shall be maintained.

Exception:

R-3 Single Family occupancies shall have approved numerals of a minimum 3 ½ inches (88.9)high with a minimum one-half (1/2) inch stroke width and a color contrasting with the background clearly visible and legible from the street fronting the property and rear alleyway where such alleyway exists.

Section 505.1 add Section 505.1.1 and Section 505.1.2 to read as follows:

Section 505.1.1 Multi-family Complex Supplemental Addresses. Reflective supplemental building addresses shall be installed in conjunction with fire lane marking at all multi-family occupancies in excess of 4 dwelling units including club rooms and offices where a single street address number is used to designate the buildings official address. Supplemental building addresses shall be installed as follows:

(1) The marking shall be a minimum of 24 inches by 12 inches red rectangle painted on the pavement, in conjunction to the red fire lane markings.

(2) The red rectangle shall have white reflective numbers that indicate the street address of the building.

(3) Numbers shall be in bold font, measuring a minimum of 10 inches in height, easily readable from a moving vehicle.

(4) Supplemental building addresses shall only be installed on private property, near the center of the building. Where the front and end of the building, or any part of the front or end of the building border a fire lane, the numbers shall be required on each side. Maintenance of the supplemental numbers shall be the same as required for fire lanes.

Section 505.1.2 Emergency access easements-street names.

Emergency access easements and access roads, when assigned a street name for the purpose of addressing, shall have street name signs in a format approved by the City of Azle Public Services Department. Installation and maintenance of the signs shall be the responsibility of the owner/operator of the property.

Section 507.4; change to read as follows:

Section 507.4 Water Supply Test Date and Information. The water supply test used for hydraulic calculation of fire protection systems shall be conducted in accordance with NFPA 291 “Recommended Practice for Fire Flow Testing and Marking of Hydrants” and within one year of sprinkler plan submittal. The *fire code official* shall be notified prior to the water supply test. Water supply tests shall be witnessed by the *fire code official*, as required. The exact location of the static/residual hydrant and the flow hydrant shall be indicated on the design drawings. All fire protection plan submittals shall be accompanied by a hard copy of the waterflow test report, or as approved by the *fire code official*. The report must indicate the dominant water tank level at the time of the test and the maximum and minimum operating levels of the tank, as well, or identify applicable water supply fluctuation. The licensed contractor must then design the fire protection system based on this fluctuation information, as per the applicable referenced NFPA standard. Reference Section 903.3.5 for additional design requirements.

Exception: This exception is only applicable to the NFPA 291 fire hydrant flow test above. Water supply test information may be provided by the water authority via hydraulic water model where approved by the fire code official. The water model report shall include the exact location of the water model node on the city's water supply piping, elevation, water supply fluctuation information, and all other pertinent water supply test information for fire protection design, as applicable.

(f) ***Section 507.5 Fire hydrant systems*** is amended to read as follows:

Section 507.5 Fire hydrant systems. Fire hydrant systems shall comply with Section 507.5.1 through 507.5.7.

(g) ***Section 507.5.1*** Where required is amended by deleting the Section 507.5.1 Where required and replacing it with Section 507.5.1 Where required and subsections, to read as follows:

Section 507.5.1 Where required*.* When a portion of the facility or building hereafter constructed or moved into, or within the jurisdiction, is more than 400 feet from a hydrant on the fire apparatus access road, as measured by an approved route around the exterior of the facility or building, on-site fire hydrants and mains shall be provided where required by the Fire Marshal.

Exception*:* For Group R-3 and Group U occupancies, the distance requirement shall be 600 feet.

Exception 2 is deleted.

Section 507.5.1.2 Location*.* The location of fire hydrants on private property or along fire access roads shall be approved by the Fire Marshal.

Section 507.5.1.3 Fire system connections to read as follows:

Section 507.5.1.3 Fire system connections*.* Fire hydrants shall be located within a 100 foot hose lay of the Fire Department Connection (FDC) of the fire protection system(s). Fire Department Connections shall have a 42" by 42" concrete pad below each connection.

Section 507.5.1.4 Requirements when not on public street*.* Fire hydrants not installed on a public street shall be looped to provide a water supply from 2 directions.

Section 507.5.4; change to read as follows:

507.5.4 Obstruction*.* Unobstructed access to fire hydrants shall be maintained at all times. Posts, fences, vehicles, growth, trash, storage, and other materials or objects shall not be placed or kept near hydrants, fire department inlet connections or protection systems control valves in a manner that would prevent such equipment or fire hydrants from being immediately discernable. The fire department shall not be deterred or hindered from gaining immediate access to fire protection equipment or fire hydrants.

(h) ***Section 507.5.7 Color*** **is added to read as follows:**

Section 507.5.7 Color*.* All fire hydrants shall be painted an approved shade of red. This requirement applies to all fire hydrants, regardless of whether location of the fire hydrant is on public or private property. Hydrants may be color coded to indicate the water flow, or water main

size, as required by NFPA Standard 291 – "Fire Flow Testing and Marking of Hydrants", if approved by the fire code official.

Section 509.1.2; add new Section 509.1.2 to read as follows:

Section 509.1.2 Sign Requirements. Unless more stringent requirements apply, lettering for signs required by this section shall have a minimum height of 2 inches (50.8 mm) when located inside a building and 4 inches (101.6 mm) when located outside, or as approved by the *fire code official*. The letters shall be of a color that contrasts with the background.

Section 510.6.2: add paragraph to read as follows:

The inspecting radio contractor shall provide an annual inspection tag/sticker on the ERCES' BDA and any remote annunciator. Tag/sticker shall identify approved inspecting contractor's name, physical address, phone number, and FCC license number, and inspector's name, as well as the date of inspection. System shall not be tagged until all inspection requirements of this section are conducted. Tag/sticker shall be blue in color for a passing system. If this is not possible for any reason, tag/sticker shall be red in color for a failing system with reasons for failure indicated on the tag if possible. If red tag/sticker is placed, AHJ/Fire Marshal shall be notified within a maximum of 24 hours.

Section 604.1; and 604.7 change to read as follows:

Section 604.1.1 Elevator recall – firefighter recalled. Where elevator travel is in excess of 2 floors, the elevator shall be "firefighter recalled" to the designated level by the initiation of any automatic fire alarm in the building.

Section 606.1.2 Elevator Recall – shunt trip mechanism. Where a shunt trip mechanism is present, a smoke and heat activated device shall be provided to return the elevator car to an egress point approved by the Fire Marshal.

Section 604.7 Storage. Storage is prohibited in elevator cars or elevator machine rooms. Signage shall be provided at the entry doors to the elevator machine room indicating "ELEVATOR MACHINERY – NO STORAGE ALLOWED."

Section 605.4 through 605.4.2.2; change to read as follows:

Section 605.4 Fuel oil storage systems. Fuel oil storage systems shall be installed and maintained in accordance with this code. Tanks and fuel-oil piping systems shall be installed in accordance with Chapter 13 of the *International Mechanical Code* and Chapter 57.

Section 605.4.1 Fuel oil storage in outside, above-ground tanks. Where connected to a fuel-oil piping system, the maximum amount of fuel oil storage allowed outside above ground without additional protection shall be 660 gallons (2498 L). The storage of fuel oil above ground in quantities exceeding 660 gallons (2498 L) shall comply with NFPA 31 and Chapter 57.

Section 605.4.1.1 Approval. Outdoor fuel storage tanks shall be in accordance with UL 80, UL 142, UL 142A or UL 2085, and also listed as double-wall/secondary containment tanks*.*

Section 605.4.2 Fuel oil storage inside buildings. Fuel oil storage inside buildings shall comply with Sections 605.4.2.1 through 605.4.8 and Chapter 57.

Section 605.4.2.1 Approval. Indoor fuel oil storage tanks shall be in accordance with UL 80, UL 142, UL142A or UL 2085.

Section 605.4.2.2 Quantity limits. One or more fuel oil storage tanks containing Class II or III combustible liquid shall be permitted in a building. The aggregate capacity of all tanks shall not exceed the following:

1. 660 gallons (2498 L) in unsprinklered buildings, where stored in a tank complying with UL 80, UL 142, UL 142A or UL 2085 for Class III liquids, and also listed as a double-wall/secondary containment tank for Class II liquids, and the secondary containment shall be monitored visually or automatically.
2. 1320 gallons (4996 L) in buildings equipped with an automatic sprinkler system in accordance with Section 903.3.1.1, where stored in a tank with UL 142, UL 142A or UL 2085. The tank shall be listed as a secondary containment tank, and the secondary containment shall be monitored visually or automatically.
3. 3,000 gallons (11 356 L) in buildings equipped with an *automatic sprinkler* system in accordance with Section 903.3.1.1, where stored in protected above-ground tanks complying with UL 2085 and Section 5704.2.9.7. The tank shall be listed as a secondary containment tank, as required by UL 2085, and the secondary containment shall be monitored visually or automatically.

Section 606.2; change to read as follows:

Section 606.2 Where Required. A Type I hood shall be installed at or above all commercial cooking appliances and domestic cooking appliances used for commercial purposes that produce grease vapors, including but not limited to cooking equipment used in fixed, mobile, or temporary concessions, such as trucks, buses, trailers, pavilions, or any form of roofed enclosure, as required by the fire code official.

Exceptions:

1. {No change to existing Exception 1-4}
5. Tents, as provided for in Chapter 31.

Additionally, fuel gas and power provided for such cooking appliances shall be interlocked with the extinguishing system, as required by Section 904.12.2. Fuel gas containers and piping/hose shall be properly maintained in good working order and in accordance with all applicable regulations.

Section 704.1; now 704.1.1change to read as follows:

Section 704.1.1 Enclosure. Interior vertical shafts including, but not limited to, *stairways*, elevator hoistways, service and utility shafts, that connect two or more stories of a building shall be enclosed or protected in accordance with the codes in effect at the time of construction but, regardless of when constructed, not less than as required in Chapter 11. New floor openings in existing buildings shall comply with the *International Building Code.*

Section 807.5.2.2 and 807.5.2.3; change to read as follows:

Section 807.5.2.2 Artwork in Corridors.

Artwork and teaching materials shall be limited on the walls of corridors to not more than 20 percent of the wall area. Such materials shall not be continuous from floor to ceiling or wall to wall. Curtains, draperies, wall hangings, and other decorative material suspended from the walls or ceilings shall meet the flame propagation performance criteria of NFPA 701 in accordance with Section 807 or be noncombustible.

> ***Exception*****:** Corridors protected by an approved automatic sprinkler system installed in accordance with Section 903.3.1.1 shall be limited to 50 percent of the wall area.

Section 807.5.2.3 Artwork in Classrooms.

Artwork and teaching materials shall be limited on walls of classrooms to not more than 50 percent of the specific wall area to which they are attached. Curtains, draperies, wall hangings and other decorative material suspended from the walls or ceilings shall meet the flame propagation performance criteria of NFPA 701 in accordance with Section 807 or be noncombustible.

Section 807.5.5.2 and 807.5.5.3; change to read as follows:

Section 807.5.5.2 Artwork in Corridors.

Artwork and teaching materials shall be limited on the walls of corridors to not more than 20 percent of the wall area. Such materials shall not be continuous from floor to ceiling or wall to wall. Curtains, draperies, wall hangings, and other decorative material suspended from the walls or ceilings shall meet the flame propagation performance criteria of NFPA 701 in accordance with Section 807 or be noncombustible.

> ***Exception*****:** Corridors protected by an approved automatic sprinkler system installed in accordance with Section 903.3.1.1 shall be limited to 50 percent of the wall area.

Section 807.5.5.3 Artwork in Classrooms.

Artwork and teaching materials shall be limited on walls of classrooms to not more than 50 percent of the specific wall area to which they are attached. Curtains, draperies, wall hangings and other decorative material suspended from the walls or ceilings shall meet the flame propagation performance criteria of NFPA 701 in accordance with Section 807 or be noncombustible.

Section 901 *General* is amended by changing ***Section 901.3*** and ***901.5*** as shown in the International Fire Code. to read as follows:

Section 901.3.1 Permit required. Permits shall be required as set forth in Section 105.6 and 105.7 and as required by this section. A permit shall be required for the installation, reconsideration, modification, moving or alteration of any fixed system. Work shall not begin on any system without first obtaining a permit.

> ***Exemption:*** Emergency repairs, due to system malfunctions or discharging, may begin, providing a permit is obtained as soon as possible, but no later than the next working day.

Section 901.3.2 Permit application. The permit application shall be submitted to the office of the Fire Marshal and must have attached to the application detailed construction plans and a copy of the applicant's state license. The following will be required with the plan submission: A CD, or other media, as approved by the Fire Marshal, containing state license, plan drawings, calculations, and spec sheets, in PDF format.

Section 901.3.3 Permit fee. The permit fee for the construction, repair, alteration, or relocation of a fixed system shall be in accordance with the fee schedule adopted by the City of Azle.

Section 901.5 Installation acceptance testing. Fire detection and alarm systems, fire extinguishing systems, fire hydrant systems, fire standpipe systems,

fire pump systems, private fire service mains, and all other fire protection systems, and appurtenances thereto, shall be subject to acceptance tests, as contained in the installation standards and as approved by the fire code official. The fire code official shall be notified before any required acceptance testing. No system shall be approved until a complete inspection of materials and a functional test has been completed and witnessed by the Fire Marshal. The installer/technician must be present for all inspections and testing.

Section 901.6.1; add Section 901.6.1.1 to read as follows:

Section 901.6.1.1 Standpipe Testing. Building owners/managers must maintain and test standpipe systems as per NFPA 25 requirements. The following additional requirements shall be applied to the testing that is required every 5 years:

1. The piping between the Fire Department Connection (FDC) and the standpipe shall be backflushed or inspected by approved camera when foreign material is present, or when caps are missing, and also hydrostatically tested for all FDC's on any type of standpipe system. Hydrostatic testing shall also be conducted in accordance with NFPA 25 requirements for the different types of standpipe systems.

2. For any manual (dry or wet) standpipe system not having an automatic water supply capable of flowing water through the standpipe, the tester shall connect hose from a fire hydrant or portable pumping system (as approved by the *fire code official*) to each FDC, and flow water through the standpipe system to the roof outlet to verify that each inlet connection functions properly. Confirm that there are no open hose valves prior to introducing water into a dry standpipe. There is no required pressure criteria at the outlet. Verify that check valves function properly and that there are no closed control valves on the system.

3. Any pressure relief, reducing, or control valves shall be tested in accordance with the requirements of NFPA 25. All hose valves shall be exercised.

4. If the FDC is not already provided with approved caps, the contractor shall install such caps for all FDC's as required by the *fire code official*.

5. Upon successful completion of standpipe test, place a blue tag (as per Texas Administrative Code, Fire Sprinkler Rules for Inspection, Test and Maintenance Service (ITM) Tag) at the bottom of each standpipe riser in the building. The tag shall be check-marked as "Fifth Year" for Type of ITM, and the note on the back of the tag shall read "5 Year Standpipe Test" at a minimum.

6. The procedures required by Texas Administrative Code Fire Sprinkler Rules with regard to Yellow Tags and Red Tags or any deficiencies noted during the testing, including the required notification of the local Authority Having Jurisdiction (*fire code official*) shall be followed.

7. Additionally, records of the testing shall be maintained by the owner and contractor, if applicable, as required by the State Rules mentioned above and NFPA 25.

8. Standpipe system tests where water will be flowed external to the building shall not be conducted during freezing conditions or during the day prior to expected night time freezing conditions.

9. Contact the *fire code official* for requests to remove existing fire hose from Class II and III standpipe systems where employees are not trained in the utilization of

this firefighting equipment. All standpipe hose valves must remain in place and be provided with an approved cap and chain when approval is given to remove hose by the *fire code official*.

Section 901.6.4; add Section 901.6.4 to read as follows:

Section 901.6.4 False Alarms and Nuisance Alarms. False alarms and nuisance alarms shall not be given, signaled or transmitted or caused or permitted to be given, signaled or transmitted in any manner.

Section 901.7; change to read as follows:

Section 901.7 Systems Out of Service. Where a required *fire protection system* is out of service or in the event of an excessive number of activations, the fire department and the *fire code official* shall be notified immediately and, where required by the *fire code official*, the building shall either be evacuated or an *approved fire watch* shall be provided for all occupants left unprotected by the shut down until the *fire protection system* has been returned to service…. {Remaining text unchanged}

Add *Sections 901.11 Certification, Section 901.12 Failure of system, and Section 901.13 Message alarms. To read as follows:*

Section 901.11 Certification. A notarized certification indicating all work has been performed as permitted and that the work meets code requirements must be submitted at final inspection.

Section 901.12 Failure of system. All fire alarm systems shall be designed and constructed so the failure, malfunction, or removal of any single device, or failure of the wiring to a device does not interfere with the operation of other devices in the system.

Section 901.13 Message alarms. Pre-recorded or voice message fire alarms shall not be approved unless accompanied by a fire alarm signal of audio-visual devices that meet the minimum standards of the Americans with Disabilities Act (ADA).

Section 903.1.1; change to read as follows:

903.1.1 Alternative Protection. Alternative automatic fire-extinguishing systems complying with Section 904 shall be permitted in addition to automatic sprinkler protection where recognized by the applicable standard or as *approved* by the *fire code official*.

Section 903 Automatic Sprinkler Systems is amended as follows:

Section 903.1.2 is amended by adding subsection 903.1.2 and 903.1.3 to read as follows:

903.1.2 Residential sprinklers. Unless specifically allowed by this Code, residential sprinkler systems installed in accordance with NFPA 13D or NFPA 13R shall not be granted exemptions or reductions, commonly known as “trade-offs” permitted by other requirements of this Code. Additionally, residential sprinkler systems installed in accordance with NFPA 13R must include attic protection.

903.1.3 *No CPVC Piping. No fire sprinkler system shall be installed using CPVC piping.*

Exception: *CPVC is allowed in private residences and townhomes.*

Section 903.2; Where Required; paragraph to read as follows:

Section 903.2 Approved automatic sprinkler systems in new buildings and structures shall be provided in the locations described in Sections 903.2.1 through

903.2.12. Automatic Sprinklers shall not be installed in elevator machine rooms, elevator machine spaces, and elevator hoistways, other than pits where such sprinklers would not necessitate shunt trip requirements under any circumstances. Storage shall not be allowed within the elevator machine room. Signage shall be provided at the entry doors to the elevator machine room indicating "ELEVATOR MACHINERY – NO STORAGE ALLOWED."

Section 903.2; delete the exception.

Section 903.2.1.1 Group A-1, Section 903.2.1.3 Group A-3, and Section 903.2.1.4 Group A-4 are amended by deleting the number "12,000" in number one of each section and replacing it with the number "6,000". The sections are also amended by adding the following exception:

"***Exception:***
Open parking garages in compliance with Section 406.3 of the International Building Code, provided fire department standpipes and connections are installed in such a way that no portion of the garage is more than 100 feet, unobstructed hose lay from the connection".

Section 903.2.2.1; change exception to read as follows:

Section 903.2.2.1 Ambulatory care facilities. An automatic sprinkler system shall be installed throughout the entire floor containing an ambulatory care facility where either of the following conditions exist at any time:

1. Four or more care recipients are incapable of self-preservation.

2. One or more care recipients that are incapable of self-preservation are located at other than the level of exit discharge serving such a facility.

In buildings where ambulatory care is provided on levels other than the level of exit discharge, an automatic sprinkler system shall be installed throughout the entire floor as well as all floors below where such care is provided, and all floors between the level of ambulatory care and the nearest level of exit discharge, the level of exit discharge, and all floors below the level of exit discharge.

Exception: Unless otherwise required by this code, floors classified as an open parking garage are not required to be sprinklered.

Section 903.2.4.2; change to read as follows:

Section 903.2.4.2 Group F-1 distilled spirits. An automatic sprinkler system shall be provided throughout a Group F-1 fire area used for the manufacture of distilled spirits involving more than 120 gallons of distilled spirits (>20% alcohol) in the fire area at any one time.

***Section 903.2.8 Group R* is amended to read as follows:**

Section 903.2.8 Group R. An automatic sprinkler system installed in accordance with Section 903.3 shall be provided throughout all buildings with a Group R fire area. An automatic sprinkler system shall be provided throughout all buildings with a Group R-2 occupancy where the fire area is 2 stories in height, including basements, or where the building has more than 3 units. Any Group R-2 occupancy two (2) or more stories in height shall be required to have a sprinkler system meeting the requirements of NFPA Standard 13.

Section 903.2.9.2 Bulk storage of tires, Section is amended by deleting that section and replacing it with a new *Section 903.2.9.2*, to read as follows:

Section 903.2.9.2 Bulk storage of tires. Buildings and structures where the area for the storage of tires exceeds 10,000 cubic feet shall be equipped throughout with an automatic fire sprinkler system meeting the requirements of NFPA Standard 13.

Section 903.2.9.3; change to read as follows:

Section 903.2.9.3 Group S-1 distilled spirits or wine. An automatic sprinkler system shall be provided throughout a Group S-1 fire area used for the bulk storage of distilled spirits or wine involving more than 120 gallons of distilled spirits or wine (>20% alcohol) in the fire area at any one time.

Section 903.2.9.4; delete Exception:

Section 903.2.9.4 Group S-1 upholstered furniture and mattresses. An automatic sprinkler system shall be provided throughout a Group S-1 fire area where the area used for the storage of upholstered furniture or mattresses exceeds 2,500 square feet (232 m^2).

Section 903.2.9; add Section 903.2.9.5 to read as follows:

Section 903.2.9.5 Self-Service Storage Facility. An automatic sprinkler system shall be installed throughout all self-service storage facilities. The minimum sprinkler system design shall be based on an Ordinary Hazard Group II classification, in accordance with NFPA 13 requirements. Physical construction in compliance with open-grid ceilings as per NFPA 13, such as an open metal grid ceiling or chicken wire that does not obstruct the overhead sprinkler protection, shall be installed to prevent storage from exceeding the lower of either 12 feet above finished floor or 18 inches beneath standard sprinkler head deflectors. At least one sprinkler head shall be provided in each storage unit/room (additional sprinklers may be necessary for compliance with NFPA 13 spacing requirements), regardless of wall height or construction type separating such units.

Section 903.2.11; change 903.2.11.3 and add 903.2.11.7, 903.2.11.8, and 903.2.11.9 as follows:

Section 903.2.11.3 Buildings 35 feet or more in height. An automatic sprinkler system shall be installed throughout buildings that have one or more stories, other than penthouses in compliance with Section 1511 of the *International Building Code*, located 35 feet (10 668 mm) or more above the lowest level of fire department vehicle access, measured to the finished floor.

Section 903.2.11.7 High-Piled Combustible Storage. For any building with a clear height exceeding 12 feet (4572 mm), see Chapter 32 to determine if those provisions apply.

Section 903.2.11.8 Spray Booths and Rooms. New and existing spray booths and spraying rooms shall be protected by an approved automatic fire-extinguishing system.

Section 903.2.11.9 Buildings 6,000 sq .ft. or greater under roof, An automatic sprinkler system shall be installed throughout all buildings and any portion of a building that meet any one of the following criteria listed below:

(1) A building area 6,000 sq. ft. or greater

(2) A tenant space 6,000 sq. ft or greater

(3) An existing building that is enlarged to be 6,000 sq. ft. or greater

(4) An tenant space within an existing building that is enlarged to be 6,000 sq. ft. or greater

For the purpose of this provision, fire walls shall not define separate buildings.

Exception: Open parking garages in complying with 903.2.10, and provided fire department standpipes and connections are installed in such a way that no portion of the garage is more than 100 feet, unobstructed hose lay from the connection.

Section 903.3.1.1.1; change to read as follows:

Section 903.3.1.1.1 Exempt Locations. When approved by the *fire code official*, automatic sprinklers shall not be required in the following rooms or areas where such ...*{text unchanged}*… because it is damp, of fire-resistance-rated construction or contains electrical equipment.

1. A room or space where sprinklers constitute a serious life or fire hazard because of the nature of the contents, where approved by fire code official.
2. Generator and transformer rooms, under the direct control of a public utility, separated from the remainder of the building by walls and floor/ceiling or roof/ceiling assemblies having a fire resistance rating of not less than 2 hours.

Section 903.3.1.1.4; add the following Section:

Section 903.3.1.1.4 Dry pipe sprinkler systems. Dry pipe sprinkler systems protecting fire areas of Type V construction shall be required to meet the 60 second water delivery time, per NFPA 13, to the system test connection regardless of the system size, unless more stringent criteria are applicable in NFPA 13, and all dry pipe sprinkler systems shall be trip tested to flow/discharge water to verify compliance with this requirement, unless otherwise approved by the fire code official.

Section 903.3.1.2.2; change to read as follows:

Section 903.3.1.2.2 Corridors and balconies. Sprinkler protection shall be provided in all corridors and for all balconies.

Section 903.3.1.2.3; delete section and replace as follows:

Section 903.3.1.2.3 Attached Garages and attics. Sprinkler protection is required in attached garages, and the following attic spaces:

1. Attics that are used, or intended for living purposes, or storage shall be protected by an automatic sprinkler system.
2. Where fuel-fired equipment is installed in an unsprinklered attic, not less than one quick-response intermediate temperature sprinkler shall be installed above the equipment.
3. Attic spaces of buildings that are two, or more, stories in height above grade plane, or above the lowest level of fire department vehicle access.
4. Group R-4, Condition 2 occupancy attics not required by item 1 or 3 to have sprinklers, shall comply with one of the following:

    4.1. Provide automatic sprinkler system protection
    4.2. Provide a heat detection system throughout the attic that is arranged to activate the building fire alarm system.
    4.3. Construct the attic using non-combustible materials.
    4.4. Construct the attic using fire-retardant-treated wood, complying with Section 2303.2 of the International Building Code.
    4.5. Fill the attic with non-combustible insulation.

Section 903.3.1.3; change to read as follows:

Section 903.3.1.3 NFPA 13D Sprinkler Systems. Automatic sprinkler systems installed in one- and two-family *dwellings*; Group R-3; Group R-4 Condition 1 and *townhouses* shall be permitted to be installed throughout in accordance with NFPA 13D or in accordance with state law.

Section 903.3.1.4; add to read as follows:

Section 903.3.1.4 Freeze protection. Freeze protection systems for automatic fire sprinkler systems shall be in accordance with the requirements of the applicable referenced NFPA standard and this section.

***Section 903.3.1.4.1 Attics*.** Only dry-pipe, pre-action, or listed antifreeze automatic fire sprinkler systems shall be allowed to protect unheated attic spaces.

***Exception*:** Wet-pipe fire sprinkler systems shall be allowed to protect non-ventilated attic spaces where:

1. The attic sprinklers are supplied by a separate floor control valve assembly to allow ease of draining the attic system without impairing sprinklers throughout the rest of the building, and

2. Adequate heat shall be provided for freeze protection as per the applicable referenced NFPA standard, and

3. The attic space is a part of the building's thermal, or heat, envelope, such that insulation is provided at the roof deck, rather than at the ceiling level.

***Section 903.3.1.4.2 Heat trace/insulation*.**

Heat trace/insulation shall only be allowed where approved by the fire code official for small sections of large diameter water-filled pipe.

Section 903.3.5; add a second paragraph to read as follows:

Water supply as required for such systems shall be provided in conformance with the supply requirements of the respective standards; however, every water-based fire protection system shall be designed with a 10 psi safety factor. Reference Section 507.4 for additional design requirements.

Section 903.3.7 *Fire Department Connections.* Is amended by deleting that section and adding the following section, to read as follows:

Section 903.3.7 *Fire Department Connections.*

The location of fire Department Connections shall be approved by the *fire code official.* Locking caps, of an approved style or vendor shall be required by the *fire code official*. Locking caps shall be installed on all new installations, as replacements for lost or damaged caps on existing locations, and when and where deemed necessary by the *fire code official* to address tampering problems at existing facilities.

Section 903.3.9; change to read as follows:

Section 903.3.9 Building floor control valves. Approved supervised indicating control valves shall be provided at the point of connection to the riser as indicated below:

In High Rise Buildings, f*loor control assemblies shall be located in protected stairwells, or as otherwise approved by the fire code official.*

1. In all other buildings, floor control assemblies shall be located as approved by the fire code official.

Section 903.4; add a second paragraph after the exceptions to read as follows:

Sprinkler and standpipe system water-flow detectors shall be provided for each floor tap to the sprinkler system and shall cause an alarm upon detection of water flow for more than 45 seconds. All control valves in the sprinkler and standpipe

systems except for fire department hose connection valves shall be electrically supervised to initiate a supervisory signal at the central station upon tampering.

Section 903.4.1; add a second paragraph after the Exceptions to read as follows:

Sprinkler and standpipe system water-flow detectors shall be provided for each floor tap to the sprinkler system and shall cause an alarm upon detection of water flow for more than 45 seconds. Reference Section 903.3.9 for required floor control assemblies. All control valves in the sprinkler and standpipe systems except for fire department hose connection valves shall be electrically supervised to initiate a supervisory signal at the central station upon tampering.

Section 903.4.3; add second paragraph to read as follows:

The alarm device required on the exterior of the building shall be a weatherproof horn/strobe notification appliance with a minimum 75 candela strobe rating, installed as close as practicable to the fire department connection.

***Section 903* is amended by adding *903.7 Installation schedule*, to read as follows:**

Section 903.7 Installation schedule. Approved fire sprinkler systems shall be operational in a building under construction when:

(1) The building is sufficiently constructed to the point that the exterior sheathing and roof have been installed; or
(2) At the start of combustible interior construction; or
(3) When there is an accumulation of combustible material within the building including, but not limited to, building supplies, rubbish, and furniture, or
(4) When the building goes under conditioned atmosphere.

***Section 903 is* amended by adding *903.8 Wet sprinkler system*, to read as follows:**

Section 903.8 Wet sprinkler system. Whenever the outside atmospheric temperature is predicted to be below 25 Degrees Fahrenheit, for 6, or more hours, a wet sprinkler system may be drained to prevent freeze damage, provided:

(1) It has been determined by a fire sprinkler service technician and the Fire Marshal that there is not adequate freeze protection for the system.
(2) The owner/occupant notifies the fire department that the system will be drained.
(3) The owner/occupant provides an alternative means of early fire discovery and control by the employment of approved 24 hour security personnel, and/or an approved fire alarm and detection system to supplement the fire sprinkler systems. Alarms must be monitored 24 hours a day, by an approved central monitoring service.
(4) When the temperature rises above 30 Degrees Fahrenheit, the drained systems shall be restored. It is the intent of this section that a fire sprinkler system will be in service and operational at all times, except the cases of very cold weather.

Section 905.2; change to read as follows:

Section 905.2 Installation Standard. Standpipe systems shall be installed in accordance with this section and NFPA 14. Manual dry standpipe systems shall be supervised with a minimum of 10 psig and a maximum of 40 psig air pressure with a high/low alarm.

Section 905.3; add Section 905.3.8 and exception to read as follows:

Section 905.3.8; add to read as follows:

Section 905.3.8 Buildings Exceeding 10,000 sq. ft. In buildings exceeding 10,000 square feet in area per story and where any portion of the building's interior area is more than 200 feet (60960 mm) of travel, vertically and horizontally, from

the nearest point of fire department vehicle access, Class I standpipes shall be provided.

Section 905.4, change Item 5, and add Item 7 to read as follows:

5. Where the roof has a slope less than four units vertical in 12 units horizontal (33.3-percent slope), each standpipe shall be provided with a two-way hose connection located to serve the roof or at the highest landing of an exit stairway with stair access to the roof provided in accordance with Section 1011.12.

7. When required by this Chapter, standpipe connections shall be placed adjacent to all required exits to the structure and at two hundred feet (200') intervals along major corridors thereafter, or as otherwise approved by the fire code official.

Section 905.8 Dry standpipes. Dry standpipes shall not be installed.

Exception: Where subject to freezing and in accordance with NFPA 14. Additionally, manual dry standpipe systems shall be supervised with a minimum of 10 psig and a maximum of 40 psig air pressure with a high/low Supervisory alarm.

Section 905.9; add a second paragraph after the exceptions to read as follows:

Sprinkler and standpipe system water-flow detectors shall be provided for each floor tap to the sprinkler system and shall cause an alarm upon detection of water flow for more than 45 seconds. All control valves in the sprinkler and standpipe systems except for fire department hose connection valves shall be electrically supervised to initiate a supervisory signal at the central station upon tampering.

Section 906.1(1); delete Exception 3 as follows:

~~3. In storage areas of Group S occupancies where forklift, powered industrial truck or powered cart operators are the primary occupants,~~
~~fixed extinguishers, as specified in NFPA 10, shall not be required where in accordance with all of the following:~~
~~3.1. Use of vehicle-mounted extinguishers shall be approved by the fire code official.~~
~~3.2. Each vehicle shall be equipped with a 10-pound, 40A:80B:C extinguisher affixed to the vehicle using a mounting bracket approved~~
~~by the extinguisher manufacturer or the fire code official for vehicular use.~~
~~3.3. Not less than two spare extinguishers of equal or greater rating shall be available on-site to replace a discharged extinguisher.~~
~~3.4. Vehicle operators shall be trained in the proper operation, use and inspection of extinguishers.~~
~~3.5. Inspections of vehicle-mounted extinguishers shall be performed daily.~~

Section 907.1; add Section 907.1.4 and 907.1.4.1 to read as follows:

Section 907.1.4 Design Standards. Where a new fire alarm system is installed, the devices shall be addressable. Fire alarm systems utilizing more than 20 smoke detectors shall have analog initiating devices.

Section 907.2.1; change to read as follows:

Section 907.2.1 Group A. A manual fire alarm system that activates the occupant notification system in accordance with Section 907.5 shall be installed in Group A occupancies having an occupant load 150 or more persons, or where the occupant load is more than 100 persons above or below the lowest level of exit discharge. Group A occupancies not separated from one another in accordance with Section 707.3.10 of the *International Building Code* shall be considered as a single occupancy for the purposes of applying this section. Portions of Group E

occupancies occupied for assembly purposes shall be provided with a fire alarm system as required for the Group E occupancy.

Exception: {No change}

Activation of fire alarm notification appliances shall:

1. Cause illumination of the *means of egress* with light of not less than 1 foot-candle (11 lux) at the walking surface level, and
2. Stop any conflicting or confusing sounds and visual distractions.

Section 907.2.3; change to read as follows:

Section 907.2.3 Group E. A manual fire alarm system that initiates the occupant notification signal utilizing an emergency voice/alarm communication system meeting the requirements of Section 907.5.2.2 and installed in accordance with Section 907.6 shall be installed in Group E educational occupancies. When *automatic sprinkler systems* or smoke detectors are installed, such systems or detectors shall be connected to the building fire alarm system. An approved smoke detection system shall be installed in Group E day care occupancies. Unless separated by a minimum of 100' open space, all buildings, whether portable buildings or the main building, will be considered one building for alarm occupant load consideration and interconnection of alarm systems.

Exceptions:

1. {No change.}
1.1. Residential In-Home day care with not more than 12 children may use interconnected single station detectors in all habitable rooms. (For care of more than five children 2 1/2 or less years of age, see Section 907.2.6.)

{No change to remainder of exceptions}

Section 907.2.10.1; change to read as follows:

Section 907.2.10.1 Public- and Self-Storage Occupancies. A manual fire alarm system that activates the occupant notification system in accordance with Section 907.5 shall be installed in Group S public- and self-storage occupancies ~~three stories or greater in height~~ for interior corridors and interior common areas. Visible notification appliances are not required within storage units.

Exception: {No change.}

Section 907.2.13, Exception 3; change to read as follows:

3. Open air portions of buildings with an occupancy in Group A-5 in accordance with Section 303.1 of the *International Building Code*; however, this exception does not apply to accessory uses including but not limited to sky boxes, restaurants, and similarly enclosed areas.

Section 907.4.2; add Section 907.4.2.7 to read as follows:

Section 907.4.2.7 Type. Manual alarm initiating devices shall be an approved double action type.

Section 907.6.1; add Section 907.6.1.1 to read as follows:

Section 907.6.1.1 Wiring Installation. All fire alarm systems shall be installed in such a manner that a failure of any single initiating device or single open in an initiating circuit conductor will not interfere with the normal operation of other such devices. All signaling line circuits (SLC) shall be installed in such a way that a single open will not interfere with the operation of any addressable devices (Class A). Outgoing and return SLC conductors shall be installed in accordance with NFPA 72 requirements for Class A circuits and shall have a minimum of four (4) feet separation horizontal and one foot vertical between supply and return circuit conductors. The initiating device circuit (IDC) from a signaling line circuit interface device shall be wired Class A, provided the distance from the interface device to

the initiating device is ten feet or less. All wiring, SLC, IDC, NAC shall be wired Class A.

Section 907.6.3; delete all four Exceptions.

Section 907.6.3 Initiating device identification. The fire alarm system shall identify the specific initiating device address, location, device type, floor level where applicable and status including indication of normal, alarm, trouble and supervisory status, as appropriate.

Section 907.6.6; – add sentence at end of paragraph to read as follows:

See Section 907.6.3 for the required information transmitted to the supervising station.

Section 909.20; add to read as follows:

Section 909.20.4 Stairway or Ramp Pressurization Alternative.

Where the building is equipped throughout with an automatic sprinkler system in accordance with Section 903.3.1.1 and the stair pressurization alternative is chosen for compliance with Building Code requirements for a smokeproof enclosure, interior exit stairways or ramps shall be pressurized to a minimum of 0.10 inches of water (25 Pa) and a maximum of 0.35 inches of water (87 Pa) in the shaft relative to the building measured with all interior exit stairway and ramp doors closed under maximum anticipated conditions of stack effect and wind effect. Such systems shall comply with Section 909, including the installation of a separate fire-fighter's smoke control panel as per Section 909.16, and a Smoke Control Permit shall be required from the fire department as per Section 105.7.

Section 909.20.5.3 Acceptance and Testing.

Before the mechanical equipment is approved, the system shall be tested in the presence of the *fire code official or their designee* to confirm that the system is operating in compliance with these requirements.

Section 910.2; change Exception 2. and 3.to read as follows:

2. Only manual smoke and heat removal shall be required in areas of buildings equipped with early suppression fast-response (ESFR) sprinklers. Automatic smoke and heat removal is prohibited.

3. Only manual smoke and heat removal shall be required in areas of buildings equipped with control mode special application sprinklers with a response time index of $50(m*S)^{1/2}$ or less that are listed to control a fire in stored commodities with 12 or fewer sprinklers. Automatic smoke and heat removal is prohibited.

Section 910.2; add subsections 910.2.3 with exceptions to read as follows:

Section 910.2.3 Group H. Buildings and portions thereof used as a Group H occupancy as follows:

1. In occupancies classified as Group H-2 or H-3, any of which are more than 15,000 square feet (1394 m^2) in single floor area.

   ***Exception*:** Buildings of noncombustible construction containing only noncombustible materials.

2. In areas of buildings in Group H used for storing Class 2, 3, and 4 liquid and solid oxidizers, Class 1 and unclassified detonable organic peroxides, Class 3 and 4 unstable (reactive) materials, or Class 2 or 3 water-reactive materials as required for a high-hazard commodity classification.

   ***Exception*:** Buildings of noncombustible construction containing only noncombustible materials.

Section 910.3; add section 910.3.4 to read as follows:

Section 910.3.4 Vent Operation. Smoke and heat vents shall be capable of being operated by approved automatic and manual means.

***910.3.4.1 Sprinklered buildings*.**

Where installed in buildings equipped with an approved automatic sprinkler system, smoke and heat vents shall be designed to operate automatically. The automatic operating mechanism of the smoke and heat vents shall operate at a temperature rating at least 100 degrees F (approximately 38 degrees Celsius) greater than the temperature rating of the sprinklers installed.

***Exception*:** Manual only systems per Section 910.2.

910.3.4.2 Nonsprinklered buildings.

Where installed in buildings not equipped with an approved automatic sprinkler system, smoke and heat vents shall operate automatically by actuation of a heat responsive device rated at between 100 F (56C) and 220 F (122C) above ambient temperature.

Exception: Listed gravity-operated drop out vents.

Section 910.4.3.1; change to read as follows:

Section 910.4.3.1 Makeup air. Makeup air openings shall be provided within 6 feet (1829 mm) of the floor level. Operation of makeup air openings shall be ~~manual or~~ automatic. The minimum gross area of makeup air inlets shall be 8 square feet per 1,000 cubic feet per minute (0.74 m2 per 0.4719 m3/s) of smoke exhaust.

Section 912.2; add Section 912.2.3 to read as follows:

Section 912.2.3 Hydrant Distance. An approved fire hydrant shall be located within 100 feet of the fire department connection as the fire hose lays along an unobstructed path.

Section 913.2.1; add second paragraph and exception to read as follows:

When located on the ground level at an exterior wall, the fire pump room shall be provided with an exterior fire department access door that is not less than 3 ft. in width and 6 ft. – 8 in. in height, regardless of any interior doors that are provided. A key box of an approved type or vendor shall be provided at this door, as required by Section 506.1.

***Exception*:** When it is necessary to locate the fire pump room on other levels or not at an exterior wall, the corridor leading to the fire pump room access from the exterior of the building shall be provided with equivalent fire resistance as that required for the pump room, or as approved by the *fire code official*. Access keys shall be provided in the key box as required by Section 506.1.

Section 914.3.1.2; change to read as follows:

Section 914.3.1.2 Water Supply to required Fire Pumps. In all buildings that are more than 120 feet (36.6 m) in *building height*, required fire pumps shall be supplied by connections to no fewer than two water mains located in different streets. Separate supply piping shall be provided between each connection to the water main and the pumps. Each connection and the supply piping between the connection and the pumps shall be sized to supply the flow and pressure required for the pumps to operate.

Exception: {No change to exception}

Section 915; delete and replace to read as follows:

915.1 General. New and existing buildings shall be provided with carbon monoxide (CO) detection in accordance with Sections 915.2 through 915.5.

915.2 Where required. Carbon monoxide detection shall be provided in interior spaces, other than dwelling units or sleeping units, that are exposed to a carbon monoxide source in accordance with Sections 915.2.1 through 915.2.3. Carbon monoxide detection for dwelling units or sleeping units that are exposed to a carbon monoxide source shall be in accordance with Section 915.2.4.

915.2.1 Interior spaces with direct carbon monoxide sources. In all occupancies, interior spaces with a direct carbon monoxide source shall be provided with carbon monoxide detection located in close proximity to the direct carbon monoxide source and in accordance with Section 915.3.
Exception: Where environmental conditions in an enclosed space are incompatible with carbon monoxide detection devices, carbon monoxide detection shall be provided in an approved adjacent location.

915.2.2 Interior spaces adjacent to a space containing a carbon monoxide source. In Groups A, B, E, I, M and R Occupancies, interior spaces that are separated from and adjacent to an enclosed parking garage or an interior space that contains a direct carbon monoxide source shall be provided with carbon monoxide detection if there are communicating openings between the spaces. Detection devices shall be located in close proximity to communicating openings on the side that is furthest from the carbon monoxide source and in accordance with Section 915.3

Exceptions:

1. Where communicating openings between the space containing a direct carbon monoxide source and the adjacent space are permanently sealed airtight, carbon monoxide detection is not required for the adjacent space.
2. Where the fire code official determines that the volume or configuration of the adjacent interior space is such that dilution or geometry would diminish the effectiveness of carbon monoxide detection devices located in such spaces, detection devices additional to those required by Section 915.2.1 shall be located on the side of communicating openings that is closest to the carbon monoxide source.

915.2.3 Interior spaces with forced-indirect carbon monoxide sources. In all occupancies, interior spaces with a forced-indirect carbon monoxide source shall be provided with carbon monoxide detection in accordance with either of the following:

1. Detection in each space with a forced-indirect carbon monoxide source, located in accordance with Section 915.3.
2. Detection only in the first space served by the main duct leaving the forced-indirect carbon monoxide source, located in accordance with Section 915.3, with an audible and visual alarm signal provided at an approved location.

915.2.4 Dwelling units and sleeping units. Carbon monoxide detection for dwelling units and sleeping units shall comply with Sections 915.2.4.1 and 915.2.4.2.

915.2.4.1 Direct carbon monoxide sources. Where a direct carbon monoxide source is located in a bedroom or sleeping room, or a bathroom attached to either,

carbon monoxide detection shall be installed in the bedroom or sleeping room. Where carbon monoxide detection is not installed in bedrooms or sleeping rooms, carbon monoxide detection shall be installed outside of each separate sleeping area in close proximity to bedrooms or sleeping rooms for either of the following conditions:

1. The dwelling unit or sleeping unit has a communicating opening to an attached, enclosed garage.
2. A direct carbon monoxide source is located in the dwelling unit or sleeping unit outside of bedrooms or sleeping rooms.

915.2.4.2 Forced-indirect carbon monoxide sources. Bedrooms or sleeping rooms in dwelling units or sleeping units that are exposed to a forced-indirect carbon monoxide source shall be provided with carbon monoxide detection in accordance with Section 915.2.4.1 or Section 915.2.3.

915.3 Location of detection devices. Carbon monoxide detection devices shall be installed in accordance with manufacturer's instructions in a location that avoids dead air spaces, turbulent air spaces, fresh air returns, open windows, and obstructions that would inhibit accumulation of carbon monoxide at the detection location. Carbon monoxide detection in air ducts or plenums shall not be permitted as an alternative to required detection locations.

915.4 Permissible detection devices. Carbon monoxide detection shall be provided by a carbon monoxide detection system complying with Section 915.4.2 unless carbon monoxide alarms are permitted by Sections 915.4.1.

915.4.1 Carbon monoxide alarms. Carbon monoxide alarms complying with Sections 915.4.1.1 through 915.4.1.3 shall be permitted in lieu of a carbon monoxide detection system in both of the following:

1. Dwelling units and sleeping units.
2. Locations other than dwelling units or sleeping units, where approved, provided that the manufacturer's instructions do not prohibit installation in locations other than dwelling units or sleeping units and that the alarm signal for any carbon monoxide alarm installed in a normally unoccupied location is annunciated by an audible and visual signal in an approved location.

915.4.1.1 Power source. In buildings with a wired power source, carbon monoxide alarms shall receive their primary power from a permanent connection to building wiring, with no disconnecting means other than for overcurrent protection, and shall be provided with a battery backup. In buildings without a wired power source, carbon monoxide alarms shall be battery powered.

Exception: For existing buildings not previously required to have carbon monoxide alarms permanently connected to a wired power source, existing battery-powered and plug-in with battery backup carbon monoxide alarms shall be permitted to remain in service. When replaced, replacement with battery-powered and plug-in with battery backup carbon monoxide alarms shall be permitted.

915.4.1.2 Listings. Carbon monoxide alarms shall be listed in accordance with UL 2034. Combination carbon monoxide/smoke alarms shall also be listed in accordance with UL 217.

915.4.1.3 Interconnection. Where more than one carbon monoxide alarm is installed, actuation of any alarm shall cause all of the alarms to signal an alarm condition.

915.4.2 Carbon monoxide detection systems. Carbon monoxide detection systems shall be installed in accordance with NFPA 72.

915.4.2.1 Fire alarm system integration. Where a building fire alarm system or combination fire alarm system, as defined in NFPA 72, is installed, carbon monoxide detection shall be provided by connecting carbon monoxide detectors to the fire alarm system. Where a building fire alarm system or a combination fire alarm system is not installed, carbon monoxide detection shall be provided by connecting carbon monoxide detectors to a carbon monoxide detection system complying with NFPA 72.

915.4.2.2 Listings. Carbon monoxide detectors shall be listed in accordance with UL 2075. Combination carbon monoxide/smoke detectors shall be listed in accordance with UL 268 and UL 2075.

915.4.2.3 Alarm notification. For other than Group E Occupancies, activation of a carbon monoxide detector shall initiate alarm notification in accordance with any of the following:

1. An audible and visible alarm notification throughout the building and at the control unit.
2. Where specified in an approved fire safety plan, an audible and visible alarm in the signaling zone where the carbon monoxide has been detected and other signaling zones specified in the fire safety plan, and at the control unit.
3. Where a sounder base is provided for each detector, an audible alarm at the activated carbon monoxide detector and an audible and visible alarm at the control unit.

For Group E Occupancies having an occupant load of 30 or less, alarm notification shall be provided in an on-site location staffed by school personnel or in accordance with the notification requirements for other occupancies. For Group E occupancies having an occupant load of more than 30, an audible and visible alarm shall be provided in an on-site location staffed by school personnel.

915.5 Maintenance. Carbon monoxide alarms and carbon monoxide detection systems shall be maintained in accordance with NFPA 72 and the manufacturer's instructions. Carbon monoxide alarms and carbon monoxide detectors that become inoperable or begin producing end-of-life signals shall be replaced.

Section 1003.6 Means of egress continuity **is amended by adding** ***Section 1003.6.1 vehicle parking*****, to read as follows:**

Section 1003.6.1 Vehicle parking. No motor vehicle shall be parked within 10 feet of any patio, stairs, or egress path at any apartment, multi-family building, hotel, motel, or commercial structure, unless on approved parking space.

Section 1006.2.1; change Exception #3 to read as follows:

1006.2.1 Egress based on occupant load and common path of egress travel distance. Two exits or exit doorways from any space shall be provided where the design occupant load or the common path of egress travel distance exceeds the values listed in Table 1006.2.1. The cumulative occupant load from adjacent rooms, areas or space shall be determined in accordance with Section 1004.2.

Exceptions:

1 {No change.}

2.{No change.}

3. Unoccupied rooftop mechanical rooms and penthouses are not required to comply with the common path of egress travel distance measurement.

Section 1009.1; add the following Exception 3:

Exceptions:
{previous exceptions unchanged}

3 Buildings regulated under State Law and built in accordance with State registered plans, including any variances or waivers granted by the State, shall be deemed to be in compliance with the requirements of Section 1009.

Section 1009.8; add the following Exception 7:
Exceptions:
7. Buildings regulated under State Law and built in accordance with State registered plans, including variances or waivers granted by the State, shall be deemed to be in compliance with the requirements of Section 1009 and Chapter 11.

Section 1015.8 Window Openings; change number 1 to read as follows:
1. Operable windows where the top of the sill of the opening is located more than 55 feet (16 764 mm) above the finished grade or other surface below and that are provided with window fall prevention devices that comply with ASTM F 2006.

Section 1020.1 Construction; add Exception 6 to read as follows:
6. In group B occupancies, corridor walls and ceilings need not be of fire-resistive construction within a single tenant space when the space is equipped with approved automatic smoke-detection within the corridor. The actuation of any detector shall activate self-annunciating alarms audible in all areas within the corridor. Smoke detectors shall be connected to an approved automatic fire alarm system where such system is provided.

***Section 1024 Exit Passageways* is amended by adding *Section 1024.1.1 Exit ways – hotels, motels, and multi-family*, to read as follows:**
Section 1024.1.1 Exit ways – hotels, motels, and multi-family. All public exit ways and balconies shall be constructed of material having a minimum of a class "C" flame spread rating (75 to 200 flame spread). All balconies and landings utilized as exit ways shall have a minimum length of 8 feet and a minimum width of 4 feet.

Section 1103.3; add sentence to end of paragraph as follows:
Provide emergency signage as required by Section 606.3.

***Section 1103.5.3*: add sentence to read as follows:**
Fire sprinkler system installation shall be completed within 24 months from date of notification by the *fire code official*.

Section 1103.5; add Section 1103.5.5 to read as follows:
Section 1103.5.5 Spray Booths and Rooms. Existing spray booths and spray rooms shall be protected by an approved automatic fire-extinguishing system in accordance with Section 2404.

Section 1103.7; add Section 1103.7.7 and 1103.7.7.1 to read as follows:
Section 1103.7.7 Fire Alarm System Design Standards. Where an existing fire alarm system is upgraded or replaced, the devices shall be addressable. Fire alarm systems utilizing more than 20 smoke and/or heat detectors shall have analog initiating devices.

***Exception*:** Existing systems need not comply unless the total building, or fire alarm system, remodel or expansion exceeds 30% of the building. When cumulative building, or fire alarm system, remodel or expansion initiated after the date of original fire alarm panel installation exceeds 50% of the building, or fire alarm system, the fire alarm system must comply within 18 months of permit application.

Section 1103.7.7.1 Communication requirements. Refer to Section 907.6.6 for applicable requirements

Section 1103.9; delete and change to read as follows:

Section 1103.9 Carbon monoxide detection. Carbon monoxide detection shall be installed in existing buildings in accordance with Section 915.

Section 1201.4; add to read as follows:
Section 1201.4 Electrical Shutdown. Energy systems including solar photovoltaic power systems, stationary fuel cell power systems, or electrical energy storage systems shall have a remote power shut down box. The location shall be at an *approved* location. The box shall only be accessible by the fire department and shall be keyed to the fire department Key Box as outlined in Section 506.

Section 1203; change and add to read as follows:

1203.1.1 {No change}
1203.1.2 {No change}
1203.1.3 Installation. Emergency power systems and standby power systems shall be installed in accordance with the International Building Code, NFPA 70, NFPA 110, and NFPA 111. Existing installations shall be maintained in accordance with the original approval, except as specified in Chapter 11.

1203.1.4 through 1203.1.9 {No changes to these sections}

1203.1.10 Critical Operations Power Systems (COPS). For Critical Operations Power Systems necessary to maintain continuous power supply to facilities or parts of facilities that require continuous operation for the reasons of public safety, emergency management, national security, or business continuity, see NFPA 70.

1203.2 Where required.

Emergency and standby power systems shall be provided where required by Sections 1203.2.1 through 1203.2.19, or elsewhere identified in this code, or any other referenced code.

1203.2.1 through 1203.2.3 {No change}

1203.2.4 Emergency Voice/alarm communications systems.

Emergency power shall be provided for emergency voice/alarm communications systems in the following occupancies, or as specified elsewhere in this code, as required in Section 907.5.2.2.5. The system shall be capable of powering the required load for a duration of not less than 24 hours, as required in NFPA 72.

- Covered and Open Malls, Section 907.2.19 and 914.2.3
- Group A Occupancies, Sections 907.2.1 and 907.5.2.2.4.
- Special Amusement Buildings, Section 907.2.11
- High-rise Buildings, Section 907.2.12
- Atriums, Section 907.2.13

- Deep Underground Buildings, Section 907.2.18

1203.2.5 through 1203.2.13 {No change}

1203.2.15 Means of egress illumination.
Emergency power shall be provided for means of egress illumination in accordance with Sections 1008.3 and 1104.5.1. (90 minutes)

1203.2.16 Membrane Structures.
Emergency power shall be provided for *exit* signs in temporary tents and membrane structures in accordance with Section 3103.11.6.1 (90 minutes) Standby power shall be provided for auxiliary inflation systems in permanent membrane structures in accordance with Section 2702 of the *International Building Code*. (4 hours) Auxiliary inflation systems shall be provided in temporary air-supported and air-inflated membrane structures in accordance with section 3103.9.4.

1203.2.16 **{No change}**

1203.2.18 Smoke Control Systems.
Standby power shall be provided for smoke control systems in the following occupancies, or as specified elsewhere in this code, as required in Section 909.11:
- Covered Mall Building, *International Building Code*, Section 402.7
- Atriums, *International Building Code*, Section 404.7
- Underground Buildings, *International Building Code*, Section 405.8
- Group I-3, *International Building Code*, Section 408.4.2
- Stages, *International Building Code*, Section 410.2.5
- Special Amusement Buildings (as applicable to Group A's), *International Building Code*, Section 411.1
- Smoke Protected Seating, Section 1029.6.2.

1203.2.19 {No change}

1203.3 through 1203.6 {No change}

1203.7 Energy Time Duration.
Unless a time limit is specified by the fire code official, in this chapter or elsewhere in this code, or in any other referenced code or standard, the emergency and standby power system shall be supplied with enough fuel or energy storage capacity for not less than 2-hour full-demand operation of the system.

Exception: Where the system is supplied with natural gas from a utility provider and is approved.

Section 1207.2; add to read as follows:

Section 1207.2 Commissioning, decommissioning, operation and maintenance. Commissioning, decommissioning, operation and maintenance shall be conducted in accordance with this section. In addition to the ordinary inspection and test requirements that buildings, structures and parts thereof are required to undergo, Energy Storage Systems subject to the provisions of Section 1207 shall undergo special inspections and tests sufficient to verify the proper

commissioning of the Energy Storage System in its final installed condition. The design submission accompanying the construction documents shall clearly detail procedures and methods to be used and the items subject to such inspections and tests. Such commissioning shall be in accordance with generally accepted engineering practice and, where possible, based on published standards for the particular testing involved. The special inspections and tests required by this section shall be conducted under the same terms as in Chapter 17 of the International Building Code.

Section 2304.1; change to read as follows:
Section 2304.1 Supervision of Dispensing. The dispensing of fuel at motor fuel-dispensing facilities shall be the following:

The dispensing of fuel at motor fuel-dispensing facilities shall be in accordance with the following:

1. Conducted by a qualified attendant; and/or,
2. Shall be under the supervision of a qualified attendant; and/or
3. Shall be an unattended self-service facility in accordance with Section 2304.3.

At any time, the qualified attendant of item Number 1 or 2 above is not present, such operations shall be considered as an unattended self-service facility and shall also comply with Section 2304.3.

Section 2401.2; delete this section in its entirety.

Table 3206.2, footnote h; change text to read as follows:

h. Where storage areas are protected by either early suppression fast response (ESFR) sprinkler systems or control mode special application sprinklers with a response time index of 50 (m • s) 1/2 or less that are listed to control a fire in the stored commodities with 12 or fewer sprinklers, installed in accordance with NFPA 13, manual smoke and heat vents or manually activated engineered mechanical smoke exhaust systems shall be required within these areas.

Table 3206.2, footnote j; add footnote j to row titled "High Hazard" and Greater than 300,000' to read as follows:

j. High hazard high-piled storage areas shall not exceed 500,000 square feet. A 2-hour fire wall, constructed in accordance with Section 706 of the International Building Code, shall be used to divide high-piled storage exceeding 500,000 square feet in area.

Section 3307.1; change to read as follows:
Section 3307.1 Required access. Approved vehicle access for firefighting and emergency response shall be provided to all construction or demolition sites. Vehicle access shall be provided to within 50 feet (15 240 mm) of temporary or permanent fire department connections. Vehicle access shall be provided by either temporary or permanent roads, capable of supporting vehicle loading under all weather conditions. Vehicle access shall be maintained until permanent fire apparatus access roads are available. When fire apparatus access roads are required to be installed for any structure or development, access shall be approved prior to the time which construction has progressed beyond completion of the foundation of any structure. Whenever the connection is not visible to approaching fire apparatus, the fire department connection shall be indicated by an *approved* sign.

Section 3307.1.2; change to read as follows:

Section 3307.1.2 Stairways required. Where building construction exceeds 40 feet (12 192 mm) in height above the lowest level of fire department vehicle access, a temporary or permanent stairway shall be provided. As construction progresses, such stairways shall be extended to within one floor of the highest point of construction having secured decking or flooring. Whenever the stairways are not visible to approaching fire apparatus, the stairways locations shall be indicated by an *approved* sign.

Section 3307.5.3; add section to read as follows:

Section 3307.5.3 Standpipe Signage. Whenever the standpipes are not visible to approaching fire apparatus, locations shall be indicated by an *approved* sign.

Section 4104.2; change to read as follows:
Section 4104.2 Open-flame Cooking Devices. Charcoal burners and other open-flame cooking devices, charcoal grills and other similar devices used for cooking shall not be operated or located on combustible balconies, decks, or within 10 feet (3048 mm) of combustible construction.

Exceptions:

1. One- and two-family dwellings where LP-gas containers are limited to a water capacity not greater than 50 pounds (22.68 kg) [nominal 20-pound (9.08 kg) LP-gas capacity] with an aggregate LP-gas capacity not to exceed 100 pounds (5 containers). All LP-gas containers shall be stored outside, as per Chapter 61.
2. ~~2.~~
3. LP-gas cooking devices having LP-gas containers with a water capacity not greater than 2-1/2 pounds [nominal 1-pound (0.454 kg) LP-gas capacity].

Section 5003.3.1.4 Responsibility for cleanup shall be amended by deleting Section 5003.3.1.4 Responsibility for cleanup in the IFC and replacing it with the following:

The person, firm or corporation, responsible for an unauthorized discharge or hazardous condition shall institute and complete all actions necessary to remedy the effects of such unauthorized discharge, whether sudden or gradual, at no cost to the jurisdiction. When deemed necessary, by the fire code official, cleanup may be initiated by the fire department, or by an authorized individual or firm. Costs associated with such cleanup shall be borne by the owner, operator, or other person responsible for the unauthorized discharge. Any costs associated with a fire department response to accomplish control and mitigation of an unauthorized discharge may be charged back to the person, firm, or corporation responsible for the release.

Section 5601.1.3; change to read as follows:

Section 5601.1.3 Fireworks. The possession, manufacture, storage, sale, handling, and use of fireworks are prohibited.

Exceptions:

1. Only when approved for fireworks displays, the storage, and handling of fireworks as allowed in Section 5604 and 5608.

2. The use of fireworks for approved fireworks displays as allowed in Section 5608.
{Delete remainder of text.}

Section 5703.6; *add sentence to end of paragraph to read as follows:*
An *approved* method of secondary containment shall be provided for underground tank and piping systems.

Section 5704.2.9.5; add Section 5704.2.9.5.3 to read as follows:
Section 5704.2.9.5.3 Combustible Liquid Storage Tanks Inside of Buildings.
The maximum aggregate allowable quantity limit shall be 3,000 gallons (11 356 L) of Class II or III combustible liquid for storage in protected aboveground tanks complying with Section 5704.2.9.7 when all of the following conditions are met:
1. The entire 3,000 gallon (11 356 L) quantity shall be stored in protected above-ground tanks;
2. The 3,000 gallon (11 356 L) capacity shall be permitted to be stored in a single tank or multiple smaller tanks;
3. The tanks shall be located in a room protected by an *automatic sprinkler system* complying with Section 903.3.1.1; and
4. Tanks shall be connected to fuel-burning equipment, including generators, utilizing an *approved* closed piping system.

The quantity of combustible liquid stored in tanks complying with this section shall not be counted towards the maximum allowable quantity set forth in Table 5003.1.1(1), and such tanks shall not be required to be located in a control area. Such tanks shall not be located more than two stories below grade.

Section 5704.2.11.4; add a sentence to read as follows:
Section 5704.2.11.4 Leak Prevention. Leak prevention for underground tanks shall comply with Sections 5704.2.11.4.1 through 5704.2.11.4.3. An *approved* method of secondary containment shall be provided for underground tank and piping systems.

Section 5704.2.11.4.2; change to read as follows:
Section 5704.2.11.4.2 Leak Detection. Underground storage tank systems shall be provided with an *approved* method of leak detection from any component of the system that is designed and installed in accordance with NFPA 30 and as specified in Section 5704.2.11.4.3.

Section 5704.2.11.4.3; add Section 5704.2.11.4.3 to read as follows:
Section 5704.2.11.4.3 Observation Wells. Approved sampling tubes of a minimum 4 inches in diameter shall be installed in the backfill material of each underground flammable or combustible liquid storage tank. The tubes shall extend from a point 12 inches below the average grade of the excavation to ground level and shall be provided with suitable surface access caps. Each tank site shall provide a sampling tube at the corners of the excavation with a minimum of 4 tubes. Sampling tubes shall be placed in the product line excavation within 10 feet of the tank excavation and one every 50 feet routed along product lines towards the dispensers, a minimum of two are required.

Section 6103.2.1; add Section 6103.2.1.8 to read as follows:

Section 6103.2.1.8 Jewelry Repair, Dental Labs and Similar Occupancies. Where natural gas service is not available, portable LP-Gas containers are allowed to be used to supply approved torch assemblies or similar appliances. Such containers shall not exceed 20-pound (9.0 kg) water capacity. Aggregate capacity shall not exceed 60-pound (27.2 kg) water capacity. Each device shall be separated from other containers by a distance of not less than 20 feet.

Section 6104.2, Exception; add an exception 2 to read as follows:

Exceptions:

1. *{existing text unchanged}*
2. Except as permitted in Sections 308 and 6104.3.2, LP-gas containers are not permitted in residential areas.

Section 6104.3; add Section 6104.3.3 to read as follows:

Section 6104.3.3 Spas, Pool Heaters, and Other Listed Devices. Where natural gas service is not available, an LP-gas container is allowed to be used to supply spa and pool heaters or other listed devices. Such container shall not exceed 250-gallon water capacity per lot. See Table 6104.3 for location of containers.

***Exception*:** Lots where LP-gas can be off-loaded wholly on the property where the tank is located may install up to 500 gallon above ground or 1,000 gallon underground approved containers.

{Appendix B Fire-Flow Requirements for Buildings amendments}

Table B105.2; change footnote a. to read as follows:

a. The reduced fire-flow shall be not less than ~~1,000~~ 1,500 gallons per minute.

{Appendix D Fire Apparatus Access Roads amendments}

Section D102.1; change to read as follows:

D102.1 Access and loading. Facilities, buildings or portions of buildings hereafter constructed shall be accessible to fire department apparatus by way of an *approved* fire apparatus access road with an asphalt, concrete or other *approved* driving surface capable of supporting the imposed load of fire apparatus weighing up to 85,000 pounds (38 556 kg).

Section D103.2; change to read as follows:

D103.2 Grade. Fire apparatus access roads shall not exceed 6 percent in grade.

Exception: Grades steeper than 6 percent as determined by the fire code official will be permitted if designed in accordance to the current AASHTO *A Policy on Geometric Design of Highways and Streets* standards. A minimum length of 100 feet is required for all sag and crest curves. All fire lanes shall meet the city subdivision design standards.

Section D103.4; change to read as follows:

D103.4 Dead ends. Dead-end fire apparatus access roads in excess of 150 feet (45 720 mm) shall be provided with width and turnaround provisions in accordance with Table D103.4.

TABLE D103.4
REQUIREMENTS FOR DEAD-END FIRE APPARATUS ACCESS ROADS

LENGTH (feet)	WIDTH (feet)	TURNAROUNDS REQUIRED
0–150	~~20~~ 24	None required
151–500	~~20~~ 24	120-foot Hammerhead, 60-foot “Y” or 96-foot diameter cul-de-sac in accordance with Figure D103.1
501–750	26	120-foot Hammerhead, 60-foot “Y” or 96-foot diameter cul-de-sac in accordance with Figure D103.1
Over 750	Special approval required	

For SI: 1 foot = 304.8 mm.

Section D103.5; change Item 1 to read as follows:

D103.5 Fire apparatus access road gates. Gates securing the fire apparatus access roads shall comply with all of the following criteria:

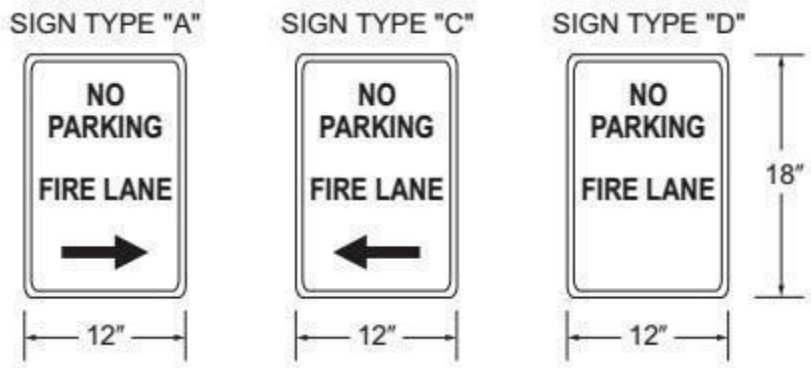
1. Where a single gate is provided, the gate width shall be not less than 24 feet (7315.2 mm). Where a fire apparatus road consists of a divided roadway, the gate width shall be not less than 12 feet (3658 mm).

Section D103.6; change to read as follows:

D103.6 Marking. Striping, signs, or other markings, when approved by the *fire code official*, shall be provided for fire apparatus access roads to identify such roads or prohibit the obstruction thereof. Striping, signs and other markings shall be maintained in a clean and legible condition at all times and be replaced or repaired when necessary to provide adequate visibility.

(1) Striping – Fire apparatus access roads shall be continuously marked by painted lines of red traffic paint six inches (6”) in width to show the boundaries of the lane. The words “NO PARKING FIRE LANE” or "FIRE LANE NO PARKING” shall appear in four inch (4”) white letters at 25 feet intervals on the red border markings along both sides of the fire lanes. Where a curb is available, the striping shall be on the vertical face of the curb.

(2) Signs – Signs shall read “NO PARKING FIRE LANE” or "FIRE LANE NO PARKING” and shall be 12” wide and 18” high (See Figure D103.6). Signs shall have red letters on a white reflective background, using not less than 2” lettering. Signs shall be permanently affixed to a stationary post and the bottom of the sign shall be six feet, six inches (6’6”) above finished grade. Signs shall be spaced not more than fifty feet (50’) apart along both sides of the fire lane. Signs may be installed on permanent buildings or walls or as approved by the Fire Chief.



Section D103.6.1 and D103.6.2; delete sections

Section D104.3; change to read as follows:
D104.3 Remoteness. Where two fire apparatus access roads are required, they shall be placed a distance apart equal to not less than one half of the length of the maximum overall diagonal dimension of the lot or area to be served, measured in a straight line between accesses, or as *approved* by the *fire code official*.

Section D105.3; change to read as follows:
D105.3 Proximity to building. Unless otherwise approved by the fire code official, one or more of the required access routes meeting this condition shall be located not less than 15 feet (4572 mm) and not greater than 30 feet (9144 mm) from the building, and shall be positioned parallel to one entire side of the building. The side of the building on which the aerial fire apparatus access road is positioned shall be *approved* by the *fire code official*.

Section D106.3; change to read as follows:
D106.3 Remoteness. Where two fire apparatus access roads are required, they shall be placed a distance apart equal to not less than one-half of the length of the maximum overall diagonal dimension of the property or area to be served, measured in a straight line between accesses, or as *approved* by the *fire code official*.

Section D107.2; change to read as follows:
D107.2 Remoteness. Where two fire apparatus access roads are required, they shall be placed a distance apart equal to not less than one-half of the length of the maximum overall diagonal dimension of the property or area to be served, measured in a straight line between accesses, or as *approved* by the *fire code official*.
Appendix L FIREFIGHTER AIR REPLENISHMENT SYSTEMS

Section L101.1; change to read as follows:
L101.1 Scope. Firefighter air replenishment systems (FARS) shall be provided in accordance with this appendix in new buildings where any of the following conditions are met:

1. Buildings having 6 or more stories above grade plane.
2. Buildings having 2 or more stories below grade plane.

Section L104.13.1; change to read as follows:
L104.13.1 Location. Fill stations for refilling breathing air cylinders shall be located as follows:

1. In the primary stair, as designated by the *fire code official*, a fill station shall be installed on the first level and on every odd-numbered floor thereafter.
2. In all other stairs, a fill station shall be installed on the second level and on every even-numbered floor thereafter.

Section L106.1; add paragraph to read as follows:
The inspecting FARS contractor shall provide annual inspection tag/sticker on the FARS' interior air monitoring panel. Tag/sticker shall identify approved inspecting contractor's name, physical address, phone number, and certified inspector's name, as well as date of inspection. System shall not be tagged until all inspection requirements of this section are conducted. Tag/sticker shall be blue in color for a passing system. If this is not possible for any reason, tag/sticker shall be red in color for a failing system with reasons for failure indicated on the tag if possible. If red tag/sticker is placed, AHJ/Fire Marshal shall be notified immediately within a maximum of 24 hours.)

Preparing for the Proposed 2024 ICC and 2023 NEC Code Adoption: Key Updates and Local Impacts for the City of Azle, Texas

Prepared for City Council consideration

Executive Summary

The proposed adoption of the 2024 International Code Council (ICC) model codes and the 2023 National Electrical Code (NEC) introduces notable updates affecting structural design, life safety, fire protection, mechanical and plumbing systems, energy efficiency, and electrical safety. This briefing outlines the most significant proposed changes and anticipated impacts for the City of Azle as part of City Council's consideration of a code update, including the use of North Central Texas Council of Governments (NCTCOG) regional amendments. This document is intended to provide a high-level overview for City Council and a practical reference for developers, builders, and design professionals.

Key Proposed Changes in the 2024 ICC Codes (with NCTCOG Amendments)

1) International Building Code (IBC)

- **Fire & Life Safety:** Expanded requirements for automatic fire sprinkler systems in larger and higher-risk buildings; updated fire alarm and emergency notification standards.
    - Carbon Monoxide Detection: Expanded CO detection requirements in additional occupancies and building conditions.
    - Construction Fire Safety: Enhanced expectations for construction-site fire safety planning and system coordination.
    - Administration & Enforcement: Clarified authority of the Building Official, documentation for alternate materials and methods, and inspection readiness requirements.
- **NCTCOG Emphasis for IBC:**
    - Regional amendments typically strengthen fire protection standards, clarify inspection and certificate of occupancy procedures, and promote consistent enforcement practices across North Texas.
    - Additional clarity is provided for fire protection system submittals, standpipe and fire pump requirements, and emergency access.

2) International Residential Code (IRC)

- Mechanical Systems: Allows newer low-flammability refrigerants (A2L) with added safety provisions.
- Fire Separation & Site Design: Updated fire separation distances and clarification for multiple dwellings on a single lot.
- Structural References: Updated wind and load references coordinated with the IBC.
- **NCTCOG Emphasis for IRC:**
    - Administrative clarifications related to inspections, certificates of occupancy, and project closeout.
    - Alignment with regional practices for valuation, permits, and inspection sequencing.

3) International Energy Conservation Code (IECC)

- Increased Energy Efficiency Targets: Higher baseline efficiency requirements compared to prior code editions.
- Flexible Compliance Paths: Expanded performance and trade-off options for compliance.
- Building Performance: Stronger envelope, mechanical system efficiency, and verification requirements.
- **NCTCOG Emphasis for IECC:**
    - Regional amendments typically clarify documentation, testing, commissioning, and compliance submittal expectations to support uniform enforcement.

4) Other ICC Codes (IMC, IPC, IFGC, IFC)

- IMC/IPC: Updates to equipment access, ventilation, fixtures, and coordination with accessibility requirements.
- IFGC: Clarified fuel gas installation and safety standards.
- IFC: Alignment with IBC construction fire safety provisions, hazardous materials references, and operational permit requirements.

5) National Electrical Code (NEC) – 2023 Edition

- The proposed ordinance includes adoption of the 2023 National Electrical Code, which introduces several technical updates intended to improve electrical safety and inspection consistency:
    - Emergency Disconnecting Means: Expanded requirements for readily accessible emergency disconnects, particularly in residential construction.
    - GFCI Protection: Expanded ground-fault circuit-interrupter protection in additional locations.
    - Equipment Approval & Field Evaluation: Clearer pathways for approval of listed equipment and third-party field evaluations.
    - Load Calculations & Documentation: Increased emphasis on providing electrical load calculations when systems are modified.
    - Circuit Identification: Improved labeling and documentation requirements for panels and circuits.

Impacts for Azle's Development Community

- Project Planning & Design: Greater emphasis on early coordination with City staff, fire officials, and design professionals.
- Construction Cost & Scope: Potential modest increases in upfront costs due to enhanced safety and energy standards.
- Permitting & Inspections: Clearer, more consistent expectations for plan submittals and inspections.
- Regional Consistency: Alignment with neighboring jurisdictions reduces redesign and rework.
- Long-Term Performance: Improved safety, efficiency, and reliability reduce long-term risk.

Implications for the City of Azle (Council & Staff)

- Public Safety & Resilience: Stronger fire protection, electrical safety, and emergency response provisions.
- Administrative Clarity: Improved enforcement consistency and inspection authority.
- Economic Competitiveness: Modern codes support responsible growth and regional alignment.

Summary Table – Proposed 2024 Codes + NCTCOG Amendments

Code Area	What's Changing	Who's Affected	Primary Impact
IBC	Expanded fire protection, life safety, construction fire safety, and carbon monoxide detection	Developers, architects, engineers, contractors	Earlier coordination; enhanced safety planning
IRC	Updated mechanical provisions, fire separation clarity, structural reference updates	Homebuilders, residential designers, trades	Minor design changes; clearer standards
IECC	Higher energy efficiency baselines and verification requirements	Developers, architects, MEP engineers	Envelope/MEP upgrades; additional documentation
IMC / IPC / IFGC / IFC	Equipment access, ventilation, fixtures, fuel gas, and operational permit updates	Contractors, inspectors	Improved coordination; predictable inspections
NEC (2023)	Emergency disconnects, expanded GFCI protection, equipment approval, labeling	Electricians, engineers, builders	Improved electrical safety; inspection consistency
NCTCOG Amendments	Regional administrative and fire protection refinements	Applicants, City staff	Regional consistency; clearer enforcement

Item Number: 11

Presenter:

Agenda Item: **Take any action pursuant to Executive Session.**

Background and Explanation:

Board/Commission/Committee Recommendation:

Staff Recommendation:

Attachments:

None