



# City of West University Place

*A Neighborhood City*

## **CITY COUNCIL**

Bob Higley, Mayor  
Kevin Trautner, Mayor Pro Tem  
Lauri Lankford, Councilmember  
John P. Barnes, Councilmember  
Ed Sobash, Councilmember

## **STAFF**

David J. Beach, City Manager  
Alan Petrov, City Attorney  
Thelma Gilliam, City Secretary

## **City Council Meeting Agenda**

Notice is hereby given of a **workshop** and **regular meeting** of the West University Place City Council to be held on **Monday, June 22, 2020** beginning at **5:00 p.m.** in the **Municipal Building** located at 3800 University Boulevard, West University Place, Texas, for the purpose of considering the agenda of items listed.

Due to the Novel Coronavirus (COVID 19) pandemic and CDC's recommendation regarding social distancing measures, the public will not be allowed to be physically present at this meeting, **City Council will** be audible to members of the public and allow for two-way communications for those desiring to participate. **To attend the meeting via telephonic means**, please use the following toll-free number: **1-844-648-1102**, **Meeting ID Number 858-326-017** or follow link to [join.me/858-326-017](https://join.me/858-326-017).

**Any person interested in speaking** on any item on the agenda or during public comments must submit his/her request via email to the City Secretary at [tgilliam@westutx.gov](mailto:tgilliam@westutx.gov). The request must include the speaker's name, address, the phone number that will be used for the call, and the agenda item number, if applicable, and it must be received prior to the posted time of the meeting.

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

The agenda packet is accessible to the public on the City's website. After the meeting, a recording of this meeting will be made available to the public.

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### **WORKSHOP (5:00 PM)**

1. **Call Workshop to Order**
2. **Storm Water Drainage System Modeling Study**  
Matters related to a modeling study on the City's storm water drainage system. **Mr. Gerardo Barrera, Public Works Director**
3. **Adjourn Workshop**

### **REGULAR MEETING (6:30 PM)**

4. **Call Regular Meeting to Order**
5. **Roll Call**

**6. Pledge of Allegiance**

**7. Public Comments**

This is an opportunity for citizens to speak to the Council relating to agenda and non-agenda items. If the topic the speaker wishes to address is on the agenda, the speaker can either speak at this time or defer his/her comments until such time the item is discussed.

Speakers are advised that comments cannot be received on matters which are the subject of a public hearing once the hearing has been closed. Public comments must be kept relevant to the subject before the Council. The presiding officer shall rule on the relevance of comments.

Persons making irrelevant, personal, impertinent, or slanderous remarks may be barred by the presiding officer from further comment before the Council during the meeting. Speakers are required to register in advance and must limit their presentations to three minutes each.

**8. Comprehensive Annual Financial Report (CAFR)**

Matters related to acceptance of the City's Comprehensive Annual Financial Report. *Recommended Action: After hearing report from auditors, accept the Comprehensive Annual Financial Report. Ms. Katherine DuBose* [see Agenda Memo 8]

**9. Colonial Park East End Improvements**

Matters related to the approving the concept design and budget for the Colonial Park East End Improvement Project. *Recommended Action: Approve the concept design and budget by adopting an ordinance amending the budget for the improvements. Mr. Jeremy Veld, P&R Administrative Manager* [see Agenda Memo 9]

**10. Boards and Commissions**

Matters related to proposed projects for the City's Boards and Commissions. *Recommended Action: Approve proposed projects. Mr. Dave Beach, City Manager* [see Agenda Memo 10]

**11. Information and Updates related to COVID-19**

Matters related to COVID-19. *Recommended Action: Discuss and take any desired action. Mr. Dave Beach, City Manager and Mr. Aaron Taylor, Fire Chief and Emergency Management Coordinator* [see Agenda Memo 11]

**12. Consent Agenda**

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member requests in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

**A. City Council Minutes**

Approve the City Council Meeting Minutes of June 8, 2020, June 14, 2020 City Council Strategic Visioning Workshop and June 15, 2020 City Council Strategic Visioning Workshop. [see Agenda Memo 12A]

**B. Council Rules of Procedure**

Matters related to an ordinance adopting revisions to Council's Rules of Procedure. *Recommended Action: Adopt ordinance on second and final reading. Mr. Dave Beach, City Manager* [see Agenda Memo 12B]

**C. Texas Local Government Investment Pool Authorizations**

Matters related to a resolution amending authorized representatives to the Texas Local Government Investment Pool (TexPool / TexPool Prime) to conduct transactions for the investment of City funds. *Recommended Actions: Approve resolution amending the Authorized Representatives and appointing the Authorized Representatives as Investment Officials. Ms. Katherine DuBose, Finance Director* [see Agenda Memo 12C]

**13. Adjourn Regular Meeting**

With no other matter before the council, the meeting will adjourn.

**In compliance with the Americans with Disabilities Act, please contact City Secretary Thelma Gilliam at 713.662.5813 at least 24 hours prior to the meeting to see whether the City can arrange for accommodations to assist in your participation in the meeting.**

I certify that the attached notice and agenda of items to be considered by the West University Place City Council on June 22, 2020 was posted on the Municipal Building bulletin board on June 18, 2020, at approximately 5:00 o'clock p.m.

*Thelma A. Gilliam*  
Thelma A. Gilliam, City Secretary

(SEAL)



**AGENDA MEMO**  
 Business of the City Council  
 City of West University Place, Texas

<b>Meeting Date</b>	June 22, 2020	<b>Agenda Item</b>	8
<b>Approved by City Manager</b>	Yes	<b>Presenter(s)</b>	K. DuBose, Director
<b>Reviewed by City Attorney</b>	N/A	<b>Department</b>	Finance
<b>Subject</b>	<b>Comprehensive Annual Financial Report (CAFR)</b>		
<b>Attachments</b>	<b>FY 2019 Comprehensive Annual Financial Report</b>		
<b>Financial Information</b>	Expenditure Required:		None
	Amount Budgeted:		None
	Account Number:		None
	Additional Appropriation Required:		None
	Additional Account Number:		None

**Executive Summary**

In accordance with Article VII, Section 7-12 of the Charter, Weaver and Tidwell, LLP, Certified Public Accountants (Auditor), has conducted the independent audit and prepared the City of West University Place’s Comprehensive Annual Financial Report (CAFR) for the period ending December 31, 2019.

The CAFR is a thorough and detailed presentation of the City’s financial position at a certain point in time. It reports on the City’s activities and balances for each fiscal year in accordance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The CAFR is presented to the governing body for acceptance and is not subject to revision unless there is an observed error in the document.

The Auditor has issued an Independent Auditor’s Report and a separate report on internal controls and compliance. The Independent Auditor’s Report contained within the CAFR includes the opinion issued on the presentation of the financial statements. The Auditor issued an unqualified (“clean”) opinion for the fiscal year 2019 financial statements. The report on internal controls and compliance includes findings and provides recommendations on areas in which the City should strengthen its procedures.

The fiscal year 2019 CAFR is attached. A representative from Weaver and Tidwell, LLP, will provide additional information during the City Council meeting.

**Recommended Action**

Staff recommends acceptance of the City’s 2019 Comprehensive Annual Financial Report.



# City of West University Place, Texas

## Comprehensive Annual Financial Report

### For the Fiscal Year Ended December 31, 2019



**City of West University Place, Texas**  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2019

Officials Issuing Report:

David Beach  
City Manager

Katherine DuBose  
Finance Director

**City of West University Place, Texas**  
 Annual Financial Report  
 For the Fiscal Year Ended December 31, 2019  
 Table of Contents

**Page  
Number**

**Introductory Section**

Letter of Transmittal .....	4
Organizational Chart .....	8
Certificate of Achievement for Excellence in Financial Reporting .....	9
Principal Officials .....	10

**Financial Section**

Independent Auditor's Report .....	14
Management's Discussion and Analysis (Required Supplementary Information) .....	18

**Basic Financial Statements**

Government-Wide Financial Statements:	
Statement of Net Position .....	30
Statement of Activities .....	31
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	33
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	34
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	35
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	36
Statement of Net Position - Proprietary Funds .....	37
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds .....	38
Statement of Cash Flows - Proprietary Funds .....	39
Notes to Financial Statements .....	40

**Required Supplementary Information**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund .....	72
Schedule of Changes in the Net Pension Liability and Related Ratios - Texas Municipal Retirement System .....	73
Schedule of the City's Contributions - Texas Municipal Retirement System .....	75
Schedule of Changes in Total OPEB Liability and Related Ratios - Texas Municipal Retirement System, Supplemental Death Benefits Fund .....	77
Schedule of Changes in Total OPEB Liability and Related Ratios - Retiree Health Care Plan .....	78
Notes to Required Supplementary Information .....	80

**City of West University Place, Texas**  
 Annual Financial Report  
 For the Fiscal Year Ended December 31, 2019  
 Table of Contents - Continued

**Combining and Individual Fund Statements and Schedules**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund.....	83
Combining Balance Sheet – Nonmajor Governmental Funds .....	85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	87
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Parks Fund .....	89
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Tree Replacement Fund .....	90
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Court Technology/Security Fund .....	91
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – METRO Fund.....	92
Combining Statement of Net Position – Internal Service Funds .....	95
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds .....	97
Combining Statement of Cash Flows – Internal Service Funds.....	99

**Statistical Section**

Net Position by Component .....	105
Changes in Net Position .....	107
Fund Balances, Governmental Funds .....	111
Changes in Fund Balances, Governmental Funds.....	113
Tax Revenues by Source, Governmental Funds.....	115
Assessed Value and Actual Value of Taxable Property .....	117
Property Tax Rates – Direct and Overlapping Governments .....	119
Principal Property Taxpayers.....	122
Property Tax Levies and Collections.....	123
Ratios of Outstanding Debt by Type .....	125
Ratios of Net Bonded Debt to Assessed Value, Net Bonded Debt per Capita, and Assessed and Estimated Actual Value of Taxable Property .....	127
Direct and Overlapping Governmental Activities Debt .....	130
Legal Debt Margin Information .....	131
Pledged Revenue Coverage .....	133
Demographic and Economic Statistics .....	135
Principal Employers .....	136
Full-Time Equivalent City Government Employees by Function.....	138
Operating Indicators by Function.....	139
Capital Asset Statistics by Function .....	141

**Overall Compliance and Internal Control Section**

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	146
Schedule of Findings and Responses .....	148

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# Introductory Section

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June 15, 2020

The Honorable Mayor, City Council  
Members, and Citizens of the  
City of West University Place, Texas:

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of West University Place, Texas (the “City”) for the fiscal year ended December 31, 2019. This report is published to provide the City Council (the “Council”), City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

We believe the data presented is accurate in all material respects and is organized in a manner designed to present fairly the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial activities have been included.

Weaver and Tidwell, LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended December 31, 2019. The independent auditors’ report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

**PROFILE OF THE GOVERNMENT**

The City was incorporated in 1924 and became a Texas Home-Rule City in 1940. The City operates under the Council-Manager form of municipal government. The Council is comprised of the Mayor and four Council members, who are responsible for passing ordinances, adopting the budget, appointing board and committee members, and appointing the City Manager. The Mayor and Council are elected on an at-large, non-partisan basis for two-year terms. The City Manager is responsible for carrying out the policies and ordinances of the Mayor and Council, overseeing the day-to-day operations of the City, and appointing department heads.

The City provides a full range of municipal services. These services include police and fire protection, municipal court, streets, drainage, leisure services, water and sewer, solid waste collection and disposal, community development, and general administrative services. Based upon the criterion set forth in generally accepted accounting principles, the following organization is included within the City’s reporting entity:

<u>Entity</u>	<u>Method of Inclusion</u>
Friends of West University Parks Fund	Blended



## **LOCAL ECONOMY**

The City encompasses a two square mile area located a few blocks south of U.S. Highway 59 (the “Southwest Freeway”) and approximately five miles from downtown Houston, Texas. The City is an integral part of the Houston metropolitan area and is completely surrounded by the cities of Houston, Bellaire, and Southside Place. The City is primarily a residential area whose working inhabitants are employed throughout the Houston urban area. Rice University and the Texas Medical Center complex are located about one mile east of the City limits in the City of Houston.

There is almost no vacant and/or undeveloped land in the City, so construction generally involves rebuilding and remodeling. The City continues to enjoy a stable outlook, with property values currently estimated at \$6.8 billion for the 2019 tax year. Among reasons for this strength are the City’s convenient proximities to the Texas Medical Center, downtown Houston, the Rice Village and Rice University, as well as the Galleria area.

The City’s tax rate is one of the lowest in the Houston area and is projected to remain relatively stable into the future due to projected stability in taxable values and political stability of the community. The relative stability is the result of a desire for suburban families to live closer to work. The City’s low crime rate, exceptional elementary school, and hometown appeal have attracted many of these families. These factors have contributed, and continue to contribute, to the relative stability of property values in the City.

## **LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES**

The City Council has adopted a series of financial standards and policies for operating and debt management. Management of the City has made every effort to comply with these standards and policies and believes we are currently in compliance.

The City has recognized the long-term financial implications of its pension and retiree health benefits. Regarding pensions, in an effort to reduce the City’s unfunded liability and cost of the Texas Municipal Retirement System, the Council approved the elimination of the recurring cost-of-living adjustment for employees and retirees. For retiree healthcare, at the November 17, 2008 Council meeting, Council adopted a new personnel handbook, with modifications that included elimination of City funded healthcare coverage for employees hired January 1, 2009 and thereafter.

The City has refunded several outstanding debt obligations from 2010 through 2017, resulting in total debt savings of over \$4.75M.

Capital expenditures are funded through annual allocations from the general fund, the water and sewer fund, the Congestion Mitigation/Traffic Management agreement funds received from the Metropolitan Transit Authority of Harris County or the issuance of debt. The allocations are transferred to the capital improvements fund for general capital projects, to the water and sewer capital reserve fund for water and sewer related projects, or to the transportation/drainage fund for qualifying projects.

General capital projects planned for the 2020 budget includes construction of the virtual gate project, city-wide facilities conditions and vulnerability assessment, city-wide engineering traffic study, City Hall audio/video upgrades, and renovating existing bridges.

Transportation and drainage projects planned for the 2020 budget include the Buffalo Speedway project, College Avenue shared drainage system upgrade, and a drainage/modeling study that will include alternate storm water detention options.

Water and sewer related projects planned in 2020 include a water line replacement program, wastewater treatment plant clarifier automation, booster pump replacement, water pumping and storage study, wastewater treatment plant gate replacement, flow meter replacement, SCADA water system replacement, and feasibility studies for reclamation, floodwater, and inflow/infiltration.

These projects are listed specifically in the annual budget in the capital project funds section.

### **RELEVANT FINANCIAL POLICIES**

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing the financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City Charter (the "Charter") establishes the fiscal year as January 1 through December 31. The Charter requires the City Manager to submit a proposed budget and accompanying budget message to the Council each year. The proposed budget is reviewed by the Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between line items within a department within any fund; however, any revisions that alter the total expenditures of any fund or department must be approved by the Council.

Budgetary control has been established at the department level. Monthly financial reports for Council are produced showing budget and actual revenues and expenditures. Individual line items are reviewed and analyzed for budgetary compliance.

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2018. This was the 35<sup>th</sup> consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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.

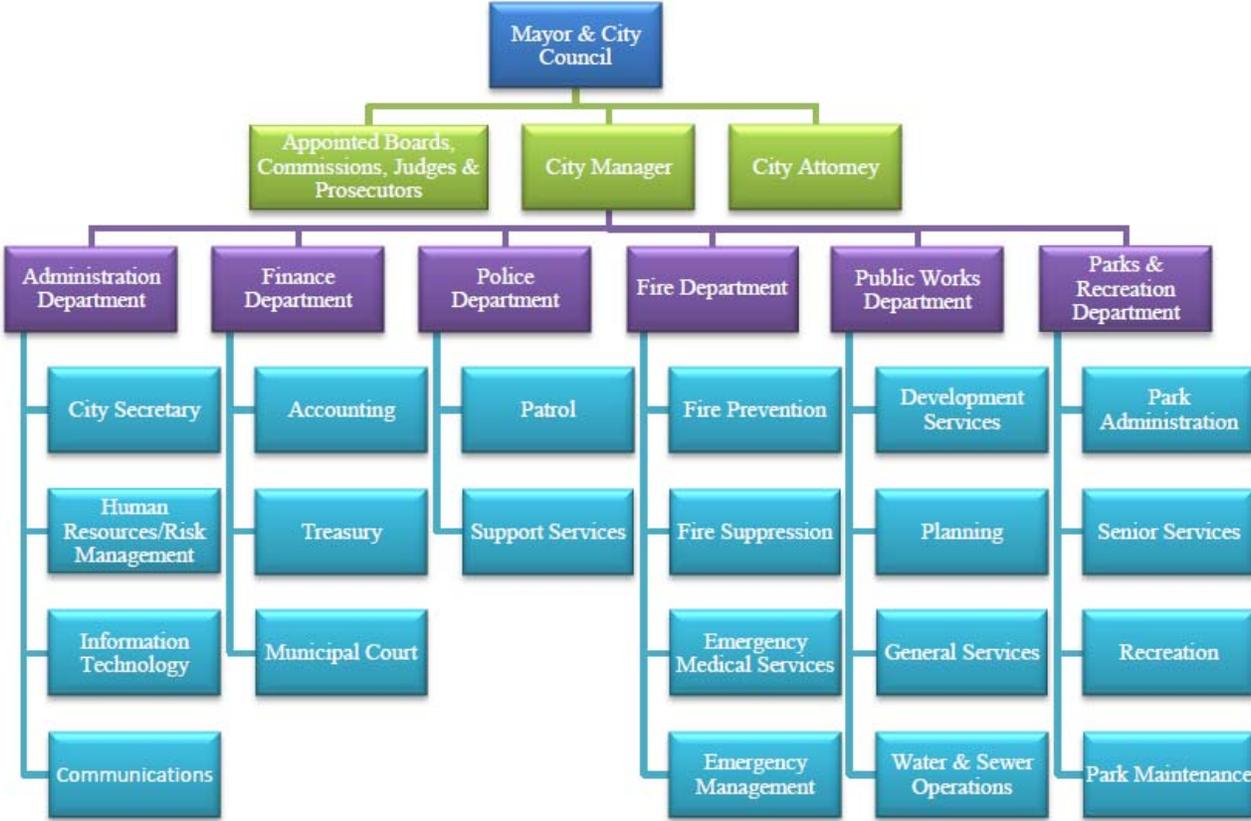
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. Appreciation is expressed to all City employees throughout the organization, especially to those who were instrumental in the successful completion of this report. Additionally, we thank the Mayor, Council, and City Manager for their support and for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "K. DuBose".

Katherine DuBose  
Finance Director

**City of West University Place, Texas**  
 Organizational Chart  
 December 31, 2019



**City of West University Place, Texas**  
Certificate of Achievement  
for Excellence in Financial Reporting



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of West University Place  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO

**City of West University Place, Texas**  
Principal Officials  
December 31, 2019

<b>City Officials</b>	<b>Term Expires</b>	<b>Elective Position</b>
Bob Higley.....	05/2021 .....	Mayor
Kevin Trautner .....	05/2021 .....	Mayor Pro Tem
John P. Barnes.....	05/2021 .....	Council Member
Lauri Lankford.....	05/2021 .....	Council Member
Ed Sobash .....	05/2021 .....	Council Member

<b>Key Staff</b>	<b>Position</b>
David Beach .....	City Manager
Thelma Gilliam .....	City Secretary
James Urban .....	Human Resources Director
Alan Petrov .....	City Attorney
Katherine DuBose .....	Finance Director
Robert Loper .....	Municipal Court Judge
Ken Walker .....	Police Chief
Aaron Taylor .....	Fire Chief
Susan White .....	Parks and Recreation Director
Tim Dang.....	Information Technology Director
Gerardo Barrera .....	Public Works Director

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## Financial Section

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## Independent Auditor's Report

The Honorable Mayor  
and Members of the City Council of the  
City of West University Place, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West University Place, Texas (the City), as of and for the fiscal year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable Mayor  
and Members of the City Council of the  
City of West University Place, Texas

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West University Place, Texas, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, 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 this 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 Introductory Section, Statistical Section and Combining and Individual Fund Statements and Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Statements and Schedules are the responsibility of management and were derived from and relate 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 Combining and Individual Fund Statements and Schedules are 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 them.

The Honorable Mayor  
and Members of the City Council of the  
City of West University Place, Texas

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
June 15, 2020

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The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference 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 nonfinancial 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 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 - the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. **Governmental Activities** - Most of the City's basic services are reported here including general government (administration and finance), public safety (police and fire protection), public works (streets and drainage), and public services (leisure services and community development). Interest payments on the City's tax-supported debt are also reported here. Sales tax, property tax, franchise taxes, municipal court fines, and permit fees finance most of these activities.
2. **Business-Type Activities** - Services involving a fee for those services are reported here. These services include the City's water and sewer services and solid waste collection, as well as interest payments on debt issued for water and wastewater improvements.

The Friends of West University Parks Fund, although legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government.

The government-wide financial statements can be found after the MD&A.

## **Fund Financial Statements**

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

### 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 year. Such information may be useful in evaluating the City'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 City'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 8 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, debt service fund, and capital projects fund, which are considered to be major funds for reporting purposes.

The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

#### Proprietary Funds

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water distribution, wastewater collection/treatment, and solid waste operations. The proprietary fund financial statements provide separate information for the water and sewer and solid waste funds. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses internal service funds to account for its vehicle and equipment replacement services and for expenses associated with health benefits and technology management. These internal service funds have been included within governmental activities in the government-wide financial statements.

#### Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

#### Other Information

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund, schedule of changes in net pension liability and related ratios for the Texas Municipal Retirement System (TMRS), schedule of contributions for TMRS, schedule of changes in total other postemployment liability and related ratios for the TMRS Supplemental Death Benefits Fund, and schedule of changes in total other postemployment liability and related ratios for the Retiree Health Care Plan. RSI can be found after the notes to the basic financial statements.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$96,155,054 as of December 31, 2019. This compares with \$87,975,648 from the prior fiscal year. The largest portion of the City's net position, 78 percent, reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any outstanding debt used to acquire those assets. 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.

Statement of Net Position

The following table reflects the condensed statement of net position:

**City of West University Place, Texas's Combined Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 49,513,688	\$ 42,718,317	\$ 6,552,380	\$ 5,223,598	\$ 56,066,068	\$ 47,941,915
Capital assets	92,037,581	91,753,665	17,377,397	18,646,517	109,414,978	110,400,182
Total assets	141,551,269	134,471,982	23,929,777	23,870,115	165,481,046	158,342,097
Deferred charge on refunding	829,552	1,210,858	-	-	829,552	1,210,858
Deferred outflows - pensions	3,238,954	1,480,032	453,349	205,238	3,692,303	1,685,270
Deferred outflows - OPEB	280,178	332,132	39,216	46,058	319,394	378,190
Total deferred outflows of resources	4,348,684	3,023,022	492,565	251,296	4,841,249	3,274,318
Long-term liabilities outstanding	48,539,903	48,467,230	1,777,357	1,300,285	50,317,260	49,767,515
Other liabilities	2,435,534	2,352,615	1,124,771	763,309	3,560,305	3,115,924
Total liabilities	50,975,437	50,819,845	2,902,128	2,063,594	53,877,565	52,883,439
Property taxes	20,082,063	19,537,933	-	-	20,082,063	19,537,933
Deferred inflow - pensions	31,503	1,070,892	4,409	148,503	35,912	1,219,395
Deferred inflow - OPEB	150,618	-	21,083	-	171,701	-
Total deferred inflows of resources	20,264,184	20,608,825	25,492	148,503	20,289,676	20,757,328
Net position:						
Net investment in capital assets	57,517,577	54,149,042	17,377,397	18,646,517	74,894,974	72,795,559
Restricted	2,997,088	2,869,031	-	-	2,997,088	2,869,031
Unrestricted	14,145,667	9,048,261	4,117,325	3,262,797	18,262,992	12,311,058
<b>Total net position</b>	<b>\$ 74,660,332</b>	<b>\$ 66,066,334</b>	<b>\$ 21,494,722</b>	<b>\$ 21,909,314</b>	<b>\$ 96,155,054</b>	<b>\$ 87,975,648</b>

A portion of the City's net position, \$2,997,088 or three percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$18,262,992 or 19 percent, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$8,179,406 during the current fiscal year, an increase of nine percent in comparison to the prior year. This overall increase results from the operations of the current fiscal year.

Of the \$8,179,406 increase in net position resulting from the operations of the current fiscal year, an increase of \$8,593,998 is attributable to the governmental activities, which primarily was a result of payment of debt resulting in increasing of net investment in capital assets. The increase in governmental activities is offset by a \$414,592 decrease in business-type activities, which is the result of net transfers of resources out of business type activities to governmental activities.

As of December 31, 2019, the City reports a combined pension and OPEB liability of \$13,663,610, compared to \$9,491,363 as of December 31, 2018. The increase is due primarily to an increase in service cost and interest and a decrease in investment income accumulated on pension plan fiduciary net position. Further details can be found in the notes to the basic financial statements as well as the RSI following the notes.

Statement of Activities

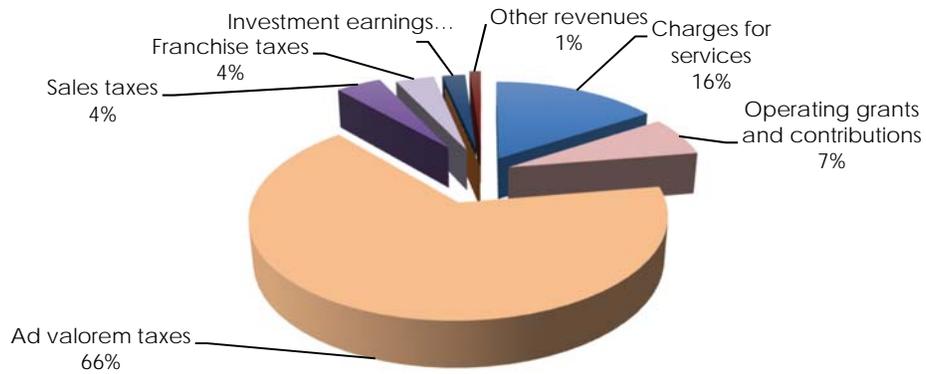
The following table reflects the City's changes in net position:

**City of West University Place, Texas's Change in Net Position**

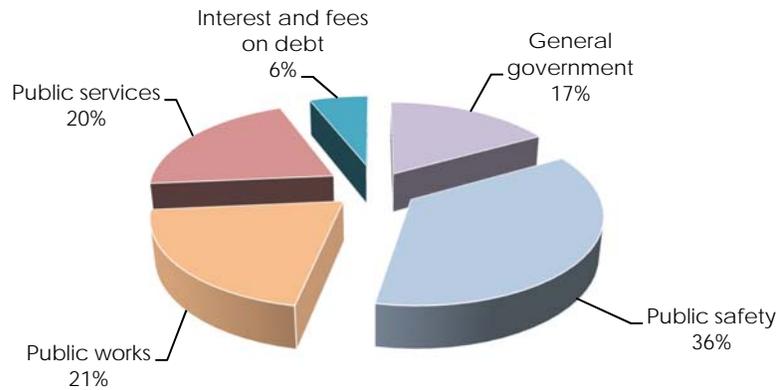
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 4,639,391	\$ 4,234,303	\$ 9,826,410	\$ 9,651,548	\$ 14,465,801	\$ 13,885,851
Operating grants and contributions	1,992,389	1,647,584	46,835	74,545	2,039,224	1,722,129
General revenues:						
Ad valorem taxes	19,605,795	19,304,056	-	-	19,605,795	19,304,056
Sales taxes	1,300,764	1,172,256	-	-	1,300,764	1,172,256
Franchise taxes	1,093,925	1,128,060	-	-	1,093,925	1,128,060
Other taxes	11,219	13,528	-	-	11,219	13,528
Investment earnings	646,955	432,447	85,075	40,370	732,030	472,817
Other revenues	321,553	528,572	2,288	12,665	323,841	541,237
Gain on disposal of capital assets	16,384	-	-	-	16,384	-
Total revenues	29,628,375	28,460,806	9,960,608	9,779,128	39,588,983	38,239,934
Expenses:						
General government	4,197,072	3,805,870	-	-	4,197,072	3,805,870
Public safety	8,400,062	8,172,672	-	-	8,400,062	8,172,672
Public works	4,747,662	4,628,774	-	-	4,747,662	4,628,774
Public services	5,178,811	4,616,244	-	-	5,178,811	4,616,244
Interest and fees on debt	1,266,808	1,354,716	-	-	1,266,808	1,354,716
Water and sewer	-	-	6,238,797	5,966,645	6,238,797	5,966,645
Solid waste	-	-	1,380,365	1,322,894	1,380,365	1,322,894
Total expenses	23,790,415	22,578,276	7,619,162	7,289,539	31,409,577	29,867,815
Increase (decrease) in net position before transfers	5,837,960	5,882,530	2,341,446	2,489,589	8,179,406	8,372,119
Transfers	2,756,038	2,680,546	(2,756,038)	(2,680,546)	-	-
Change in net position	8,593,998	8,563,076	(414,592)	(190,957)	8,179,406	8,372,119
Net position - beginning	66,066,334	60,264,162	21,909,314	22,432,327	87,975,648	82,696,489
Prior period adjustments	-	(2,760,904)	-	(332,056)	-	(3,092,960)
Net position - beginning, as restated	66,066,334	57,503,258	21,909,314	22,100,271	87,975,648	79,603,529
<b>Net position - ending</b>	<b>\$ 74,660,332</b>	<b>\$ 66,066,334</b>	<b>\$ 21,494,722</b>	<b>\$ 21,909,314</b>	<b>\$ 96,155,054</b>	<b>\$ 87,975,648</b>

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

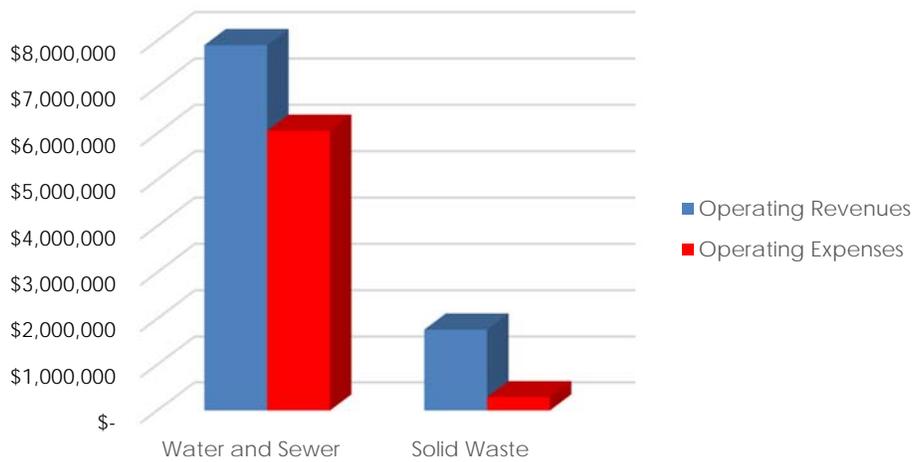
### Governmental Revenues



### Governmental Expenses



### Business-Type Activities



For the year ended December 31, 2019, revenues from governmental activities totaled \$29,628,375, compared with \$28,460,806 in the prior year. This increase of \$1,167,569 occurred primarily as the result of \$405,088 increase in charges for services, due primarily to an increase in parks and recreation revenues including aquatics class fees, \$344,805 increase in operating grants and contributions, as well as \$301,739 increase in property tax revenue. Increased property tax valuations throughout the City attributed to the increase in property tax revenue. Finally, investment earnings saw a \$214,508 increase due to market rate increases.

For the year ended December 31, 2019, expenses for governmental activities totaled \$23,790,415, an increase of \$1,212,139 or five percent from last year. The overall increase is primarily due to increases in General Government, Public Safety, and Public Services.

Charges for services for business-type activities increased \$174,862, which is an increase of two percent. Operating expenses for business-type activities increased by \$329,623. This increase is primarily due to an increase in overall water consumption.

### **Financial Analysis of 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 on 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.

The City's governmental funds reflect a combined fund balance of \$19,188,313. Of this, \$180,424 is nonspendable, \$916,421 is restricted for debt service, \$69,206 is restricted for enabling legislation, \$1,467,265 is restricted for City parks, \$171,747 is restricted for METRO, \$259,958 is restricted for tree replacement, \$332,455 is restricted for governmental programming, \$104,773 is assigned for purchases on order, and \$6,406,418 is assigned to capital projects funds.

There was an increase in the combined fund balance of \$5,250,020 compared to the prior year. This is largely attributable to increases in revenue from ad valorem taxes and investment earnings. Additionally, the issuance of debt in 2019 increased the governmental funds' fund balance.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$9,279,646, while total fund balance reached \$9,897,298. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 48 percent of total general fund expenditures, while total fund balance represents 51 percent of the total general fund expenditures. The general fund demonstrated an overall increase of \$1,663,340 primarily due to increases in revenue from charges for services, and lower than anticipated expenditures.

The debt service fund has a total fund balance of \$916,421, all of which is restricted for the payment of debt service. Expenditures exceeded revenues by \$1,152,655, with an overall net increase in fund balance after other funding sources for the year of \$48,130. This increase in fund balance is primarily due to ad valorem taxes collections.

#### Proprietary Funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

## General Fund Budgetary Highlights

There had been a planned increase in budgeted fund balance in the amount of \$37,383 in the general fund. Budget amendments throughout the year resulted in a decrease of \$810,999. However, fund balance increased by \$1,663,340, resulting in a positive variance of \$2,474,339 from actual over budgeted as amended.

Actual general fund revenues were greater than the amended budgeted revenues by \$1,168,638 during 2019. This net variance includes the positive variances of \$638,178 for charges for services and \$200,088 for permits, licenses, and fees.

Actual expenditures were less than budgeted amounts in total by \$1,218,541 for the fiscal year. This net variance is due to positive variances of \$196,074 for general government, \$749,455 for public safety, and \$284,879 for public works.

## Capital Assets

At the end of fiscal year 2019, the City's governmental and business-type activities had invested \$92,037,581 and \$17,377,397, respectively, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$283,916 and decrease of \$1,269,120, respectively.

Major capital assets events during the year included the following:

- Purchase of 3807 Rice Blvd. for \$678,263
- Parking lot improvements of \$268,191
- Paving improvements of \$154,814
- Whitt Johnson Park for \$146,727
- Renovation of Recreation Center Lobby for \$80,425
- Construction in progress for various City projects in the amount of \$1,643,266

More detailed information about the City's capital assets is presented in note 5 to the financial statements.

## Long-Term Debt

At the end of the current year, the City had total bonds and certificates of obligation outstanding of \$34,500,000. Of this amount, \$24,940,000 was general obligation debt and \$9,560,000 was certificates of obligation debt. During the year, the City had a net decrease in long-term debt of \$3,465,925.

More detailed information about the City's long-term liabilities is presented in note 6 to the financial statements.

Current underlying ratings on debt issues are as follows:

	Standard and Poor's
General obligation bonds	AAA
Certificates of obligation	AAA

## **Economic Factors and Next Year's Budget**

The City Council approved a \$79.71 million operating budget for fiscal year 2020. The budget maintains the property tax rate at \$0.30921 per \$100 of valuation. The City's tax rate is one of the lowest in the Houston area and is projected to remain relatively stable into the future due to projected stability in taxable values, the political stability of the community, and the underlying strength in the Houston area economy.

The City has carefully monitored the performance of utility services and increased rates as needed for the water and sewer fund. As of January 2016, the water and sewer fund had no direct debt. General obligation refunding bonds were issued in 2010 and 2016 to refund all the outstanding revenue bonds for substantial interest rate savings. Additionally, the City issued general obligation refunding bonds in 2020 to refinance the 2010 bonds for interest cost savings. Funds are transferred from the water and sewer fund to the debt service fund to cover the annual debt service requirement attributable to these refunded bonds. The adopted fiscal year 2020 budget incorporated an approximate 2.32% rate increase for water and 2.76% increase for sewer as compared to the 2019 rates.

The strength and continued diversity of the Metro Houston market area has a positive impact on the City. There is almost no vacant and/or undeveloped land in the City, so construction generally involves rebuilding and remodeling. For the immediate future, the rate of growth is expected to remain steady with reconstruction continuing to impact the value of property well into the future, as well as the recapture of value that has been capped at ten percent per year. The City continues to enjoy a stable outlook, with property values at \$6.8 billion. Among reasons for this strength are the City's convenient proximities to the Texas Medical Center, downtown Houston, the Rice Village, and Rice University, as well as the Galleria area. The City's low crime rate and hometown appeal have attracted many of these families. These factors have contributed, and continue to contribute, to the relative stability of property values in the City.

## **Contacting the City's Financial Management**

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Katherine DuBose, Finance Director, 3800 University Boulevard, West University Place, Texas, 77005; telephone 713.662.5816; or for general City information, visit the City's website at [www.westutx.gov](http://www.westutx.gov).

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# Basic Financial Statements

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# City of West University Place, Texas

## Statement of Net Position

December 31, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 20,507,790	\$ 2,194,571	\$ 22,702,361
Investments	12,375,607	2,239,706	14,615,313
Receivables, net of allowances	12,100,362	1,669,091	13,769,453
Internal balances	(449,012)	449,012	-
Due from other governments	4,500,688	-	4,500,688
Inventory	1,807	-	1,807
Prepays	476,446	-	476,446
Capital assets:			
Nondepreciable capital assets	10,419,685	413,741	10,833,426
Depreciable capital assets, net	81,617,896	16,963,656	98,581,552
<b>Total assets</b>	<b>141,551,269</b>	<b>23,929,777</b>	<b>165,481,046</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	829,552	-	829,552
Deferred outflows - pension	3,238,954	453,349	3,692,303
Deferred outflows - other postemployment benefits	280,178	39,216	319,394
<b>Total deferred outflows of resources</b>	<b>4,348,684</b>	<b>492,565</b>	<b>4,841,249</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,994,766	1,124,771	3,119,537
Accrued interest payable	440,768	-	440,768
Noncurrent liabilities:			
Due within one year	8,861,405	91,887	8,953,292
Due in more than one year	27,692,540	7,818	27,700,358
Net pension liability	8,003,525	1,120,238	9,123,763
Other postemployment benefits liability	3,982,433	557,414	4,539,847
<b>Total liabilities</b>	<b>50,975,437</b>	<b>2,902,128</b>	<b>53,877,565</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - property taxes	20,082,063	-	20,082,063
Deferred inflows - pension	31,503	4,409	35,912
Deferred inflows - other postemployment benefits	150,618	21,083	171,701
<b>Total deferred inflows of resources</b>	<b>20,264,184</b>	<b>25,492</b>	<b>20,289,676</b>
<b>NET POSITION</b>			
Net investment in capital assets	57,517,577	17,377,397	74,894,974
Restricted for:			
Debt service	696,457	-	696,457
Enabling legislation	69,206	-	69,206
City parks	1,467,265	-	1,467,265
METRO	171,747	-	171,747
Tree replacement	259,958	-	259,958
Governmental programming	332,455	-	332,455
Unrestricted	14,145,667	4,117,325	18,262,992
<b>TOTAL NET POSITION</b>	<b>\$ 74,660,332</b>	<b>\$ 21,494,722</b>	<b>\$ 96,155,054</b>

The Notes to Financial Statements are an integral part of this statement.

**City of West University Place, Texas**  
Statement of Activities  
For the Fiscal Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental activities:				
General government	\$ 4,197,072	\$ -	\$ 650,382	\$ -
Public safety	8,400,062	1,248,210	75,925	-
Public works	4,747,662	981,741	643,525	-
Public services	5,178,811	2,409,440	622,557	-
Interest on long-term debt	1,266,808	-	-	-
Total governmental activities	23,790,415	4,639,391	1,992,389	-
Business-type activities:				
Water and sewer	6,238,797	8,094,209	19,897	-
Solid waste	1,380,365	1,732,201	26,938	-
Total business-type activities	7,619,162	9,826,410	46,835	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 31,409,577</b>	<b>\$ 14,465,801</b>	<b>\$ 2,039,224</b>	<b>\$ -</b>
General revenues:				
Ad valorem taxes				
Sales taxes				
Franchise taxes				
Other taxes				
Investment earnings				
Other revenues				
Gain on disposal of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
<b>NET POSITION - ENDING</b>				

The Notes to Financial Statements are an integral part of this statement.

**Net (Expense) Revenue  
and Changes in Net Position**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (3,546,690)	\$ -	\$ (3,546,690)
(7,075,927)	-	(7,075,927)
(3,122,396)	-	(3,122,396)
(2,146,814)	-	(2,146,814)
(1,266,808)	-	(1,266,808)
(17,158,635)	-	(17,158,635)
-	1,875,309	1,875,309
-	378,774	378,774
-	2,254,083	2,254,083
(17,158,635)	2,254,083	(14,904,552)
19,605,795	-	19,605,795
1,300,764	-	1,300,764
1,093,925	-	1,093,925
11,219	-	11,219
646,955	85,075	732,030
321,553	2,288	323,841
16,384	-	16,384
2,756,038	(2,756,038)	-
25,752,633	(2,668,675)	23,083,958
8,593,998	(414,592)	8,179,406
66,066,334	21,909,314	87,975,648
<u>\$ 74,660,332</u>	<u>\$ 21,494,722</u>	<u>\$ 96,155,054</u>

**City of West University Place, Texas**  
 Balance Sheet - Governmental Funds  
 December 31, 2019

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 9,457,153	\$ 2,763,634	\$ 3,473,948	\$ 1,137,087	\$ 16,831,822
Investments	4,135,952	259,601	3,545,399	685,635	8,626,587
Receivables, net of allowances	7,355,215	4,136,700	462,635	145,812	12,100,362
Due from other governments	2,761,010	1,739,678	-	-	4,500,688
Inventory	1,807	-	-	-	1,807
Prepays	178,617	-	-	-	178,617
<b>TOTAL ASSETS</b>	<b>\$ 23,889,754</b>	<b>\$ 8,899,613</b>	<b>\$ 7,481,982</b>	<b>\$ 1,968,534</b>	<b>\$ 42,239,883</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 1,034,284	\$ -	\$ 835,026	\$ 358	\$ 1,869,668
Due to other funds	52,130	-	-	-	52,130
Total liabilities	1,086,414	-	835,026	358	1,921,798
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	12,596,730	7,983,192	-	-	20,579,922
Unavailable revenue - warrants	253,611	-	-	-	253,611
Unavailable revenue - ambulance services	31,726	-	-	-	31,726
Unavailable revenue - grants	23,975	-	240,538	-	264,513
Total deferred inflows of resources	12,906,042	7,983,192	240,538	-	21,129,772
<b>FUND BALANCES</b>					
Nonspendable:					
Inventory	1,807	-	-	-	1,807
Prepays	178,617	-	-	-	178,617
Restricted for:					
Debt service	-	916,421	-	-	916,421
Enabling legislation	-	-	-	69,206	69,206
City parks	-	-	-	1,467,265	1,467,265
METRO	-	-	-	171,747	171,747
Tree replacement	-	-	-	259,958	259,958
Governmental programming	332,455	-	-	-	332,455
Assigned to:					
Purchases on order	104,773	-	-	-	104,773
Capital projects funds	-	-	6,406,418	-	6,406,418
Unassigned	9,279,646	-	-	-	9,279,646
Total fund balances	9,897,298	916,421	6,406,418	1,968,176	19,188,313
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 23,889,754</b>	<b>\$ 8,899,613</b>	<b>\$ 7,481,982</b>	<b>\$ 1,968,534</b>	<b>\$ 42,239,883</b>

The Notes to Financial Statements are an integral part of this statement.

## City of West University Place, Texas

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position December 31, 2019

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** \$ 19,188,313

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.

Capital assets, nondepreciable (excluding internal service)	\$ 10,419,685	
Capital assets, depreciable, net (excluding internal service)	<u>79,862,372</u>	90,282,057

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.

Property taxes	\$ 497,859	
Warrants	253,611	
Ambulance services	31,726	
Grants	<u>264,513</u>	1,047,709

Internal service funds are used by management to charge certain costs to individual funds. A portion of the assets, deferred outflows, liabilities and deferred inflows of the internal service funds is included in the governmental activities in the statement of net position.

8,476,938

Long-term liabilities and related deferred outflows and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported as liabilities or deferrals in the governmental funds.

General obligation bonds and certificates of obligation	\$(34,500,000)	
Premiums on bonds and certificates of obligation	(849,556)	
Accrued interest on bonds and certificates of obligation	(440,768)	
Compensated absences	(1,186,053)	
Deferred charge on refunding	829,552	
Net pension liability	(7,576,846)	
Deferred outflows of resources - pension	3,066,281	
Deferred inflows of resources - pension	(29,824)	
Other postemployment benefits liability	(3,770,125)	
Deferred outflows of resources - other postemployment benefits	265,242	
Deferred inflows of resources - other postemployment benefits	<u>(142,588)</u>	<u>(44,334,685)</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 74,660,332

**City of West University Place, Texas**  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Governmental Funds  
For the Fiscal Year Ended December 31, 2019

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Ad valorem taxes	\$ 11,868,672	\$ 7,683,695	\$ -	\$ -	\$ 19,552,367
Sales taxes	1,300,764	-	-	-	1,300,764
Franchise taxes	1,093,925	-	-	-	1,093,925
Other taxes	11,219	-	-	-	11,219
Permits, licenses, and fees	727,588	-	-	23,713	751,301
Fines and forfeitures	266,661	-	-	17,492	284,153
Charges for services	3,569,378	-	-	-	3,569,378
Intergovernmental	50,188	-	486,035	650,382	1,186,605
Contributions	-	-	-	622,557	622,557
Investment earnings	341,792	4,492	119,078	18,630	483,992
Other revenues	320,465	-	-	1,088	321,553
<b>Total revenues</b>	<b>19,550,652</b>	<b>7,688,187</b>	<b>605,113</b>	<b>1,333,862</b>	<b>29,177,814</b>
<b>EXPENDITURES</b>					
Current:					
General government	3,667,030	-	-	6,750	3,673,780
Public safety	8,103,931	-	-	-	8,103,931
Public works	2,980,965	-	-	50,362	3,031,327
Public services	4,071,067	-	-	388,713	4,459,780
Capital outlay	711,479	-	2,129,312	240,211	3,081,002
Debt service:					
Principal	-	7,910,000	-	-	7,910,000
Interest and fiscal agent fees	-	926,095	-	-	926,095
Bond issuance costs	-	4,747	93,221	-	97,968
<b>Total expenditures</b>	<b>19,534,472</b>	<b>8,840,842</b>	<b>2,222,533</b>	<b>686,036</b>	<b>31,283,883</b>
Excess (deficiency) of revenues over (under) expenditures	16,180	(1,152,655)	(1,617,420)	647,826	(2,106,069)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,646,954	1,200,785	600,000	242,654	3,690,393
Transfers out	-	-	(91,701)	(842,654)	(934,355)
Debt issued	-	-	4,040,000	-	4,040,000
Premium on debt issued	-	-	559,845	-	559,845
Sale of capital assets	206	-	-	-	206
<b>Total other financing sources (uses)</b>	<b>1,647,160</b>	<b>1,200,785</b>	<b>5,108,144</b>	<b>(600,000)</b>	<b>7,356,089</b>
<b>Net change in fund balances</b>	<b>1,663,340</b>	<b>48,130</b>	<b>3,490,724</b>	<b>47,826</b>	<b>5,250,020</b>
Fund balance, beginning of year	8,233,958	868,291	2,915,694	1,920,350	13,938,293
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 9,897,298</b>	<b>\$ 916,421</b>	<b>\$ 6,406,418</b>	<b>\$ 1,968,176</b>	<b>\$ 19,188,313</b>

The Notes to Financial Statements are an integral part of this statement.

# City of West University Place, Texas

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended December 31, 2019

**NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** \$ 5,250,020

Amounts reported for governmental activities in the statement of activities are different because:

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	\$ 3,125,164	
Depreciation expense	(3,203,845)	(78,681)

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (1,547)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Property taxes	\$ 53,428	
Warrants	57,377	
Ambulance services	(22,818)	
Grants	183,227	271,214

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of 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 it is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Par value of debt issued	\$ (4,040,000)	
Premium on debt issued	(559,845)	
Principal repayments	7,910,000	
Amortization of bond premiums	155,770	
Amortization of deferred charges on refunding	(381,306)	
Change in accrued interest	(17,209)	
Compensated absences	50,778	3,118,188

The changes in net pension and other postemployment benefits liabilities and related deferred outflows and deferred inflows of resources are reported in the statement of activities, but do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The net change consists of the following:

Change in net pension liability	\$ (3,544,532)	
Change in deferred outflows of resources - pension	1,661,772	
Change in deferred inflows of resources - pension	986,423	
Change in other postemployment benefits liability	107,687	
Change in deferred outflows of resources - other postemployment benefits	(49,942)	
Change in deferred inflows of resources - other postemployment benefits	(142,588)	(981,180)

Internal service funds are used by management to charge the costs of certain activities to individual funds. A portion of the net revenue of the internal service funds is reported with governmental activities. 1,015,984

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 8,593,998

The Notes to Financial Statements are an integral part of this statement.

**City of West University Place, Texas**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2019**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Totals Enterprise Funds</b>	<b>Activities Total Internal Service Funds</b>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 1,913,485	\$ 281,086	\$ 2,194,571	\$ 3,675,968
Investments	1,952,839	286,867	2,239,706	3,749,020
Receivables, net of allowances	1,338,640	330,451	1,669,091	-
Due from other funds	-	-	-	64,002
Prepays	-	-	-	297,829
Total current assets	5,204,964	898,404	6,103,368	7,786,819
Noncurrent assets				
Capital assets				
Land	193,875	-	193,875	-
Construction in progress	219,866	-	219,866	-
Buildings and improvements	459,625	-	459,625	-
Machinery and equipment	2,387,246	-	2,387,246	4,724,277
Water and sewer systems	56,868,106	-	56,868,106	-
Accumulated depreciation	(42,751,321)	-	(42,751,321)	(2,968,753)
Total capital assets (net of accumulated depreciation)	17,377,397	-	17,377,397	1,755,524
Total noncurrent assets	17,377,397	-	17,377,397	1,755,524
Total assets	22,582,361	898,404	23,480,765	9,542,343
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows - pension	323,182	130,167	453,349	172,673
Deferred outflows - other postemployment benefits	27,957	11,259	39,216	14,936
Total deferred outflows of resources	351,139	141,426	492,565	187,609
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued liabilities	1,035,512	89,259	1,124,771	125,098
Due to other funds	6,165	3,000	9,165	2,707
Compensated absences	78,132	13,755	91,887	18,336
Total current liabilities	1,119,809	106,014	1,225,823	146,141
Noncurrent liabilities				
Compensated absences	7,818	-	7,818	-
Net pension liability	798,591	321,647	1,120,238	426,679
Other postemployment benefits liability	397,367	160,047	557,414	212,308
Total noncurrent liabilities	1,203,776	481,694	1,685,470	638,987
Total liabilities	2,323,585	587,708	2,911,293	785,128
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows - pension	3,143	1,266	4,409	1,679
Deferred inflows - other postemployment benefits	15,029	6,054	21,083	8,030
Total deferred inflows of resources	18,172	7,320	25,492	9,709
<b>NET POSITION</b>				
Net investment in capital assets	17,377,397	-	17,377,397	1,755,524
Unrestricted	3,214,346	444,802	3,659,148	7,179,591
<b>TOTAL NET POSITION</b>	<b>\$ 20,591,743</b>	<b>\$ 444,802</b>	<b>21,036,545</b>	<b>\$ 8,935,115</b>
<b>Reconciliation to the government-wide statement of net position:</b>				
Adjustment to reflect internal service fund activities related to enterprise funds			458,177	
Net position of business-type activities			<u>\$ 21,494,722</u>	

The Notes to Financial Statements are an integral part of this statement.

**City of West University Place, Texas**  
Statement of Revenues, Expenses, and Changes  
in Net Position - Proprietary Funds  
For the Fiscal Year Ended December 31, 2019

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Totals Enterprise Funds</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 8,094,209	\$ 1,732,201	\$ 9,826,410	\$ 5,195,482
Other revenues	-	2,288	2,288	42,252
Total operating revenues	8,094,209	1,734,489	9,828,698	5,237,734
<b>OPERATING EXPENSES</b>				
Costs of sales and services	3,379,740	994,395	4,374,135	3,163,619
Personnel	1,239,419	533,450	1,772,869	616,471
Repairs and maintenance	-	-	-	81,674
Depreciation	1,690,282	-	1,690,282	322,550
Total operating expenses	6,309,441	1,527,845	7,837,286	4,184,314
Operating income	1,784,768	206,644	1,991,412	1,053,420
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental	19,897	26,938	46,835	-
Investment earnings	71,106	13,969	85,075	162,963
Gain on sale of capital assets	-	-	-	17,725
Total nonoperating revenues (expenses)	91,003	40,907	131,910	180,688
Income before contributions and transfers	1,875,771	247,551	2,123,322	1,234,108
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Transfers out	(2,446,038)	(310,000)	(2,756,038)	-
Total contributions and transfers	(2,446,038)	(310,000)	(2,756,038)	-
Change in net position	(570,267)	(62,449)	(632,716)	1,234,108
Net position - beginning	21,162,010	507,251	21,669,261	7,701,007
<b>NET POSITION, END OF YEAR</b>	<b>\$ 20,591,743</b>	<b>\$ 444,802</b>	<b>\$ 21,036,545</b>	<b>\$ 8,935,115</b>
<b>Reconciliation to the government-wide statement of activities:</b>				
Adjustment to reflect internal service fund activities related to enterprise funds			218,124	
Change in net position for business-type activities			<u>\$ (414,592)</u>	

The Notes to Financial Statements are an integral part of this statement.

**City of West University Place, Texas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended December 31, 2019**

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Totals Enterprise Funds</b>	<b>Total Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ 7,840,251	\$ 1,710,772	\$ 9,551,023	\$ 42,252
Cash received from interfund charges for services	-	-	-	5,207,992
Cash payments to suppliers	(3,004,281)	(1,003,233)	(4,007,514)	(3,509,842)
Cash payments to employees	(1,172,504)	(487,573)	(1,660,077)	(604,014)
Net cash provided by operating activities	3,663,466	219,966	3,883,432	1,136,388
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	(2,446,038)	(310,000)	(2,756,038)	-
Intergovernmental	19,897	26,938	46,835	-
Net cash used for noncapital financing activities	(2,426,141)	(283,062)	(2,709,203)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(421,162)	-	(421,162)	(622,014)
Proceeds from sale of capital assets	-	-	-	17,725
Net cash used for capital and related financing activities	(421,162)	-	(421,162)	(604,289)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(Purchase) sale of investments, net	(413,126)	32,068	(381,058)	(271,976)
Earnings on investments	71,106	13,969	85,075	162,963
Net cash provided by (used for) investing activities	(342,020)	46,037	(295,983)	(109,013)
Net increase (decrease) in cash and cash equivalents	474,143	(17,059)	457,084	423,086
Cash and cash equivalents, beginning balance	1,439,342	298,145	1,737,487	3,252,882
<b>CASH AND CASH EQUIVALENTS, ENDING BALANCE</b>	<b>\$ 1,913,485</b>	<b>\$ 281,086</b>	<b>\$ 2,194,571</b>	<b>\$ 3,675,968</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income	\$ 1,784,768	\$ 206,644	\$ 1,991,412	\$ 1,053,420
Adjustments to reconcile operating income to cash provided by operating activities:				
Depreciation and amortization	1,690,282	-	1,690,282	322,550
Changes in assets, liabilities and related deferrals:				
(Increase) decrease in assets and deferred outflows:				
Receivables, net of allowances	(245,298)	(23,717)	(269,015)	1,606
Due from other funds	-	-	-	10,904
Prepays	-	-	-	70,878
Deferred outflows - net pension liability	(177,167)	(70,944)	(248,111)	(97,150)
Deferred outflows - other postemployment benefits	4,810	2,032	6,842	2,012
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable and accrued liabilities	369,879	(8,417)	361,462	(334,425)
Due to other funds	(3,080)	(421)	(3,501)	(1,002)
Compensated absences	(46,856)	2,173	(44,683)	(61,116)
Net pension liability	379,384	151,617	531,001	209,855
Other postemployment benefits liability	(5,777)	(3,469)	(9,246)	3,792
Deferred inflows - net pension liability	(102,508)	(41,586)	(144,094)	(52,966)
Deferred inflows - other postemployment benefits	15,029	6,054	21,083	8,030
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 3,663,466</b>	<b>\$ 219,966</b>	<b>\$ 3,883,432</b>	<b>\$ 1,136,388</b>

## City of West University Place, Texas

### Notes to the Financial Statements

#### Note 1. Summary of Significant Accounting Policies

##### A. Reporting Entity

The City of West University Place, Texas (the "City") was incorporated in 1924. The City has operated under a "Home Rule Charter" since 1940, which provides for a Council-Manager form of government. A Mayor and four Council members are elected by voters of the City at large for two year terms.

The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety to include police and fire services, municipal court, leisure services, streets, drainage, water and sewer services, solid waste collection and disposal, community development, and general administration.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The component unit listed below, although legally separate, is considered part of the reporting entity. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

##### Blended Component Unit

###### Friends of West University Parks Fund

Friends of West University Parks Fund (the "Corporation") has been included in the reporting entity as a blended component unit. The Corporation is a not-for-profit entity created to solicit private contributions for the beautification, improvement, and maintenance of the City's parkland. The Corporation's Board of Directors is appointed by, and serves at the discretion of, the City Council. City Council approval is required for any projects of the Corporation that exceed \$1,000. In the event of dissolution, any assets of the Corporation will be transferred to the City. The operations of the Corporation are presented as a governmental fund type. Separate financial statements of the Corporation may be obtained from the Finance Department of the City.

## City of West University Place, Texas

### Notes to the Financial Statements

#### B. 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. *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.

#### C. Basis of Presentation – Government-wide Financial Statements

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

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 in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds, including its blended component unit. 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.

The City reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported 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, and public service. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds are considered nonmajor funds for reporting purposes.

## City of West University Place, Texas

### Notes to the Financial Statements

The City reports the following enterprise funds:

The *enterprise funds* are used to account for and report the operations that provide water and wastewater collection, wastewater treatment operations, and solid waste collection and disposal. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The water and sewer and solid waste funds are considered major funds for reporting purposes.

Additionally, the City reports the following fund type:

*Internal service funds* account for services provided to other departments or agencies of the primary government, or to other governments, on a cost reimbursement basis. The vehicle replacement and equipment replacement funds are used to account for vehicle and equipment replacement and maintenance services. The employee benefits fund accounts for costs associated with retired or separated employees, as well as healthcare benefits. The technology management fund accounts for technology services.

During the course of operations the City 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.

#### **E. 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 and proprietary fund 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.

## City of West University Place, Texas

### Notes to the Financial Statements

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures 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 capital leases are reported as other financing sources.

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). Property taxes, municipal court, ambulance services and all other revenue items are considered to be measurable and available only when cash is received by the City.

#### **F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

##### **1. Cash and Cash Equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, balances in local government investment pools, 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.

The City maintains pooled cash and investment accounts. Each fund whose monies are deposited in the pooled cash and investment accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end.

##### **2. Investments**

Investments, with certain exceptions, are reported at fair value. The exceptions are investments in external investment pools and nonparticipating interest earning contracts, such as certificates of deposit, which are reported at amortized cost and a cost-based measure, respectively.

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

- Direct obligations of the U.S. government, its agencies and instrumentalities
- Certificates of deposit that meet certain criteria
- Money market mutual funds that meet certain criteria
- Local government investment pools
- Interest bearing checking accounts that are fully collateralized at 102% of the ledger balance

##### **3. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

## City of West University Place, Texas

### Notes to the Financial Statements

#### 4. Capital Assets

Capital assets, which include land and improvements, construction in progress, buildings and improvements, machinery and equipment, infrastructure (e.g. roads, bridges, sidewalks, and similar items), and water and sewer systems are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City 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 are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. 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.

Land and improvements and construction in progress are not depreciated. Buildings and improvements, machinery and equipment, infrastructure, and water and sewer systems of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings	10 to 50 years
Improvements	5 to 50 years
Machinery and equipment	3 to 30 years
Water and sewer system	5 to 60 years
Infrastructure	50 years

#### 5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

*In the government-wide and proprietary fund statements of net position:*

- A deferred charge on refunding bonds results from 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.
- Deferred outflows related to net pension and other postemployment benefit liabilities result from differences in projected and actual earnings on plan investments, expected and actual economic experience, changes in actuarial assumptions and other inputs, and contributions made subsequent to the measurement date of each plan. The deferred outflows of resources related to City contributions subsequent to the measurement date will be recognized as a reduction of the liability in the next fiscal year. These activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension and OPEB plan, except for projected and actual earnings differences on investments, which are amortized on a closed basis over a 5-year period, and contributions made subsequent to the measurement date of each plan, which are recognized in the subsequent fiscal year.

## City of West University Place, Texas

### Notes to the Financial Statements

In addition to liabilities, the statement of financial position (or balance sheet) 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 position (or fund balance) that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

*In the governmental funds balance sheet:*

- Unavailable revenues from property taxes, warrants, ambulance services, and grants are deferred and recognized as an inflow of resources in the period that the amounts become available.

*In the government-wide and proprietary fund statements of net position:*

- A deferred inflow of resources results from property taxes that were levied and/or collected in the current period for use in the subsequent period.
- Deferred inflows related to net pension and other postemployment benefit liabilities results from differences in projected and actual earnings on plan investments, expected and actual economic experience, changes in actuarial assumptions and other inputs. These activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan, except for projected and actual earnings differences on investments, which are amortized on a closed basis over a 5-year period.

#### 6. *Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits, and compensatory time. Amounts accumulated, up to certain amounts, may be paid to employees upon termination of employment. The maximum amount of hours that can be carried from one year to the next is dependent on the number of years of service that the employee has with the City.

Length of Service (Months)	Maximum Vacation Leave Accrual		
	Full Time Employees	Shift Fire Department Personnel	3/4 time employees
1 - 48	160 hours	240 hours	120 hours
49 - 144	240 hours	360 hours	180 hours
145 - 240	320 hours	480 hours	240 hours
More than 240	400 hours	600 hours	225 hours

The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

#### 7. *Long-Term Obligations*

The government-wide financial statements and proprietary fund type fund financial statements report long-term debt and other long-term liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premiums or discounts.

## City of West University Place, Texas

### Notes to the Financial Statements

The fund financial statements report bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be paid from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be paid from proprietary fund operations are accounted for in those funds.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund and a transfer of resources from the water and sewer fund for revenue bonds refunded through general obligation debt in a prior year. The debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of water system revenues.

Assets acquired under the terms of a capital lease 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, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable 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.

#### **8. 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.

#### **9. Other Postemployment Benefits (OPEB)**

The City offers two OPEB plans, a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF") administered by TMRS and a single-employer defined benefit other postemployment benefits (OPEB) plan known as the Retiree Health Care Plan (the "Plan") administered by the City. Total OPEB liability, deferred outflows of resources and deferred inflows of resources related to total OPEB liability, and total OPEB expense have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms.

#### **10. Net Position Flow Assumption**

Sometimes the City 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 City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

## City of West University Place, Texas

### Notes to the Financial Statements

#### **11. Fund Balance Flow Assumptions**

Sometimes the City 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 City'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.

#### **12. 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 City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The City reports the following classifications of fund balance:

Nonspendable fund balance – includes amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted fund balance – includes amounts that have external constraints imposed upon the use of the resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by approval of a resolution prior to the end of the fiscal year, commit fund balance. Once approved, the limitation imposed by the resolution remains in place until a similar action is taken (the approval of another resolution) to remove or revise the limitation.

Assigned fund balance – includes amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the City's Finance Director to assign fund balance to a specific purpose as approved by the City's fund balance policy. 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.

It is the City's policy to achieve and maintain an unassigned fund balance in the general fund equal to 20 percent of estimated revenue for the current annual budget. The general fund is the only fund that reports a positive unassigned fund balance. All other operating fund reserves will be maintained at 10 percent of the estimated revenue for the current annual budget and will be reported as restricted, committed, or assigned. Balances of less than the prescribed levels shall only be allowed with specific approval of City Council.

#### **13. 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 deferred outflows and inflows of resources, and the 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.

## City of West University Place, Texas

### Notes to the Financial Statements

#### G. 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 during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

##### 3. 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 enterprise funds and internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds and internal service funds include the operating 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.

#### Note 2. Stewardship, Compliance and Accountability

##### A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except the capital projects funds, which adopt project length budgets. 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 charter, in the approved budget is the department level in the general fund and all others are the fund level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended December 31, 2019. An annual budget is not adopted for the blended component unit, Friends of West University Parks Fund. The parks fund, tree replacement fund, court technology/security fund, and METRO fund are all special revenue funds that have adopted budgets.

##### B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. Encumbrances represent the estimated amount of expenditures ultimately to result when these outstanding items are completed. The encumbrances do not constitute expenditures or liabilities in the current period because the commitments will be reappropriated and honored during the subsequent year.

As of December 31, 2019, significant encumbrances included in the governmental funds include fund balance assignments of \$104,773 in the general fund and \$3,378,796 in the capital projects fund for purchase orders.

# City of West University Place, Texas

## Notes to the Financial Statements

### Note 3. Deposits and Investments

As of December 31, 2019, the City had the following deposits and investments:

	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Deposits		
Cash	\$ 1,573,549	
Cash equivalents:		
TexPool external investment pool	21,116,977	0.10
Other	11,835	
<b>Total</b>	<b><u>\$ 22,702,361</u></b>	
Investments		
U.S. government agency bonds/notes	\$ 9,074,074	0.44
U.S. Treasury notes	5,081,247	0.72
Corporation's certificates of deposit	459,992	0.22
<b>Total</b>	<b><u>\$ 14,615,313</u></b>	
<b>Portfolio weighted average maturity</b>		<b>0.27</b>

#### A. Deposits

##### 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. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities, to the extent the deposits exceed FDIC coverage. As of December 31, 2019, the combined values of pledged securities and FDIC coverage exceeded bank balances for the City, excluding the bank balances of the Corporation, to which the City's investment policy collateralization requirements have not been extended. The Corporation's bank balances exceeded FDIC coverage by \$399,964 at December 31, 2019.

##### TexPool

TexPool is a local government investment pool, duly chartered and overseen by the State Comptroller's Office, and administered and managed by Federated Investors, Inc. State Street Bank serves as the custodial bank. TexPool's investment portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA-rated money market mutual funds. The pool's investments are highly rated by nationally recognized statistical rating organizations, have no more than five percent concentrated in one issuer (excluding U.S. government securities), and are sufficiently liquid to meet reasonably foreseeable redemptions.

TexPool transacts at a net asset value of \$1.00 per share, and maintains a weighted average maturity of 60 days or less and a weighted average life of 120 days or less. TexPool has a redemption notice period of one day and investors may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

# City of West University Place, Texas

## Notes to the Financial Statements

### B. Investments

The City's investments are stated at fair value, with certain exceptions described below. The City categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*, which provides a framework for measuring fair value and establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices within Level 1, that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Certain of the City's investments are not required to be measured at fair value; these include its investment in the TexPool external investment pool, which is measured at amortized cost and is included in cash equivalents, and its investments (through the Corporation) in certificates of deposit, which are measured based on cost. These instruments are exempt from categorization within the fair value hierarchy.

As of December 31, 2019, the City had the following recurring fair value measurements:

Investments by Fair Value Level	Ending Balance	Fair Value Measurements Using	
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)
U.S. Government agency bonds/notes:			
Federal Home Loan Bank	\$ 4,035,128	\$ -	\$ 4,035,128
Federal Farm Credit Bank	1,008,186	-	1,008,186
Federal Home Loan Mortgage Corp.	2,019,837	-	2,019,837
Federal National Mortgage Association Notes	2,010,923	-	2,010,923
U.S. Treasury notes	5,081,247	5,081,247	-
<b>Total</b>	<b>\$ 14,155,321</b>	<b>\$ 5,081,247</b>	<b>\$ 9,074,074</b>

The U.S. government agency bonds and notes included in Level 2 of the fair value hierarchy are valued using a market approach based on a matrix pricing technique, whereby valuation is determined in reference to benchmark prices and interest rates.

## City of West University Place, Texas

### Notes to the Financial Statements

#### **Interest rate risk**

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The City structures its investment portfolio so that securities mature to meet cash requirements for ongoing operations, and monitors interest rate risk using weighted average maturity analysis. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 365 days. The maximum allowable stated maturity of any individual investment owed by the City shall not exceed three years from the date of purchase, unless matched to a specific cash flow.

#### **Credit Risk**

The City's policy requires that investments are limited to only certain instruments that are authorized by the Public Funds Investment Act. Further specifications are that external investment pools must be rated no lower than "AAA" or an equivalent rating by at least one nationally recognized rating service, United States Treasury and agency investments are guaranteed (either express or implied) and backed by the full faith and credit of the United States or its respective agencies, and certificates of deposit are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or fully collateralized under an approved pledge agreement.

As of December 31, 2019, the City's investment in TexPool was rated "AAAm" by Standard & Poor's. The City's investments in U.S. agency bonds and notes and U.S. Treasury notes were rated "Aaa" by Moody's. The certificates of deposit are unrated.

#### **Concentration of Credit Risk**

The risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's investment policy limits investments by security type and institution. With the exception of U.S. Treasury securities, government-sponsored enterprises (GSE's), interest-bearing checking accounts that are fully collateralized, and authorized local government pools, the City will diversify the entire portfolio to comply with the investment strategy. In no case shall any single investment transaction be more than twenty five-percent of the entire portfolio at the time of purchase of the security.

#### **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 custody of securities is maintained 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.

# City of West University Place, Texas

## Notes to the Financial Statements

### Note 4. Receivables

Amounts are aggregated into a single accounts receivable (net of allowances for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, the debt service fund, the capital projects fund, the nonmajor governmental funds in the aggregate, and the enterprise funds, including the applicable allowances for uncollectible accounts:

	General	Debt Service	Capital Projects	Nonmajor Governmental	Water and Sewer	Solid Waste
Ad valorem taxes	\$ 6,476,892	\$ 4,127,200	\$ -	\$ -	\$ -	\$ -
Other taxes	432,975	-	-	-	-	-
Accounts	2,128,467	-	-	-	1,513,549	365,805
Intergovernmental	24,874	-	462,635	145,812	-	-
Other	12,044	9,500	-	-	4,968	-
Less: Allowance	(1,720,037)	-	-	-	(179,877)	(35,354)
<b>Totals</b>	<b>\$ 7,355,215</b>	<b>\$ 4,136,700</b>	<b>\$ 462,635</b>	<b>\$ 145,812</b>	<b>\$ 1,338,640</b>	<b>\$ 330,451</b>

### Note 5. Capital Assets

The following is a summary of changes in capital assets for governmental activities for the year ended December 31, 2019:

	Beginning Balance	Increases	Reclassifications / (Decreases)	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 7,798,042	\$ 532,260	\$ -	\$ 8,330,302
Construction in progress	482,792	1,643,266	(36,675)	2,089,383
Total capital assets, not being depreciated	8,280,834	2,175,526	(36,675)	10,419,685
Depreciable assets:				
Buildings and improvements	58,607,736	872,260	36,675	59,516,671
Machinery and equipment	8,566,876	764,072	(105,150)	9,225,798
Infrastructure	66,633,784	-	-	66,633,784
Total depreciable assets	133,808,396	1,636,332	(68,475)	135,376,253
Less accumulated depreciation for:				
Buildings and improvements	(19,743,117)	(1,809,842)	-	(21,552,959)
Machinery and equipment	(6,952,537)	(383,878)	103,603	(7,232,812)
Infrastructure	(23,639,911)	(1,332,675)	-	(24,972,586)
Total accumulated depreciation	(50,335,565)	(3,526,395)	103,603	(53,758,357)
Total depreciable assets, net	83,472,831	(1,890,063)	35,128	81,617,896
<b>Governmental activities capital assets, net</b>	<b>\$ 91,753,665</b>	<b>\$ 285,463</b>	<b>\$ (1,547)</b>	<b>\$ 92,037,581</b>
Less: Long-term debt outstanding				(35,349,556)
Plus: Deferred charge on refunding				829,552
<b>Net Investment in Capital Assets</b>				<b>\$ 57,517,577</b>

## City of West University Place, Texas

### Notes to the Financial Statements

All capital assets constructed or paid for with funds of the component unit are titled in the City's name. Accordingly, component unit capital assets and construction in progress are recorded in the governmental activities totals.

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General government	\$ 409,688
Public safety	9,122
Public works	1,952,933
Public service	832,102
Capital assets held by the City's internal service fund	<u>322,550</u>
<b>Total governmental activities depreciation expense</b>	<b><u>\$ 3,526,395</u></b>

Remaining commitments under related construction contracts for general government construction projects at year end were as follows:

Projects	Approved Construction Budget	Stored and Completed To Date	Remaining Commitment
Virtual gate project	\$ 599,180	\$ 285,572	\$ 313,608
Buffalo Speedway - Roadway	1,756,223	898,641	857,582
Buffalo Speedway - Drainage	<u>1,246,348</u>	<u>635,348</u>	<u>611,000</u>
<b>Total</b>	<b><u>\$ 3,601,751</u></b>	<b><u>\$ 1,819,561</u></b>	<b><u>\$ 1,782,190</u></b>

The remaining commitments above will be primarily financed through completion of construction with the resources of the capital projects funds, supplemented by the general fund and issuance of debt, as needed, as well as funding by grant proceeds.

## City of West University Place, Texas

### Notes to the Financial Statements

The following is a summary of changes in capital assets for business-type activities for the year ended December 31, 2019:

	Beginning Balance	Increases	Reclassifications / (Decreases)	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 193,875	\$ -	\$ -	\$ 193,875
Construction in progress	25,161	194,705	-	219,866
<b>Total capital assets, not being depreciated</b>	<b>219,036</b>	<b>194,705</b>	<b>-</b>	<b>413,741</b>
Depreciable assets:				
Buildings and improvements	459,625	-	-	459,625
Water and sewer systems	56,703,215	164,891	-	56,868,106
Machinery and equipment	2,325,680	61,566	-	2,387,246
<b>Total depreciable assets</b>	<b>59,488,520</b>	<b>226,457</b>	<b>-</b>	<b>59,714,977</b>
Less accumulated depreciation for:				
Buildings and improvements	(459,625)	-	-	(459,625)
Water and sewer systems	(39,370,949)	(1,570,795)	-	(40,941,744)
Machinery and equipment	(1,230,465)	(119,487)	-	(1,349,952)
<b>Total accumulated depreciation</b>	<b>(41,061,039)</b>	<b>(1,690,282)</b>	<b>-</b>	<b>(42,751,321)</b>
<b>Total depreciable assets, net</b>	<b>18,427,481</b>	<b>(1,463,825)</b>	<b>-</b>	<b>16,963,656</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 18,646,517</b>	<b>\$ (1,269,120)</b>	<b>\$ -</b>	<b>\$ 17,377,397</b>

**City of West University Place, Texas**

Notes to the Financial Statements

Depreciation expense was charged to business-type functions as follows:

Water and sewer	<u>\$ 1,690,282</u>
<b>Total business-type activities depreciation expense</b>	<u><u>\$ 1,690,282</u></u>

Remaining commitments under related construction contracts for business-type construction projects at year end were as follows:

Projects	Approved Construction Budget	Stored and Completed To Date	Remaining Commitment
Water System Disinfection Upgrades	\$ 49,980	\$ 42,395	\$ 7,585
Wastewater Lift Station Lining	<u>418,000</u>	<u>120,782</u>	<u>297,218</u>
<b>Total</b>	<u><u>\$ 467,980</u></u>	<u><u>\$ 163,177</u></u>	<u><u>\$ 304,803</u></u>

The remaining commitments above will be primarily financed through completion of construction with the resources of water and sewer fees collected by the City.

# City of West University Place, Texas

## Notes to the Financial Statements

### Note 6. Long-term Liabilities

The following is a summary of changes in the City's total long-term liabilities for the year ended December 31, 2019. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds, notes and other payables:					
General obligation bonds	\$32,595,000	\$ -	\$ 7,655,000	\$24,940,000 *	\$ 7,795,000
Certificates of obligation	5,775,000	4,040,000	255,000	9,560,000 *	265,000
Unamortized premiums and/or discounts	445,481	559,845	155,770	849,556 *	155,771
<b>Total bonds, notes and other payables, net</b>	<b>38,815,481</b>	<b>4,599,845</b>	<b>8,065,770</b>	<b>35,349,556</b>	<b>8,215,771</b>
Other liabilities:					
Compensated absences	1,316,283	386,590	498,484	1,204,389	645,634
Net pension liability	4,249,138	5,456,889	1,702,502	8,003,525	-
Other postemployment benefit liability	4,086,328	243,288	347,183	3,982,433	-
<b>Total governmental activities</b>	<b>\$48,467,230</b>	<b>\$10,686,612</b>	<b>\$10,613,939</b>	<b>\$48,539,903</b>	<b>\$ 8,861,405</b>
Long-term debt due in more than one year				<b>\$39,678,498</b>	
* Debt associated with governmental activities capital assets				<b>\$35,349,556</b>	

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-type activities:					
Compensated absences	\$ 144,388	\$ 4,401	\$ 49,084	\$ 99,705	\$ 91,887
Net pension liability	589,237	769,296	238,295	1,120,238	-
Total other postemployment benefit liability	566,660	34,103	43,349	557,414	-
<b>Total business-type activities</b>	<b>\$ 1,300,285</b>	<b>\$ 807,800</b>	<b>\$ 330,728</b>	<b>\$ 1,777,357</b>	<b>\$ 91,887</b>
Long-term debt due in more than one year				<b>\$ 1,685,470</b>	

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. The governmental activities compensated absences, OPEB liability, and net pension liability are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

# City of West University Place, Texas

## Notes to the Financial Statements

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

Description	Interest Rates	Balance
Governmental activities:		
General obligation bonds		
Permanent improvement		
Series 2010	2.00 - 4.00 %	\$ 2,135,000
Permanent improvement and refunding		
Series 2009	2.50 - 4.50 %	3,600,000
Series 2010	2.00 - 4.00 %	2,485,000
Series 2011	2.00 - 3.00 %	395,000
Series 2012	2.00%	2,990,000
Series 2013	0.34 - 1.75 %	2,445,000
General obligation refunding		
Series 2016	1.45 %	1,135,000
Series 2017	2.01 %	<u>9,755,000</u>
Total general obligation bonds		<u>24,940,000</u>
Certificates of obligation		
Series 2009	2.50 - 4.50 %	920,000
Series 2010	2.00 - 4.00 %	2,905,000
Series 2010A	1.00 - 4.00 %	945,000
Series 2011	2.00 - 2.25 %	750,000
Series 2019	3.00 - 4.00 %	<u>4,040,000</u>
Total certificates of obligation		<u>9,560,000</u>
<b>Total governmental activities long-term debt</b>		<u><b>\$ 34,500,000</b></u>

The annual requirements to amortize general obligation bonds and certificates of obligation outstanding at year end were as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 8,060,000	\$ 930,783	\$ 8,990,783
2021	3,575,000	762,956	4,337,956
2022	3,555,000	643,816	4,198,816
2023	2,710,000	534,391	3,244,391
2024	2,740,000	437,343	3,177,343
2025-2029	12,060,000	1,037,736	13,097,736
2030-2034	<u>1,800,000</u>	<u>186,000</u>	<u>1,986,000</u>
<b>Totals</b>	<u><b>\$ 34,500,000</b></u>	<u><b>\$ 4,533,025</b></u>	<u><b>\$ 39,033,025</b></u>

## City of West University Place, Texas

### Notes to the Financial Statements

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities (streets, drainage, public safety, water, and wastewater) and equipment for general government and enterprise fund activities. As of December 31, 2019, outstanding instruments include general obligation bonds and certificates of obligation. These obligations are secured by the proceeds of future ad valorem tax revenues levied on all taxable property located within the City and a limited subordinate lien on, and pledge of, net water and sewer system revenues. The City is not obligated in any manner for special assessment debt.

#### Defeased Bonds

In prior years, the City defeased certain outstanding bonds by placing proceeds of new bonds in irrevocable escrow accounts to provide for all future debt service payments on the old bonds. Accordingly, the escrow account assets and the defeased liabilities are not included in the City's financial statements. At December 31, 2019, the following outstanding bonds were considered defeased (with a call date of February 1, 2020):

- \$3,595,000 - Series 2009 permanent improvement and refunding bonds
- \$2,375,000 – Series 2010 permanent improvement bonds
- \$3,275,000 – Series 2010 certificates of obligation

#### Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, a substantial liability to the City could result. The City has estimated that it does not have any arbitrage liability as of December 31, 2019.

### Note 7. Interfund Balances and Activity

#### 1. Interfund Receivables and Payables

Interfund receivables and payables of the various funds at December 31, 2019 were as follows:

	Interfund Receivables	Interfund Payables
General	\$ -	\$ 52,130
Internal Service	64,002	2,707
Water and Sewer	-	6,165
Solid Waste	-	3,000
<b>Totals</b>	<b>\$ 64,002</b>	<b>\$ 64,002</b>

Interfund balances consist of short-term lending/borrowing arrangements that have resulted primarily from expenditures that are paid by one fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more governmental funds due to earned revenues not being received from outside agencies until the subsequent year.

## City of West University Place, Texas

### Notes to the Financial Statements

#### 2. Interfund Transfers

Transfers between funds during the year were as follows:

Transfers Out	Transfers In	Amounts
Water and sewer	General	\$ 1,250,000
Water and sewer	Debt service	1,196,038
Nonmajor	Capital projects	600,000
Nonmajor	Nonmajor	242,654
Solid waste	General	310,000
Capital projects	General	86,954
Capital projects	Debt service	4,747
<b>Totals</b>		<b>\$ 3,690,393</b>

Transfers to the general fund were subsidies for administrative expenditures. Other amounts transferred between funds related to amounts collected by the nonmajor governmental funds for various governmental expenditures. Transfers to the debt service fund are used to provide resources to assist with debt service principal and interest payments when they become due as well as issuance costs.

#### Note 8. Leases

The City is the lessor of approximately 1.0874 acres of its land to Goode Cook, Inc. (the "Company"). This lease agreement (the "Lease") is an operating lease with fixed minimum rental payments with annually adjusted rates. The Lease expires July 31, 2022; however, at any time after July 31, 2016, the City may terminate the Lease by giving the Company a minimum of nine months' written notice. Rental income is earned from leasing this parcel of land to the Company.

Minimum guaranteed income on all City noncancelable operating leases is as follows:

Year Ending December 31,	Annual Base Rent
2020	\$ 84,517
2021	87,055
2022	51,660
<b>Total</b>	<b>\$ 223,232</b>

#### Note 9. 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 2,814 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). 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 that exceeded coverage amounts for the past three years.

# City of West University Place, Texas

## Notes to the Financial Statements

### B. Contingent Liabilities

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 that 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. No claim liabilities are reported at year end.

### Note 10. Defined Benefit Pension Plan

#### Plan Description

The City participates in one of 887 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 comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.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 City were as follows:

Employee deposit rate	7.00%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service requirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	100% Repeating, Transfers
Annuity increase (to retirees)	0% of CPI Repeating

## City of West University Place, Texas

### Notes to the Financial Statements

#### Employees Covered by Benefit Terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	109
Inactive employees entitled to but not yet receiving benefits	103
Active employees	<u>126</u>
<b>Total</b>	<b><u><u>338</u></u></b>

#### 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 were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 13.56% and 12.84% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended December 31, 2019, were \$1,248,609, and were equal to the required contributions.

#### Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

#### Actuarial assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the City, rates are multiplied by an additional factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

## City of West University Place, Texas

### Notes to the Financial Statements

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the TMRS system adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. 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, the actuary 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.5%	4.30%
International equity	17.5%	6.10%
Core fixed income	10.0%	1.00%
Non-core fixed income	20.0%	3.39%
Real return	10.0%	3.78%
Real estate	10.0%	4.44%
Absolute return	10.0%	3.56%
Private equity	5.0%	7.75%
<b>Total</b>	<b>100%</b>	

#### Discount Rate

The discount rate used to measure the TPL 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 TPL.

# City of West University Place, Texas

## Notes to the Financial Statements

### Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2017	\$ 50,046,405	\$ 45,208,030	\$ 4,838,375
Changes for the year:			
Service cost	1,476,922	-	1,476,922
Interest	3,341,122	-	3,341,122
Difference between expected and actual experience	27,091	-	27,091
Contributions - employer	-	1,280,159	(1,280,159)
Contributions - employee	-	660,639	(660,639)
Net investment income	-	(1,353,512)	1,353,512
Benefit payments, including refunds of employee contributions	(2,573,516)	(2,573,516)	-
Administrative expense	-	(26,172)	26,172
Other changes	-	(1,367)	1,367
Net changes	2,271,619	(2,013,769)	4,285,388
<b>Balance at December 31, 2018</b>	<b>\$ 52,318,024</b>	<b>\$ 43,194,261</b>	<b>\$ 9,123,763</b>

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

The following presents the NPL 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:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability	\$ 16,140,385	\$ 9,123,763	\$ 3,327,704

### 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.tmr.com](http://www.tmr.com).

## City of West University Place, Texas

### Notes to the Financial Statements

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

For the year ended December 31, 2019, the City recognized pension expense of \$2,342,998.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 113,613	\$ 35,912
Difference between projected and actual investment earnings	2,330,081	-
Contributions subsequent to the measurement date	1,248,609	-
<b>Totals</b>	<b>\$ 3,692,303</b>	<b>\$ 35,912</b>

\$1,248,609 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2020	\$ 859,509
2021	355,405
2022	311,859
2023	881,009
<b>Totals</b>	<b>\$ 2,407,782</b>

#### Note 11. Other Postemployment Benefits Plans

In addition to the pension plan discussed in Note 10, the City offers other postemployment benefits (OPEBs) through two plans: Texas Municipal Retirement System's Supplemental Death Benefits Fund, and the City's single-employer Retiree Health Care Plan.

##### Plan Descriptions

###### Supplemental Death Benefits Fund

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan 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. Employers 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 City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

## City of West University Place, Texas

### Notes to the Financial Statements

#### Retiree Health Care Plan

The City administers a single-employer defined benefit other postemployment benefits (OPEB) plan, known as the Retiree Health Care Plan (the RHCP). The RHCP offers medical benefits to eligible retirees and their spouses. The RHCP has no plan assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

#### **Total OPEB Liability**

The City's total OPEB liability (TOL) for each of its OPEB plans was measured as of December 31, 2018. The actuarial valuation date for the SDBF was December 31, 2018, and the valuation for RHCP was performed as of December 31, 2017 and update procedures were performed to roll forward the total OPEB liability to December 31, 2018.

#### **Benefits Provided**

As of the valuation date for the December 31, 2018 measurement date, the following employees were covered by the benefit terms:

	<u>SDBF</u>	<u>RHCP</u>
Inactive employees currently receiving benefits	72	16
Inactive employees entitled to but not yet receiving benefits	37	-
Active employees	<u>126</u>	<u>50</u>
<b>Totals</b>	<u><u>235</u></u>	<u><u>66</u></u>

#### Supplemental Death Benefits Fund

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). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500.

The member 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.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The retiree portion of contribution rates to the SDBF for the City was 0.05% in both calendar years 2018 and 2019. The City's contributions to the SDBF for the year ended December 31, 2019 were \$4,862, and were equal to the required contributions.

# City of West University Place, Texas

## Notes to the Financial Statements

### Retiree Health Care Plan

#### *Employees Hired January 1, 2009 and Thereafter:*

A retiree and his or her covered dependent(s) may be eligible for continued coverage through COBRA according to regulatory requirements. Retirees may not add dependents after retiring. Retirees are responsible for all costs, including premiums and administrative fees, associated with COBRA benefits. Retiree/Dependent COBRA benefits will be terminated if the City (or the City's Third Party Administrator) does not receive the required contributions by the date due.

#### *Employees Hired Prior to January 1, 2009:*

**Non-exempt Employees** – If you retire through TMRS and have been employed full-time for the City for at least ten years immediately preceding the date of the retirement, you may continue coverage with the City's health plan.

**Exempt Employees** – If you retire through TMRS and have minimum of ten years of service credit with TMRS of which five years immediately preceding the date of retirement were with the City, you may continue to be covered through the City's health plan. The benefit includes basic medical coverage, excluding accidental death, life, disability and dental.

The City provides a subsidy to the retiree that varies based on the medical plan elected. Spouse and dependents are eligible for continued coverage. Retirees are responsible for all costs associated with spouse and dependent benefits, including premiums. Surviving spouses of deceased retirees are eligible for continued coverage through COBRA according to regulatory requirements. All benefits terminate when retiree becomes eligible for Medicare or other federal or state health insurance plans or if retiree becomes employed, including self-employment.

Employees who retire under a disability retirement are eligible for retiree health benefits if they have met the eligibility for a regular retirement upon their disability. TMRS retirement requirement: 5 years of service at age 60; or 20 years of service regardless of age.

### **Actuarial Assumptions**

In the December 31, 2018 actuarial valuations, the total liabilities for the SDBF and RHCP OPEBs were determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 10.5% including inflation
Discount rate	3.71%

The retiree's share of benefit-related costs for the SDBF OPEB is assumed to be \$0, and the healthcare trend cost rate for the RHCP actuarial valuation is assumed at an initial rate of 7.50%, declining to an ultimate rate of 5.25% after 11 years. The ultimate trend rate includes a 1.00% adjustment for the excise tax.

Salary increases were based on a service-related table. Mortality rates for service retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. Mortality rates for disabled retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

## City of West University Place, Texas

### Notes to the Financial Statements

The actuarial assumptions used in the December 31, 2018, valuations were developed primarily from an actuarial experience study of the four-year period from December 31, 2010 through December 31, 2014. For the SDBF OPEB, the post-mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. The Entry Age Normal Actuarial Cost Method is used for the SDBF actuarial valuation and the Individual Entry-Age Method is used for the RHCP actuarial valuation.

The discount rate (3.71%) was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

#### Changes in Total OPEB Liability

	Total OPEB Liability	
	SDBF	RHCP
Balance at December 31, 2017	\$ 468,746	\$4,184,242
Changes for the year:		
Service cost	16,043	108,738
Interest on Total OPEB Liability	15,703	137,266
Difference between expected and actual experience	(18,010)	(8,500)
Changes of assumptions or other inputs	(33,730)	(142,721)
Benefit payments	(4,719)	(183,211)
Net changes	(24,713)	(88,428)
<b>Balance at December 31, 2018</b>	<b>\$ 444,033</b>	<b>\$4,095,814</b>

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

The following presents the total OPEB liability, calculated using the discount rate of 3.71%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.71%) or 1 percentage-point higher (4.71%) than the current rate:

	1% Decrease in Discount Rate (2.71%)	Discount Rate (3.71%)	1% Increase in Discount Rate (4.71%)
Total OPEB liability			
SDBF	\$ 534,890	\$ 444,033	\$ 373,873
RHCP	4,460,759	4,095,814	3,758,321

## City of West University Place, Texas

### Notes to the Financial Statements

#### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

In addition, the following disclosure is applicable to the RHCP only. The following presents the total OPEB liability, calculated using the current healthcare rates, as well as what the City's total OPEB liability would be if it were calculated using a trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current trend rate:

	1% Decrease Healthcare Cost Trend Rate (6.5 % Decreasing to 4.25 %)	Healthcare Cost Trend Rate (7.5 % Decreasing to 5.25 %)	1% Increase Healthcare Cost Trend Rate (8.5 % Decreasing to 6.25 %)
Total OPEB liability			
RHCP	\$ 3,629,073	\$ 4,095,814	\$ 4,639,364

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

For the year ended December 31, 2019, the City recognized OPEB expense of \$29,090 for SDBF and \$250,114 for RHCP.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SDBF		RHCP	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 14,618	\$ -	\$ 7,291
Changes in assumptions and other inputs	23,461	27,378	128,849	122,414
Contributions made subsequent to the measurement date	4,862	-	162,222	-
<b>Totals</b>	<b>\$ 28,323</b>	<b>\$ 41,996</b>	<b>\$ 291,071</b>	<b>\$ 129,705</b>

The \$4,862 and \$162,222 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date for the SDBF and RHCP, respectively, will reduce the Total OPEB liability during the year ending December 31, 2020. The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	SDBF	RHCP
2020	\$ (2,656)	\$ 4,110
2021	(2,656)	4,110
2022	(2,656)	4,110
2023	(7,547)	4,110
2024	(3,020)	4,110
Thereafter	-	(21,406)
<b>Totals</b>	<b>\$ (18,535)</b>	<b>\$ (856)</b>

## City of West University Place, Texas

### Notes to the Financial Statements

#### **Note 12. Subsequent Events**

On January 1, 2020, the City issued \$10,780,000 in General Obligation Refunding Bonds, Series 2020. The bonds mature in varying amounts from 2021 through 2028 with coupons ranging from 2.00% to 4.00%. The proceeds from the sale of the bonds will be used to refund a portion of the City's outstanding obligations to achieve debt service savings.

The extent of the operational and financial impact the COVID-19 pandemic may have on the City has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. The City is unable to accurately predict how COVID-19 will affect the results of its operations because the virus's severity and the duration of the pandemic are uncertain.

## **Required Supplementary Information**

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**City of West University Place, Texas**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance – Budget and Actual  
 General Fund  
 For the Fiscal Year Ended December 31, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ 11,920,468	\$ 11,920,468	\$ 11,868,672	\$ (51,796)
Sales taxes	1,110,900	1,110,900	1,300,764	189,864
Franchise taxes	1,085,500	1,085,500	1,093,925	8,425
Other taxes	14,000	14,000	11,219	(2,781)
Permits, licenses, and fees	527,500	527,500	727,588	200,088
Fines and forfeitures	154,200	154,200	266,661	112,461
Charges for services	2,931,200	2,931,200	3,569,378	638,178
Intergovernmental	26,250	26,250	50,188	23,938
Investment earnings	214,000	214,000	341,792	127,792
Other revenues	398,000	397,996	320,465	(77,531)
	<u>18,382,018</u>	<u>18,382,014</u>	<u>19,550,652</u>	<u>1,168,638</u>
<b>EXPENDITURES</b>				
General government:				
Administration	1,623,685	1,673,685	1,487,015	186,670
Finance	2,207,500	2,887,500	2,878,096	9,404
	<u>3,831,185</u>	<u>4,561,185</u>	<u>4,365,111</u>	<u>196,074</u>
Public safety:				
Police	5,177,650	5,263,936	4,541,087	722,849
Fire	3,589,450	3,589,450	3,562,844	26,606
	<u>8,767,100</u>	<u>8,853,386</u>	<u>8,103,931</u>	<u>749,455</u>
Public works	3,247,150	3,277,550	2,992,671	284,879
Public services	4,059,200	4,060,892	4,072,759	(11,867)
	<u>19,904,635</u>	<u>20,753,013</u>	<u>19,534,472</u>	<u>1,218,541</u>
Excess (deficiency) of revenues over expenditures	(1,522,617)	(2,370,999)	16,180	2,387,179
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,560,000	1,560,000	1,646,954	86,954
Sale of capital assets	-	-	206	206
	<u>1,560,000</u>	<u>1,560,000</u>	<u>1,647,160</u>	<u>87,160</u>
Net change in fund balance	37,383	(810,999)	1,663,340	2,474,339
Fund balance, beginning of year	8,233,958	8,233,958	8,233,958	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 8,271,341</u>	<u>\$ 7,422,959</u>	<u>\$ 9,897,298</u>	<u>\$ 2,474,339</u>

See Notes to Required Supplementary Information.

**City of West University Place, Texas**  
Schedule of Changes in the Net Pension Liability  
and Related Ratios -  
Texas Municipal Retirement System  
For the Fiscal Year Ended December 31, 2019\*

	Measurement Year		
	2018	2017	2016
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 1,476,922	\$ 1,517,363	\$ 1,441,040
Interest	3,341,122	3,188,261	3,051,656
Differences between expected and actual experience	27,091	198,868	(154,304)
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(2,573,516)	(2,665,812)	(2,039,745)
Net change in total pension liability	2,271,619	2,238,680	2,298,647
Total pension liability - beginning	50,046,405	47,807,725	45,509,078
<b>TOTAL PENSION LIABILITY - ENDING (a)</b>	<b>\$ 52,318,024</b>	<b>\$ 50,046,405</b>	<b>\$ 47,807,725</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - employer	\$ 1,280,159	\$ 1,261,304	\$ 1,139,861
Contributions - employee	660,639	651,628	621,904
Net investment income	(1,353,511)	5,596,814	2,575,734
Benefit payments, including refunds of employee contributions	(2,573,516)	(2,665,812)	(2,039,745)
Administrative expense	(26,172)	(29,014)	(29,101)
Other	(1,367)	(1,470)	(1,568)
Net change in plan fiduciary net position	(2,013,768)	4,813,450	2,267,085
Plan fiduciary net position - beginning	45,208,030	40,394,580	38,127,495
<b>PLAN FIDUCIARY NET POSITION - ENDING (b)</b>	<b>\$ 43,194,262</b>	<b>\$ 45,208,030</b>	<b>\$ 40,394,580</b>
<b>NET PENSION LIABILITY - ENDING (a)-(b)</b>	<b>\$ 9,123,762</b>	<b>\$ 4,838,375</b>	<b>\$ 7,413,145</b>
Plan fiduciary net position as a percentage of total pension liability	82.56%	90.33%	84.49%
Covered payroll	\$ 9,437,204	\$ 9,268,285	\$ 8,884,334
Net pension liability as a percentage of covered payroll	96.68%	52.20%	83.44%

\* GASB Statement No. 68 requires 10 years of data; however, five years of data is presented as the data for the years prior to 2014 is not available. Additionally, GASB Statement No. 68 requires that the information on this schedule correspond with the period covered as of the plan measurement date (December 31 of the prior year).

<u>Measurement Year</u>	
<u>2015</u>	<u>2014</u>
\$ 1,417,162	\$ 1,163,400
2,907,623	2,744,057
485,089	440,869
946,917	-
<u>(2,153,197)</u>	<u>(2,123,925)</u>
3,603,594	2,224,401
<u>41,905,484</u>	<u>39,681,083</u>
<u>\$ 45,509,078</u>	<u>\$ 41,905,484</u>
\$ 1,046,460	\$ 799,153
614,567	550,058
56,952	2,131,607
(2,153,197)	(2,123,925)
(34,692)	(22,258)
<u>(1,713)</u>	<u>(1,830)</u>
(471,623)	1,332,805
<u>38,599,118</u>	<u>37,266,313</u>
<u>\$ 38,127,495</u>	<u>\$ 38,599,118</u>
<u>\$ 7,381,583</u>	<u>\$ 3,306,366</u>
83.78%	92.11%
\$ 8,767,969	\$ 7,803,300
84.19%	42.37%

**City of West University Place, Texas**  
 Schedule of the City's Contributions -  
 Texas Municipal Retirement System  
 For the Fiscal Year Ended December 31, 2019\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 1,248,609	\$ 1,280,642	\$ 1,255,853	\$ 1,139,862
Contributions in relation to the actuarially determined contribution	<u>(1,248,609)</u>	<u>(1,280,642)</u>	<u>(1,255,853)</u>	<u>(1,139,862)</u>
<b>CONTRIBUTIONS DEFICIENCY (EXCESS)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,724,372	\$ 9,438,496	\$ 9,268,285	\$ 8,884,334
Contributions as a percentage of covered payroll	12.84%	13.57%	13.55%	12.83%

\* GASB Statement No. 68 requires 10 years of data; however, six years of data is presented as the data for the years prior to 2014 is not available. Additionally, GASB Statement No. 68 requires that the information on this schedule correspond with the period covered as of the reporting date (the City's fiscal year).

<u>2015</u>	<u>2014</u>
\$ 1,045,142	\$ 799,153
<u>(1,045,142)</u>	<u>(799,153)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 8,767,969	\$ 7,803,300
11.92%	10.24%

**City of West University Place, Texas**

Schedule of Changes in Total OPEB

Liability and Related Ratios

Texas Municipal Retirement System – Supplemental Death Benefits Fund

For the Fiscal Year Ended December 31, 2019\*

	Measurement Year	
	2018	2017
<b>TOTAL OPEB LIABILITY</b>		
Service cost	\$ 16,043	\$ 13,963
Interest on total OPEB liability	15,703	15,533
Difference between expected and actual experience	(18,010)	-
Changes of assumptions	(33,730)	37,637
Benefit payments	(4,719)	(4,654)
	<hr/>	<hr/>
Net change in total OPEB liability	(24,713)	62,479
	<hr/>	<hr/>
Total OPEB liability - beginning	468,746	406,267
	<hr/>	<hr/>
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 444,033</b>	<b>\$ 468,746</b>
	<hr/>	<hr/>
Covered payroll	\$ 9,437,204	\$ 9,268,285
	<hr/>	<hr/>
Total OPEB liability as a percentage of covered payroll	4.71%	5.06%

\* GASB Statement No. 75 requires 10 years of data; however, two years of data is presented as the data for the years prior to 2017 is not available. Additionally, GASB Statement No. 75 requires that information on this schedule correspond with the period covered as of the plan measurement date (December 31 of the prior year).

**City of West University Place, Texas**  
 Schedule of Changes in Total OPEB  
 Liability and Related Ratios  
 Retiree Health Care Plan  
 For the Fiscal Year Ended December 31, 2019\*

	<u>Measurement Year</u>	
	<u>2018</u>	<u>2017</u>
<b>TOTAL OPEB LIABILITY</b>		
Service cost	\$ 108,738	\$ 97,428
Interest on total OPEB liability	137,266	148,390
Difference between expected and actual experience	(8,500)	-
Changes of assumptions	(142,721)	180,101
Benefit payments	(183,211)	(175,442)
	<u>(88,428)</u>	<u>250,477</u>
Net change in total OPEB liability		
Total OPEB liability - beginning	<u>4,184,242</u>	<u>3,933,765</u>
<b>TOTAL OPEB LIABILITY - ENDING</b>	<u>\$ 4,095,814</u>	<u>\$ 4,184,242</u>
Covered-employee payroll	\$ 4,355,388	\$ 4,661,508
Total OPEB liability as a percentage of covered payroll	94.04%	89.76%

\* GASB Statement No. 75 requires 10 years of data; however, two years of data is presented as the data for the years prior to 2017 is not available. Additionally, GASB Statement No. 75 requires that information on this schedule correspond with the period covered as of the plan measurement date (December 31 of the prior year).

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**City of West University Place, Texas**  
Notes to Required Supplementary Information

**Note 1. Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

For the year ended December 31, 2019, there was an excess of expenditures over appropriations at the departmental level for Public Services in the General Fund.

**Note 2. Pension**

**Schedule of Changes in the Net Pension Liability and Related Ratios – Texas Municipal Retirement System**

The following actuarial assumptions affect trends in the amounts reported for the total pension liability:

Measurement Date:	December 31, 2015 -	
	<u>December 31, 2018</u>	<u>December 31, 2014</u>
Inflation	2.50%	3.00%
Investment rate of return (net of pension plan investment expense, including inflation)	6.75%	7.00%
Discount rate	6.75%	7.00%

**Schedule of the City's Contributions - Texas Municipal Retirement System**

The following methods and assumptions were used to determine contribution rates:

Fiscal Years:	<u>December 31, 2016 - December 31, 2019</u>	<u>December 31, 2014 - December 31, 2015</u>
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	30 years as of December 31, 2016; declining annually to 27 years as of December 31, 2019	30 years
Asset valuation method	10 year smoothed market, 15% soft corridor	10 year smoothed market, 15% soft corridor
Inflation	2.50%	3.00%
Salary increases	3.5% to 10.5%, including inflation	3.5% to 12%, including inflation
Investment rate of return	6.75%	7.00%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009.
Mortality	RP2000 Combined Mortality Table with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.	RP2000 Combined Mortality Table with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

**City of West University Place, Texas**  
Notes to Required Supplementary Information

**Other Information**

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

There were no benefit changes during the periods presented.

**Note 3. Other Postemployment Benefits**

The following actuarial assumptions affect trends in the amounts reported for the total other postemployment benefits liabilities:

Measurement Date:	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Discount rate	3.71%	3.31%

**Other Information**

The City's OPEB plans are considered to be unfunded plans, as there are no assets accumulated in a trust to pay related benefits. Therefore plan fiduciary net position and related ratios are not reported in the accompanying schedules for the City's OPEB plans.

There were no benefit changes during the periods presented.

## **Combining and Individual Fund Statements and Schedules**

**City of West University Place, Texas**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual  
 Debt Service Fund  
 For the Fiscal Year Ended December 31, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes	\$ 7,683,654	\$ 7,683,654	\$ 7,683,695	\$ 41
Investment earnings	13,900	13,900	4,492	(9,408)
Total revenues	7,697,554	7,697,554	7,688,187	(9,367)
<b>EXPENDITURES</b>				
Debt Service:				
Principal	7,910,000	7,910,000	7,910,000	-
Interest and fiscal agent fees	929,492	929,492	926,095	3,397
Bond Issuance Costs	50,000	50,000	4,747	45,253
Total expenditures	8,889,492	8,889,492	8,840,842	48,650
Excess (deficiency) of revenues over expenditures	(1,191,938)	(1,191,938)	(1,152,655)	39,283
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,196,038	1,196,038	1,200,785	4,747
Total other financing sources (uses)	1,196,038	1,196,038	1,200,785	4,747
Net change in fund balance	4,100	4,100	48,130	44,030
Fund balance, beginning of year	868,291	868,291	868,291	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 872,391</b>	<b>\$ 872,391</b>	<b>\$ 916,421</b>	<b>\$ 44,030</b>

## City of West University Place, Texas

Nonmajor Governmental Funds

December 31, 2019

### Special Revenue Funds

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The **Parks Fund** is used to account for donations made by citizens for the specific purpose of improving the City's parks.

The **Friends of West University Parks Fund** is used to account for the financial activity of the Friends of West University Parks. This fund's revenues are restricted to use in improving the City's parks.

The **Tree Replacement Fund** is used to account for permits and fines collected to replace trees within the City.

The **Court Technology/Security Fund** is used to account for a portion of traffic fines revenue set aside to acquire technology and provide security for the municipal court.

The **METRO Fund** is used to account for the proceeds of a multi-year transportation grant from METRO.

**City of West University Place, Texas**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2019

	Parks	Friends of the Parks	Tree Replacement	Court Technology/ Security
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 45,349	\$ 915,989	\$ 128,656	\$ 34,257
Investments	46,281	459,992	131,302	34,961
Receivables, net of allowances	-	-	-	-
	<u>91,630</u>	<u>1,375,981</u>	<u>259,958</u>	<u>69,218</u>
Total assets	<u>\$ 91,630</u>	<u>\$ 1,375,981</u>	<u>\$ 259,958</u>	<u>\$ 69,218</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 346	\$ -	\$ -	\$ 12
	<u>346</u>	<u>-</u>	<u>-</u>	<u>12</u>
Total liabilities	346	-	-	12
Fund Balances:				
Restricted for:				
Enabling legislation	-	-	-	69,206
City parks	91,284	1,375,981	-	-
METRO	-	-	-	-
Tree replacement	-	-	259,958	-
	<u>91,284</u>	<u>1,375,981</u>	<u>259,958</u>	<u>69,206</u>
Total fund balances	<u>91,284</u>	<u>1,375,981</u>	<u>259,958</u>	<u>69,206</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 91,630</u>	<u>\$ 1,375,981</u>	<u>\$ 259,958</u>	<u>\$ 69,218</u>

<u>METRO</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 12,836	\$ 1,137,087
13,099	685,635
<u>145,812</u>	<u>145,812</u>
<u>\$ 171,747</u>	<u>\$ 1,968,534</u>
<u>\$ -</u>	<u>\$ 358</u>
-	358
-	69,206
-	1,467,265
171,747	171,747
-	259,958
<u>171,747</u>	<u>1,968,176</u>
<u>\$ 171,747</u>	<u>\$ 1,968,534</u>

**City of West University Place, Texas**

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Fiscal Year Ended December 31, 2019

	Parks	Friends of the Parks	Tree Replacement	Court Technology/ Security
<b>REVENUES</b>				
Permits, licenses, and fees	\$ -	\$ -	\$ 23,713	\$ -
Fines and forfeitures	-	-	-	17,492
Intergovernmental	-	-	-	-
Contributions	48,130	574,427	-	-
Investment earnings	2,287	8,358	6,262	1,510
Other revenues	1,029	59	-	-
<b>Total revenues</b>	<b>51,446</b>	<b>582,844</b>	<b>29,975</b>	<b>19,002</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	6,750
Public works	-	-	50,362	-
Public services	72,474	316,239	-	-
Capital outlay	240,211	-	-	-
<b>Total expenditures</b>	<b>312,685</b>	<b>316,239</b>	<b>50,362</b>	<b>6,750</b>
Excess (deficiency) of revenues over (under) expenditures	(261,239)	266,605	(20,387)	12,252
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	242,654	-	-	-
Transfers out	-	(242,654)	-	-
<b>Total other financing sources (uses)</b>	<b>242,654</b>	<b>(242,654)</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(18,585)	23,951	(20,387)	12,252
Fund balances, beginning of year	109,869	1,352,030	280,345	56,954
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 91,284</b>	<b>\$ 1,375,981</b>	<b>\$ 259,958</b>	<b>\$ 69,206</b>

METRO	Total Nonmajor Governmental Funds
\$ -	\$ 23,713
-	17,492
650,382	650,382
-	622,557
213	18,630
-	1,088
<u>650,595</u>	<u>1,333,862</u>
-	6,750
-	50,362
-	388,713
<u>-</u>	<u>240,211</u>
<u>-</u>	<u>686,036</u>
650,595	647,826
-	242,654
<u>(600,000)</u>	<u>(842,654)</u>
<u>(600,000)</u>	<u>(600,000)</u>
50,595	47,826
<u>121,152</u>	<u>1,920,350</u>
<u>\$ 171,747</u>	<u>\$ 1,968,176</u>

## City of West University Place, Texas

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
Nonmajor Special Revenue Funds – Parks Fund  
For the Fiscal Year Ended December 31, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Contributions	\$ 45,500	\$ 45,500	\$ 48,130	\$ 2,630
Investment earnings	1,400	1,400	2,287	887
Other revenues	-	88,000	243,683 *	155,683
Total revenues	46,900	134,900	294,100	159,200
<b>EXPENDITURES</b>				
Current:				
Public services	77,200	77,200	72,474	4,726
Capital outlay	-	88,000	240,211	(152,211)
Total expenditures	77,200	165,200	312,685	(147,485)
Net change in fund balance	(30,300)	(30,300)	(18,585)	11,715
Fund balance, beginning of year	109,869	109,869	109,869	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 79,569</b>	<b>\$ 79,569</b>	<b>\$ 91,284</b>	<b>\$ 11,715</b>

\* Budget is prepared on a basis consistent with GAAP with the exception of GAAP-basis transfers which are reported as other revenues for budgetary purposes.

**City of West University Place, Texas**

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Funds – Tree Replacement Fund

For the Fiscal Year Ended December 31, 2019

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Permits, licenses, and fees	\$ 30,000	\$ 30,000	\$ 23,713	\$ (6,287)
Investment earnings	3,800	3,800	6,262	2,462
Total revenues	33,800	33,800	29,975	(3,825)
<b>EXPENDITURES</b>				
Current:				
Public works	35,000	35,000	50,362	(15,362)
Total expenditures	35,000	35,000	50,362	(15,362)
Net change in fund balance	(1,200)	(1,200)	(20,387)	(19,187)
Fund balance, beginning of year	280,345	280,345	280,345	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 279,145</b>	<b>\$ 279,145</b>	<b>\$ 259,958</b>	<b>\$ (19,187)</b>

**City of West University Place, Texas**

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Funds – Court Technology/Security Fund

For the Fiscal Year Ended December 31, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 9,500	\$ 9,500	\$ 17,492	\$ 7,992
Investment earnings	600	600	1,510	910
Total revenues	10,100	10,100	19,002	8,902
<b>EXPENDITURES</b>				
Current:				
General government	8,750	8,750	6,750	2,000
Total expenditures	8,750	8,750	6,750	2,000
Net change in fund balance	1,350	1,350	12,252	10,902
Fund balance, beginning of year	56,954	56,954	56,954	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 58,304</b>	<b>\$ 58,304</b>	<b>\$ 69,206</b>	<b>\$ 10,902</b>

**City of West University Place, Texas**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual  
 Nonmajor Special Revenue Funds – METRO Fund  
 For the Fiscal Year Ended December 31, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 555,500	\$ 555,500	\$ 650,382	\$ 94,882
Investment earnings	1,800	1,800	213	(1,587)
Total revenues	557,300	557,300	650,595	93,295
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(600,000)	(600,000)	(600,000)	-
Total other financing sources (uses)	(600,000)	(600,000)	(600,000)	-
Net change in fund balance	(42,700)	(42,700)	50,595	93,295
Fund balance, beginning of year	121,152	121,152	121,152	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 78,452</b>	<b>\$ 78,452</b>	<b>\$ 171,747</b>	<b>\$ 93,295</b>

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## City of West University Place, Texas

Internal Service Funds

December 31, 2019

### Internal Service Funds

**Internal Service Funds** are used to account for the financing of goods or services provided by one department to other departments of the City and to other governmental units, on a cost reimbursement basis.

The **Vehicle Replacement Fund** is used to account for and report vehicle replacement and maintenance services to departments or agencies of the City on a cost reimbursement basis.

The **Equipment Replacement Fund** is used to account for and report equipment replacement and maintenance services to departments or agencies of the City on a cost reimbursement basis.

The **Employee Benefits Fund** is used to account for and report the costs associated with healthcare benefits to departments or agencies of the City on a cost reimbursement basis, as well as costs associated with retired and separated employees.

The **Technology Management Fund** is used to account for and report the costs associated with technology management services to departments or agencies of the City on a cost reimbursement basis.

**City of West University Place, Texas**  
Combining Statement of Net Position  
Internal Service Funds  
December 31, 2019

	<u>Vehicle Replacement</u>	<u>Equipment Replacement</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,456,578	\$ 1,268,762
Investments	1,486,535	1,294,857
Due from other funds	-	-
Prepays	-	-
	<hr/>	<hr/>
Total current assets	2,943,113	2,563,619
Noncurrent assets:		
Capital assets:		
Machinery and equipment	3,505,854	784,770
Less: accumulated depreciation	<u>(2,460,218)</u>	<u>(150,754)</u>
	<hr/>	<hr/>
Total capital assets (net of accumulated depreciation)	1,045,636	634,016
	<hr/>	<hr/>
Total noncurrent assets	1,045,636	634,016
	<hr/>	<hr/>
Total assets	3,988,749	3,197,635
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows - pension	-	-
Deferred outflows - other postemployment benefits	-	-
	<hr/>	<hr/>
Total deferred outflows of resources	-	-
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	65,210	-
Due to other funds	-	-
Compensated absences	-	-
	<hr/>	<hr/>
Total current liabilities	65,210	-
Noncurrent liabilities:		
Net pension liability	-	-
Other postemployment benefits liability	-	-
	<hr/>	<hr/>
Total noncurrent liabilities	-	-
	<hr/>	<hr/>
Total liabilities	65,210	-
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - pension	-	-
Deferred inflows - other postemployment benefits	-	-
	<hr/>	<hr/>
Total deferred inflows of resources	-	-
<b>NET POSITION</b>		
Net investment in capital assets	1,045,636	634,016
Unrestricted	<u>2,877,903</u>	<u>2,563,619</u>
	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<u>\$ 3,923,539</u>	<u>\$ 3,197,635</u>

<u>Employee Benefits</u>	<u>Technology Management</u>	<u>Total Internal Service Funds</u>
\$ 688,671	\$ 261,957	\$ 3,675,968
700,284	267,344	3,749,020
64,002	-	64,002
202,945	94,884	297,829
<hr/>	<hr/>	<hr/>
1,655,902	624,185	7,786,819
-	433,653	4,724,277
-	(357,781)	(2,968,753)
<hr/>	<hr/>	<hr/>
-	75,872	1,755,524
<hr/>	<hr/>	<hr/>
-	75,872	1,755,524
<hr/>	<hr/>	<hr/>
1,655,902	700,057	9,542,343
-	172,673	172,673
-	14,936	14,936
<hr/>	<hr/>	<hr/>
-	187,609	187,609
24,433	35,455	125,098
-	2,707	2,707
-	18,336	18,336
<hr/>	<hr/>	<hr/>
24,433	56,498	146,141
-	426,679	426,679
-	212,308	212,308
<hr/>	<hr/>	<hr/>
-	638,987	638,987
<hr/>	<hr/>	<hr/>
24,433	695,485	785,128
-	1,679	1,679
-	8,030	8,030
<hr/>	<hr/>	<hr/>
-	9,709	9,709
-	75,872	1,755,524
1,631,469	106,600	7,179,591
<hr/>	<hr/>	<hr/>
<u>\$ 1,631,469</u>	<u>\$ 182,472</u>	<u>\$ 8,935,115</u>

**City of West University Place, Texas**  
Combining Statement of Revenues, Expenses,  
and Changes in Net Position  
Internal Service Funds  
For the Fiscal Year Ended December 31, 2019

	<u>Vehicle Replacement</u>	<u>Equipment Replacement</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 648,300	\$ 575,400
Other revenues	36,693	4,908
	<hr/>	<hr/>
Total operating revenues	684,993	580,308
<b>OPERATING EXPENSES</b>		
Costs of sales and services	-	-
Personnel	-	-
Repairs and maintenance	38,897	7,841
Depreciation	213,520	72,405
	<hr/>	<hr/>
Total operating expenses	252,417	80,246
Operating income	432,576	500,062
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings	66,044	55,530
Gain on sale of capital assets	15,850	1,875
	<hr/>	<hr/>
Total nonoperating revenues (expenses)	81,894	57,405
Change in net position	514,470	557,467
Net position - beginning	3,409,069	2,640,168
	<hr/>	<hr/>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 3,923,539</u>	<u>\$ 3,197,635</u>

<u>Employee Benefits</u>	<u>Technology Management</u>	<u>Total Internal Service Funds</u>
\$ 2,354,682	\$ 1,617,100	\$ 5,195,482
-	651	42,252
<hr/>	<hr/>	<hr/>
2,354,682	1,617,751	5,237,734
2,290,038	873,581	3,163,619
-	616,471	616,471
-	34,936	81,674
-	36,625	322,550
<hr/>	<hr/>	<hr/>
2,290,038	1,561,613	4,184,314
64,644	56,138	1,053,420
30,895	10,494	162,963
-	-	17,725
<hr/>	<hr/>	<hr/>
30,895	10,494	180,688
95,539	66,632	1,234,108
1,535,930	115,840	7,701,007
<hr/>	<hr/>	<hr/>
\$ 1,631,469	\$ 182,472	\$ 8,935,115

**City of West University Place, Texas**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2019

	<u>Vehicle Replacement</u>	<u>Equipment Replacement</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers and users	\$ 36,693	\$ 4,908
Cash received from interfund charges for services	648,300	575,400
Cash payments to suppliers	(38,897)	(324,911)
Cash payments to employees	-	-
	<hr/>	<hr/>
Net cash provided by operating activities	646,096	255,397
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(406,852)	(196,382)
Proceeds from sale of capital assets	15,850	1,875
	<hr/>	<hr/>
Net cash used for capital and related financing activities	(391,002)	(194,507)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase) sale of investments, net	(131,377)	(30,032)
Interest on investments	66,044	55,530
	<hr/>	<hr/>
Net cash provided by (used for) investing activities	(65,333)	25,498
Net increase in cash and cash equivalents	189,761	86,388
Cash and cash equivalents, beginning balance	1,266,817	1,182,374
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS, ENDING BALANCE</b>	<u>\$ 1,456,578</u>	<u>\$ 1,268,762</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 432,576	\$ 500,062
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	213,520	72,405
Changes in assets, liabilities and related deferrals:		
(Increase) decrease in assets and deferred outflows:		
Receivables, net of allowances	-	-
Due from other funds	-	-
Prepays	-	-
Deferred outflows - pension	-	-
Deferred outflows - other postemployment benefits	-	-
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable and accrued liabilities	-	(317,070)
Due to other funds	-	-
Compensated absences	-	-
Net pension liability	-	-
Other postemployment benefits liability	-	-
Deferred inflows - pension	-	-
Deferred inflows - other postemployment benefits	-	-
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 646,096</u>	<u>\$ 255,397</u>

<u>Employee Benefits</u>	<u>Technology Management</u>	<u>Total Internal Service Funds</u>
\$ -	\$ 651	\$ 42,252
2,365,586	1,618,706	5,207,992
(2,273,916)	(872,118)	(3,509,842)
-	(604,014)	(604,014)
<hr/>	<hr/>	<hr/>
91,670	143,225	1,136,388
-	(18,780)	(622,014)
-	-	17,725
<hr/>	<hr/>	<hr/>
-	(18,780)	(604,289)
(47,047)	(63,520)	(271,976)
30,895	10,494	162,963
<hr/>	<hr/>	<hr/>
(16,152)	(53,026)	(109,013)
75,518	71,419	423,086
613,153	190,538	3,252,882
<hr/>	<hr/>	<hr/>
<b>\$ 688,671</b>	<b>\$ 261,957</b>	<b>\$ 3,675,968</b>
<hr/>	<hr/>	<hr/>
\$ 64,644	\$ 56,138	\$ 1,053,420
-	36,625	322,550
-	1,606	1,606
10,904	-	10,904
28,318	42,560	70,878
-	(97,150)	(97,150)
-	2,012	2,012
(12,196)	(5,159)	(334,425)
-	(1,002)	(1,002)
-	(61,116)	(61,116)
-	209,855	209,855
-	3,792	3,792
-	(52,966)	(52,966)
-	8,030	8,030
<hr/>	<hr/>	<hr/>
<b>\$ 91,670</b>	<b>\$ 143,225</b>	<b>\$ 1,136,388</b>

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# Statistical Section

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**Statistical Section  
(Unaudited)**

This part of the City's comprehensive annual 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.

**Page**

**Financial Trends – Schedules 1-4**

105

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 – Schedules 5-9**

115

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

**Debt Capacity – Schedules 10-14**

125

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 – Schedules 15-16**

135

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 – Schedules 17-19**

138

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 West University Place, Texas**  
**Net Position by Component**  
**Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017*</u>	<u>2016</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 57,517,577	\$ 54,149,042	\$ 48,398,572	\$ 42,663,233
Restricted	2,997,088	2,869,031	3,030,359	2,543,238
Unrestricted	14,145,667	9,048,261	6,074,327	7,093,032
<b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<u>\$ 74,660,332</u>	<u>\$ 66,066,334</u>	<u>\$ 57,503,258</u>	<u>\$ 52,299,503</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 17,377,397	\$ 18,646,517	\$ 20,050,471	\$ 21,128,592
Restricted	-	-	-	-
Unrestricted	4,117,325	3,262,797	2,049,800	2,207,920
<b>TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<u>\$ 21,494,722</u>	<u>\$ 21,909,314</u>	<u>\$ 22,100,271</u>	<u>\$ 23,336,512</u>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 74,894,974	\$ 72,795,559	\$ 68,449,043	\$ 63,791,825
Restricted	2,997,088	2,869,031	3,030,359	2,543,238
Unrestricted	18,262,992	12,311,058	8,124,127	9,300,952
<b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>	<u>\$ 96,155,054</u>	<u>\$ 87,975,648</u>	<u>\$ 79,603,529</u>	<u>\$ 75,636,015</u>

\*Restated balances

# Schedule 1

2015*	2014*	2013	2012*	2011*	2010
\$ 41,205,468	\$ 38,347,094	\$ 34,881,486	\$ 31,464,253	\$ 30,510,547	\$ 25,112,652
2,246,833	1,580,648	2,197,619	2,260,764	1,315,036	1,977,589
6,835,390	4,384,210	2,782,110	1,987,281	872,283	5,341,671
<u>\$ 50,287,691</u>	<u>\$ 44,311,952</u>	<u>\$ 39,861,215</u>	<u>\$ 35,712,298</u>	<u>\$ 32,697,866</u>	<u>\$ 32,431,912</u>
\$ 19,314,692	\$ 20,173,279	\$ 20,285,944	\$ 21,320,705	\$ 21,612,826	\$ 22,196,178
725,000	695,000	675,000	645,000	720,000	785,000
810,299	3,029,424	4,634,652	3,965,913	4,000,276	2,343,524
<u>\$ 20,849,991</u>	<u>\$ 23,897,703</u>	<u>\$ 25,595,596</u>	<u>\$ 25,931,618</u>	<u>\$ 26,333,102</u>	<u>\$ 25,324,702</u>
\$ 60,520,160	\$ 58,520,373	\$ 55,167,430	\$ 52,784,958	\$ 52,123,373	\$ 47,308,830
2,971,833	2,275,648	2,872,619	2,905,764	2,035,036	2,762,589
7,645,689	7,413,634	7,416,762	5,953,194	4,872,559	7,685,195
<u>\$ 71,137,682</u>	<u>\$ 68,209,655</u>	<u>\$ 65,456,811</u>	<u>\$ 61,643,916</u>	<u>\$ 59,030,968</u>	<u>\$ 57,756,614</u>

**City of West University Place, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>EXPENSES</b>				
Governmental activities:				
General government	\$ 4,197,072	\$ 3,805,870	\$ 3,880,070	\$ 3,871,442
Public safety	8,400,062	8,172,672	8,090,377	7,563,086
Public works	4,747,662	4,628,774	4,872,132	4,603,321
Public services	5,178,811	4,616,244	4,527,049	4,518,987
Interest and fiscal agent fees on long-term debt	1,266,808	1,354,716	1,496,068	1,767,154
Total governmental activities expenses	<u>23,790,415</u>	<u>22,578,276</u>	<u>22,865,696</u>	<u>22,323,990</u>
Business-type activities:				
Water and sewer	6,238,797	5,966,645	6,125,682	6,582,306
Solid waste	1,380,365	1,322,894	1,392,583	1,277,986
Total business-type activities expenses	<u>7,619,162</u>	<u>7,289,539</u>	<u>7,518,265</u>	<u>7,860,292</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 31,409,577</u></b>	<b><u>\$ 29,867,815</u></b>	<b><u>\$ 30,383,961</u></b>	<b><u>\$ 30,184,282</u></b>
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services:				
Public safety	\$ 1,248,210	\$ 1,402,809	\$ 174,386	\$ 142,624
Public works	981,741	913,079	588,353	555,453
Public services	2,409,440	1,918,415	2,959,471	2,638,584
Operating grants and contributions	1,992,389	1,647,584	1,278,517	546,599
Capital grants and contributions	-	-	1,600,000	579,630
Total governmental activities program revenues	<u>6,631,780</u>	<u>5,881,887</u>	<u>6,600,727</u>	<u>4,462,890</u>
Business-type activities:				
Charges for services:				
Water and sewer	8,094,209	7,900,773	7,544,895	7,172,469
Solid waste	1,732,201	1,750,775	1,782,041	1,821,191
Operating grants and contributions	46,835	74,545	-	-
Capital grants and contributions	-	-	67,892	-
Total business-type activities program revenues	<u>9,873,245</u>	<u>9,726,093</u>	<u>9,394,828</u>	<u>8,993,660</u>
<b>TOTAL PROGRAM REVENUES</b>	<b><u>\$ 16,505,025</u></b>	<b><u>\$ 15,607,980</u></b>	<b><u>\$ 15,995,555</u></b>	<b><u>\$ 13,456,550</u></b>
<b>NET (EXPENSE)/REVENUE</b>				
Governmental activities	\$ (17,158,635)	\$ (16,696,389)	\$ (16,264,969)	\$ (17,861,100)
Business-type activities	<u>2,254,083</u>	<u>2,436,554</u>	<u>1,876,563</u>	<u>1,133,368</u>
<b>TOTAL NET EXPENSE</b>	<b><u>\$ (14,904,552)</u></b>	<b><u>\$ (14,259,835)</u></b>	<b><u>\$ (14,388,406)</u></b>	<b><u>\$ (16,727,732)</u></b>

2015	2014	2013	2012	2011	2010
\$ 3,948,145	\$ 3,811,192	\$ 3,049,656	\$ 3,208,930	\$ 2,785,502	\$ 3,150,380
6,773,509	6,176,586	6,515,194	6,211,784	5,870,061	6,287,887
4,009,850	3,693,099	3,944,561	4,240,301	5,176,660	4,549,951
4,560,152	4,741,209	4,433,865	4,158,008	3,858,501	2,734,441
1,765,809	1,986,301	2,178,324	2,633,700	3,351,762	3,453,311
21,057,465	20,408,387	20,121,600	20,452,723	21,042,486	20,175,970
8,150,632	6,918,092	6,092,231	6,409,131	6,927,509	5,415,974
1,221,960	1,225,806	1,376,583	1,427,997	1,322,082	1,111,560
9,372,592	8,143,898	7,468,814	7,837,128	8,249,591	6,527,534
<u>\$ 30,430,057</u>	<u>\$ 28,552,285</u>	<u>\$ 27,590,414</u>	<u>\$ 28,289,851</u>	<u>\$ 29,292,077</u>	<u>\$ 26,703,504</u>
\$ 198,840	\$ 187,347	\$ 1,009,760	\$ 818,182	\$ 743,486	\$ 734,150
665,089	711,155	-	-	-	-
2,607,192	2,448,489	2,264,753	2,160,728	1,785,518	1,656,098
558,668	145,819	259,000	300,048	259,000	263,780
554,244	647,940	454,115	604,758	360,741	369,316
4,584,033	4,140,750	3,987,628	3,883,716	3,148,745	3,023,344
6,986,297	6,868,133	7,623,233	7,777,386	8,986,444	5,917,931
1,411,699	1,513,870	1,443,125	1,512,079	1,787,636	1,486,413
-	-	-	-	-	-
-	-	-	-	-	-
8,397,996	8,382,003	9,066,358	9,289,465	10,774,080	7,404,344
<u>\$ 12,982,029</u>	<u>\$ 12,522,753</u>	<u>\$ 13,053,986</u>	<u>\$ 13,173,181</u>	<u>\$ 13,922,825</u>	<u>\$ 10,427,688</u>
\$ (16,473,432)	\$ (16,267,637)	\$ (16,133,972)	\$ (16,569,007)	\$ (17,893,741)	\$ (17,152,626)
(974,596)	238,105	1,597,544	1,452,337	2,524,489	876,810
<u>\$ (17,448,028)</u>	<u>\$ (16,029,532)</u>	<u>\$ (14,536,428)</u>	<u>\$ (15,116,670)</u>	<u>\$ (15,369,252)</u>	<u>\$ (16,275,816)</u>

**City of West University Place, Texas**  
**Changes in Net Position - Continued**  
**Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities:				
Taxes:				
Ad valorem taxes, levied for general purposes	\$ 11,903,540	\$ 11,692,751	\$ 10,907,681	\$ 9,994,947
Ad valorem taxes, levied for debt service	7,702,255	7,611,305	7,707,172	8,111,959
Sales taxes	1,300,764	1,172,256	1,064,672	1,051,361
Franchise and local taxes	1,093,925	1,128,060	1,159,730	1,144,256
Other taxes	11,219	13,528	14,330	15,955
Investment earnings	646,955	432,447	122,556	116,798
Other revenues	321,553	528,572	455,033	735,113
Gain on sale of capital assets	16,384	-	-	40,279
Loss on sale of asset held for resale	-	-	-	-
Transfers	2,756,038	2,680,546	2,798,454	(1,337,756)
	<u>25,752,633</u>	<u>25,259,465</u>	<u>24,229,628</u>	<u>19,872,912</u>
Total governmental activities				
Business-type activities:				
Investment earnings	85,075	40,370	17,706	15,397
Other revenues	2,288	12,665	-	-
Gain on disposal of capital assets	-	-	-	-
Transfers	(2,756,038)	(2,680,546)	(2,798,454)	1,337,756
	<u>(2,668,675)</u>	<u>(2,627,511)</u>	<u>(2,780,748)</u>	<u>1,353,153</u>
Total business-type activities				
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 23,083,958</u>	<u>\$ 22,631,954</u>	<u>\$ 21,448,880</u>	<u>\$ 21,226,065</u>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 8,593,998	\$ 8,563,076	\$ 7,964,659	\$ 2,011,812
Business-type activities	(414,592)	(190,957)	(904,185)	2,486,521
<b>TOTAL NET EXPENSE</b>	<u>\$ 8,179,406</u>	<u>\$ 8,372,119</u>	<u>\$ 7,060,474</u>	<u>\$ 4,498,333</u>

	2015	2014	2013	2012	2011	2010
\$	9,360,277	\$ 8,605,582	\$ 8,087,360	\$ 7,527,047	\$ 7,962,210	\$ 8,004,202
	8,144,274	7,791,467	7,733,658	7,713,377	7,360,224	7,098,065
	1,117,336	1,051,890	957,658	1,003,897	997,318	1,050,079
	1,204,795	1,214,227	1,170,448	1,142,265	1,148,390	1,207,429
	17,625	15,713	11,546	9,685	8,994	11,144
	89,970	60,784	35,087	27,270	33,333	73,035
	398,199	503,889	320,123	286,619	347,242	424,381
	24,076	21,354	23,909	427	10,686	32,466
	-	-	-	(68,150)	-	-
	1,943,800	1,740,504	1,943,100	1,861,848	1,517,223	(4,190,838)
	22,300,352	21,005,410	20,282,889	19,504,285	19,385,620	13,709,963
	15,515	17,823	9,534	8,027	8,369	7,833
	-	-	-	-	-	-
	3,988	-	-	-	-	-
	(1,943,800)	(1,740,504)	(1,943,100)	(1,861,848)	(1,517,223)	4,190,838
	(1,924,297)	(1,722,681)	(1,933,566)	(1,853,821)	(1,508,854)	4,198,671
\$	20,376,055	\$ 19,282,729	\$ 18,349,323	\$ 17,650,464	\$ 17,876,766	\$ 17,908,634
\$	5,826,920	\$ 4,737,773	\$ 4,148,917	\$ 2,935,278	\$ 1,491,879	\$ (3,442,663)
	(2,898,893)	(1,484,576)	(336,022)	(401,484)	1,015,635	5,075,481
\$	2,928,027	\$ 3,253,197	\$ 3,812,895	\$ 2,533,794	\$ 2,507,514	\$ 1,632,818

**City of West University Place, Texas**  
**Fund Balances, Governmental Funds <sup>(1)</sup>**  
**Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>GENERAL FUND</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	180,424	189,376	184,871	180,188
Restricted	332,455	303,424	273,462	239,760
Assigned	104,773	118,377	119,000	210,000
Unassigned	9,279,646	7,622,781	5,642,997	5,307,930
<b>TOTAL GENERAL FUND</b>	<u>\$ 9,897,298</u>	<u>\$ 8,233,958</u>	<u>\$ 6,220,330</u>	<u>\$ 5,937,878</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Capital projects funds	-	-	-	-
Special revenue funds	-	-	-	-
Nonspendable	-	-	-	1,600
Restricted	2,884,597	2,788,641	2,756,897	2,303,478
Assigned	6,406,418	2,915,694	2,622,516	1,879,507
Unassigned	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<u>\$ 9,291,015</u>	<u>\$ 5,704,335</u>	<u>\$ 5,379,413</u>	<u>\$ 4,184,585</u>

\*Restated balances

(1) GASB Statement No. 54 was implemented in 2011; therefore the years 2011 - 2019 are presented under GASB 54. The fiscal year 2010 data was not restated for GASB 54 presentation.

Schedule 3

2015	2014	2013	2012*	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 561,038
-	-	-	-	-	3,107,736
171,887	170,933	157,515	134,564	130,265	-
202,862	163,999	127,437	95,322	410,238	-
210,000	210,000	210,000	210,000	-	-
6,539,935	5,351,558	4,181,880	3,823,951	3,538,757	-
<u>\$ 7,124,684</u>	<u>\$ 5,896,490</u>	<u>\$ 4,676,832</u>	<u>\$ 4,263,837</u>	<u>\$ 4,079,260</u>	<u>\$ 3,668,774</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,639,115
-	-	-	-	-	4,128,598
-	-	-	-	-	(20,470)
2,372	2,372	2,372	2,372	2,372	-
2,086,904	1,416,649	2,070,182	2,244,596	1,890,177	-
1,241,519	900,045	1,215,634	734,460	528,575	-
-	-	(19,982)	(20,161)	(20,343)	-
<u>\$ 3,330,795</u>	<u>\$ 2,319,066</u>	<u>\$ 3,268,206</u>	<u>\$ 2,961,267</u>	<u>\$ 2,400,781</u>	<u>\$ 5,747,243</u>

**City of West University Place, Texas**  
**Changes In Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>				
Taxes	\$ 21,958,275	\$ 21,554,808	\$ 20,832,729	\$ 20,263,796
Permits, licenses, and fees	751,301	712,094	588,353	555,453
Fines and forfeitures	284,153	232,698	174,386	142,624
Charges for services	3,569,378	3,038,733	2,959,471	2,638,584
Intergovernmental	1,186,605	871,088	532,336	546,599
Contributions	622,557	661,479	746,181	579,630
Investment earnings	483,992	330,931	80,160	101,841
Other revenue	321,553	525,597	441,874	735,113
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	29,177,814	27,927,428	26,355,490	25,563,640
<b>EXPENDITURES</b>				
General government	3,673,780	3,333,498	3,500,020	3,458,898
Public safety	8,103,931	8,155,677	8,072,917	7,626,200
Public works	3,031,327	3,019,779	3,224,684	3,023,532
Public services	4,459,780	4,000,979	3,870,475	4,231,959
Capital outlay	3,081,002	949,158	100,259	332,992
Debt service:			-	
Principal	7,910,000	7,770,000	7,485,000	7,370,000
Interest	926,095	1,070,033	1,426,468	1,544,984
Bond issuance costs	97,968	-	82,050	43,923
Payment to refunded bond escrow agent	-	-	-	71,785
Advance refunding escrow	-	-	-	30,903
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	31,283,883	28,299,124	27,761,873	27,735,176
Excess (deficiency) of revenues over (under) expenditures	(2,106,069)	(371,696)	(1,406,383)	(2,171,536)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,690,393	3,957,584	3,998,454	3,033,063
Transfers out	(934,355)	(1,247,338)	(1,200,000)	(4,370,819)
Issuance of debt	4,040,000	-	9,965,000	3,170,000
Premium on debt issued	559,845	-	-	-
Payment to refunded bond escrow agent	-	-	(9,881,593)	-
Sale of capital assets	206	-	1,802	6,276
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	7,356,089	2,710,246	2,883,663	1,838,520
<b>NET CHANGE IN FUND BALANCE</b>	<hr/> <b>\$ 5,250,020</b>	<hr/> <b>\$ 2,338,550</b>	<hr/> <b>\$ 1,477,280</b>	<hr/> <b>\$ (333,016)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	31.38%	32.33%	34.56%	33.02%

\*Restated balances

## Schedule 4

	2015	2014	2013	2012*	2011	2010
\$	19,797,518	\$ 18,668,734	\$ 17,934,252	\$ 17,380,393	\$ 17,469,999	\$ 17,362,337
	665,089	711,155	796,562	609,037	467,123	461,419
	198,840	187,347	213,198	209,145	276,363	272,731
	2,607,192	2,448,489	2,264,753	2,160,728	1,785,518	1,656,098
	558,668	145,819	259,000	300,048	259,000	263,780
	554,244	647,940	454,115	604,758	360,741	369,316
	81,707	55,079	31,760	25,035	31,575	71,447
	398,199	503,889	320,123	218,469	347,242	394,071
	<u>24,861,457</u>	<u>23,368,452</u>	<u>22,273,763</u>	<u>21,507,613</u>	<u>20,997,561</u>	<u>20,851,199</u>
	3,495,513	3,298,890	2,582,560	2,427,755	2,678,292	2,919,174
	7,012,054	6,271,557	6,617,056	5,615,673	5,492,793	5,956,779
	2,473,106	2,262,843	2,596,798	2,628,156	2,504,438	2,586,314
	3,237,909	3,219,455	3,043,191	2,402,878	2,336,591	2,127,336
	236,947	1,886,749	209,284	214,662	4,244,191	10,645,694
	6,420,000	6,190,000	5,605,000	5,305,000	4,671,167	3,903,250
	1,690,655	1,906,944	2,320,806	3,015,941	3,437,756	3,214,201
	-	-	217,067	-	141,802	419,931
	-	-	-	-	-	-
	-	-	350,000	100,000	-	-
	<u>24,566,184</u>	<u>25,036,438</u>	<u>23,541,762</u>	<u>21,710,065</u>	<u>25,507,030</u>	<u>31,772,679</u>
	295,273	(1,667,986)	(1,267,999)	(202,452)	(4,509,469)	(10,921,480)
	2,539,463	2,964,128	2,789,897	2,127,938	3,090,405	2,017,451
	(595,663)	(1,025,624)	(1,010,591)	(1,419,885)	(2,542,851)	(1,350,702)
	-	-	16,360,000	8,555,000	5,700,000	24,630,000
	-	-	-	282,219	191,134	859,692
	-	-	(16,151,373)	(8,676,911)	(4,868,423)	(11,546,886)
	850	-	-	-	3,228	32,466
	<u>1,944,650</u>	<u>1,938,504</u>	<u>1,987,933</u>	<u>868,361</u>	<u>1,573,493</u>	<u>14,642,021</u>
\$	<u>2,239,923</u>	<u>\$ 270,518</u>	<u>\$ 719,934</u>	<u>\$ 665,909</u>	<u>\$ (2,935,976)</u>	<u>\$ 3,720,541</u>
	33.16%	34.88%	33.97%	38.71%	38.14%	33.69%

# City of West University Place, Texas

## Tax Revenues by Source

### Governmental Funds

#### Last Ten Fiscal Years

<u>Function</u>	<u>Change 2018-2019</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Ad valorem	1.6%	\$ 19,552,367	\$ 19,240,964	\$ 18,593,997	\$ 18,052,224
Sales	11.0%	1,300,764	1,172,256	1,064,672	1,051,361
Franchise	-3.0%	1,093,925	1,128,060	1,159,730	1,144,256
Other taxes	-17.1%	11,219	13,528	14,330	15,955
<b>TOTAL</b>	<b>1.9%</b>	<b>\$ 21,958,275</b>	<b>\$ 21,554,808</b>	<b>\$ 20,832,729</b>	<b>\$ 20,263,796</b>

Schedule 5

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	17,457,762	\$ 16,386,904	\$ 15,794,600	\$ 15,224,546	\$ 15,315,297	\$ 15,093,685
	1,117,336	1,051,890	957,658	1,003,897	997,318	1,050,079
	1,204,795	1,214,227	1,170,448	1,142,265	1,148,390	1,207,429
	17,625	15,713	11,546	9,685	8,994	11,144
	<u>19,797,518</u>	<u>18,668,734</u>	<u>17,934,252</u>	<u>17,380,393</u>	<u>17,469,999</u>	<u>17,362,337</u>

**City of West University Place, Texas**  
 Assessed Value and Actual Value  
 Of Taxable Property  
 Last Ten Fiscal Years <sup>(2)</sup>

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Residential property	\$ 6,189,403,563	\$ 6,181,792,257	\$ 5,880,687,603	\$ 5,578,375,329
Commercial property	121,621,384	315,402,455	305,286,953	314,619,442
Less: Tax exempt property	<u>(263,227,329)</u>	<u>(455,549,934)</u>	<u>(434,734,202)</u>	<u>(449,141,214)</u>
<b>TOTAL TAXABLE ASSESSED VALUE <sup>(1)</sup></b>	<b><u>\$ 6,047,797,618</u></b>	<b><u>\$ 6,041,644,778</u></b>	<b><u>\$ 5,751,240,354</u></b>	<b><u>\$ 5,443,853,557</u></b>
<b>TOTAL DIRECT TAX RATE</b>	0.31680	0.31680	0.31680	0.33179

Source: Harris County Certified / Uncertified Tax Roll

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

(2) Tax information was adjusted during fiscal year 2014 to reflect tax year assessed valuations.

## Schedule 6

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 4,943,195,212	\$ 4,497,103,352	\$ 4,335,656,103	\$ 4,106,994,971	\$ 4,173,451,521	\$ 4,287,201,794
259,878,387	219,273,264	205,183,728	278,070,080	203,444,929	125,992,897
<u>(386,360,932)</u>	<u>(340,252,719)</u>	<u>(323,044,475)</u>	<u>(325,525,373)</u>	<u>(296,685,633)</u>	<u>(158,978,494)</u>
<u>\$ 4,816,712,667</u>	<u>\$ 4,376,123,897</u>	<u>\$ 4,217,795,356</u>	<u>\$ 4,059,539,678</u>	<u>\$ 4,080,210,817</u>	<u>\$ 4,254,216,197</u>
0.36179	0.37400	0.37411	0.37411	0.37411	0.35875

**City of West University Place, Texas**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years <sup>(2)</sup>**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City of West University Place by fund:				
Direct rates:				
General	\$ 0.19277	\$ 0.19214	\$ 0.18557	\$ 0.18321
Debt service	0.12403	0.12466	0.13123	0.14858
	<u>0.31680</u>	<u>0.31680</u>	<u>0.31680</u>	<u>0.33179</u>
Overlapping rates:				
Houston Independent School District	1.13670	1.20670	1.20670	1.19670
Harris County	0.40713	0.41801	0.41656	0.41923
Harris County Flood Control District	0.02792	0.02831	0.02829	0.02733
Port of Houston Authority	0.01074	0.01256	0.01334	0.01342
Harris County Hospital District	0.16591	0.17110	0.17179	0.17000
Harris County Department of Education	0.00500	0.00520	0.00520	0.00542
Houston Community College	0.10026	0.10026	0.10026	0.10194
	<u>0.10026</u>	<u>0.10026</u>	<u>0.10026</u>	<u>0.10194</u>
<b>TOTAL DIRECT AND OVERLAPPING RATES <sup>(1)</sup></b>	<b><u>\$ 2.17046</u></b>	<b><u>\$ 2.25894</u></b>	<b><u>\$ 2.25894</u></b>	<b><u>\$ 2.26583</u></b>

Tax rates per \$100 of assessed valuation  
Source: Harris County Appraisal District

(1) Overlapping rates are those of local and county governments that apply within the City of West University Place.  
(2) Tax information was adjusted during fiscal year 2014 to reflect tax year assessed valuations.

Schedule 7

2015	2014	2013	2012	2011	2010
\$ 0.19356	\$ 0.19631	\$ 0.19125	\$ 0.18475	\$ 0.19443	\$ 0.18893
0.16823	0.17769	0.18286	0.18936	0.17968	0.16982
0.36179	0.37400	0.37411	0.37411	0.37411	0.35875
1.19670	1.18670	1.15670	1.15670	1.15670	1.15670
0.41731	0.41455	0.40021	0.39117	0.38805	0.39224
0.02736	0.02827	0.02809	0.02809	0.29230	0.02922
0.01531	0.01716	0.01952	0.01856	0.02054	0.01636
0.17000	0.17000	0.18216	0.19216	0.19216	0.19216
0.00600	0.00636	0.00662	0.00658	0.00658	0.00605
0.10689	0.09717	0.09717	0.09722	0.09222	0.09222
<u>\$ 2.30136</u>	<u>\$ 2.29421</u>	<u>\$ 2.26458</u>	<u>\$ 2.26459</u>	<u>\$ 2.52266</u>	<u>\$ 2.24370</u>

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City of West University Place, Texas

Principal Property Taxpayers

Current Year and Nine Years Ago

Schedule 8

Property Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
U West Marketplace Association	\$ 11,742,814	1	0.19%	\$ 6,862,497	2	0.16%
Southwestern Bell	9,983,365	2	0.17%	12,549,093	1	0.29%
Retail Fund I Houston Rice	8,531,941	3	0.14%	-	n/a	0.00%
CenterPoint Energy Inc.	6,501,920	4	0.11%	5,204,705	4	0.12%
DKGA / WUC LP	6,285,135	5	0.10%	-	n/a	0.00%
2715 Bissonnet LLC	6,172,292	6	0.10%	-	n/a	0.00%
University Shops Houston LP	5,953,973	7	0.10%	-	n/a	0.00%
Steven J & Susan Kherkher	5,432,730	8	0.09%	-	n/a	0.00%
James M & Donna P Donnell	5,410,655	9	0.09%	-	n/a	0.00%
Timothoy H & Elaine C Day	5,384,210	10	0.09%	-	n/a	0.00%
Bardwell Building Co	-	n/a	0.00%	6,468,341	3	0.15%
5650 Kirby Partnership	-	n/a	0.00%	4,951,376	5	0.12%
Kenneth and Kimberly Alo	-	n/a	0.00%	4,265,855	6	0.10%
Jimmy Williamson	-	n/a	0.00%	4,254,044	7	0.10%
Durga Agrawal	-	n/a	0.00%	4,171,710	8	0.10%
Beltika Llc	-	n/a	0.00%	3,713,443	9	0.09%
Craig A & Patricia Biggio	-	n/a	0.00%	3,504,966	10	0.08%
Subtotal	71,399,035		1.18%	55,946,030		1.32%
Other taxpayers	5,976,398,583		98.82%	4,198,270,167		98.68%
<b>TOTAL</b>	<b>\$ 6,047,797,618</b>		<b>100.00%</b>	<b>\$ 4,254,216,197</b>		<b>100.00%</b>

Source: Harris County Tax Assessor-Collector's records.

**City of West University Place, Texas**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax levy <sup>(1)</sup>	\$ 19,408,200	\$ 19,203,205	\$ 18,580,835	\$ 18,062,162
Current tax collected	19,299,113	19,136,864	18,493,310	17,969,764
Percentage of current tax collections	99.44%	99.65%	99.53%	99.49%
Delinquent tax collections <sup>(2)</sup>	-	27,456	26,405	52,021
<b>TOTAL TAX COLLECTIONS</b>	<b>\$ 19,299,113</b>	<b>\$ 19,164,320</b>	<b>\$ 18,519,715</b>	<b>\$ 18,021,785</b>
<b>TOTAL COLLECTIONS AS A PERCENTAGE OF CURRENT LEVY</b>	<b>99.44%</b>	<b>99.80%</b>	<b>99.67%</b>	<b>99.78%</b>
Outstanding delinquent taxes <sup>(2)</sup>	\$ 109,087	\$ 66,341	\$ 50,677	\$ 45,034
<b>OUTSTANDING DELINQUENT TAXES AS A PERCENTAGE OF LEVY</b>	<b>0.56%</b>	<b>0.35%</b>	<b>0.27%</b>	<b>0.25%</b>

(1) Tax Levy is presented net of cumulative adjustments.

(2) Cumulative collections in years subsequent to the tax year presented and outstanding balance as of the end of the latest fiscal year presented.

## Schedule 9

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	17,426,385	\$ 16,365,976	\$ 15,778,014	\$ 15,193,428	\$ 15,265,103	\$ 15,031,309
	17,335,980	16,287,801	15,705,681	15,123,562	15,197,463	14,977,921
	99.48%	99.52%	99.54%	99.54%	99.56%	99.64%
	<u>57,543</u>	<u>52,978</u>	<u>44,828</u>	<u>42,903</u>	<u>45,706</u>	<u>32,478</u>
\$	<u>17,393,523</u>	\$ <u>16,340,779</u>	\$ <u>15,750,509</u>	\$ <u>15,166,465</u>	\$ <u>15,243,169</u>	\$ <u>15,010,399</u>
	99.81%	99.85%	99.83%	99.82%	99.86%	99.86%
\$	37,115	\$ 27,218	\$ 27,505	\$ 26,963	\$ 21,934	\$ 20,910
	0.21%	0.17%	0.17%	0.18%	0.14%	0.14%

**City of West University Place, Texas**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
General obligation bonds	\$ 25,207,864	\$ 32,972,156	\$ 40,581,448	\$ 43,401,666
Certificates of obligation	10,141,692	5,843,325	6,122,480	10,292,415
Capital leases	-	-	-	-
Subtotal	<u>35,349,556</u>	<u>38,815,481</u>	<u>46,703,928</u>	<u>53,694,081</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Revenue bonds	-	-	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 35,349,556</u>	<u>\$ 38,815,481</u>	<u>\$ 46,703,928</u>	<u>\$ 53,694,081</u>
Personal income <sup>(1)</sup>	-	-	-	-
<b>DEBT AS A PERCENTAGE OF PERSONAL INCOME <sup>(1)</sup></b>	0%	0%	0%	0%
Population	15,676	15,477	15,433	15,516
<b>DEBT PER CAPITA</b>	\$ 2,255	\$ 2,508	\$ 3,026	\$ 3,461

(1) Personal income data is not available.

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

## Schedule 10

	2015	2014	2013	2012	2011	2010
\$	46,904,963	\$ 52,775,550	\$ 58,445,351	\$ 62,271,173	\$ 57,530,495	\$ 61,763,373
	11,113,193	11,898,971	12,654,747	13,154,781	22,218,433	21,643,463
	-	-	-	-	-	102,131
	58,018,156	64,674,521	71,100,098	75,425,954	79,748,928	83,508,967
	3,094,933	3,790,755	4,466,577	5,112,399	5,751,365	6,526,466
\$	61,113,089	\$ 68,465,276	\$ 75,566,675	\$ 80,538,353	\$ 85,500,293	\$ 90,035,433
	-	-	-	-	-	-
	0%	0%	0%	0%	0%	0%
	15,604	15,369	15,221	15,109	14,787	14,787
\$	3,917	\$ 4,455	\$ 4,965	\$ 5,330	\$ 5,782	\$ 6,089

**City of West University Place, Texas**  
 Ratios of Net Bonded Debt to Assessed Value,  
 Net Bonded Debt Per Capita, and Assessed  
 and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>NET TAXABLE ASSESSED VALUE</b>				
All property	\$ 6,047,797,618	\$ 6,041,644,778	\$ 5,751,240,354	\$ 5,443,853,557
<b>NET BONDED DEBT</b>				
Gross bonded debt	\$ 35,349,556	\$ 38,815,481	\$ 46,703,928	\$ 53,694,081
Less: debt service funds	(916,421)	(868,291)	(900,120)	(912,718)
<b>NET BONDED DEBT</b>	<u>\$ 34,433,135</u>	<u>\$ 37,947,190</u>	<u>\$ 45,803,808</u>	<u>\$ 52,781,363</u>
<b>RATIO OF THE NET BONDED DEBT TO ASSESSED VALUE</b>	0.57%	0.63%	0.80%	0.97%
Population	<u>15,676</u>	<u>15,477</u>	<u>15,433</u>	<u>15,516</u>
<b>NET BONDED DEBT PER CAPITA</b>	<u>\$ 2,197</u>	<u>\$ 2,452</u>	<u>\$ 2,968</u>	<u>\$ 3,402</u>

(1) The City's Home Rule Charter (1983), Section 7.07 limits all bonded debt to no more than five percent of the assessed valuation.

Schedule 11

2015	2014	2013	2012	2011	2010
\$ 4,816,712,667	\$ 4,376,123,897	\$ 4,217,795,356	\$ 4,059,539,678	\$ 4,059,539,678	\$ 4,254,216,197
\$ 58,018,156 (566,276)	\$ 64,674,521 (167,039)	\$ 71,100,098 (95,668)	\$ 75,425,954 (276,963)	\$ 79,748,928 (446,094)	\$ 83,406,836 (992,033)
<u>\$ 57,451,880</u>	<u>\$ 64,507,482</u>	<u>\$ 71,004,430</u>	<u>\$ 75,148,991</u>	<u>\$ 79,302,834</u>	<u>\$ 82,414,803</u>
1.19%	1.47%	1.68%	1.85%	1.95%	1.94%
<u>15,604</u>	<u>15,369</u>	<u>15,221</u>	<u>15,109</u>	<u>14,787</u>	<u>14,787</u>
<u>\$ 3,682</u>	<u>\$ 4,197</u>	<u>\$ 4,665</u>	<u>\$ 4,974</u>	<u>\$ 5,363</u>	<u>\$ 5,573</u>

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**City of West University Place, Texas**  
 Direct and Overlapping Governmental Activities Debt  
 December 31, 2019

**Schedule 12**

	<b>Net Bonded Debt Outstanding</b>	<b>Estimated Percentage Applicable <sup>(1)</sup></b>	<b>Estimated Share of Overlapping Debt</b>
<b>DEBT REPAID WITH PROPERTY TAXES</b>			
Governmental Unit:			
Harris County	\$ 1,885,182,125	1.16%	\$ 21,868,113
Harris County Dept of Education	6,320,000	1.16%	73,312
Harris County Flood Control District	83,075,000	1.16%	963,670
Harris County Hospital District	57,300,000	1.16%	664,680
Houston Community College	560,480,000	2.67%	14,964,816
Houston ISD	2,961,695,000	2.97%	87,962,342
Port of Houston Authority	<u>572,569,397</u>	1.16%	<u>6,641,805</u>
Subtotal, overlapping debt	\$ 6,126,621,522		\$ 133,138,738
<b>CITY DIRECT DEBT</b>	<b>\$ 35,349,556</b>	<b>100.00%</b>	<b><u>35,349,556</u></b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b><u>\$ 168,488,294</u></b>

Source: Municipal Advisory Council of Texas

(1) Estimated percentage applicable obtained from Municipal Advisory Council of Texas. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the City's boundaries and dividing it by the City's total taxable assessed value.

**City of West University Place, Texas**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt limit	\$ 302,389,881	\$ 302,082,239	\$ 287,562,018	\$ 272,192,678
Total net debt applicable to limit	<u>35,349,556</u>	<u>37,947,190</u>	<u>45,803,808</u>	<u>52,781,363</u>
<b>LEGAL DEBT MARGIN</b>	<b><u>\$ 267,040,325</u></b>	<b><u>\$ 264,135,049</u></b>	<b><u>\$ 241,758,210</u></b>	<b><u>\$ 219,411,315</u></b>
Total net debt applicable to the limit as a percentage of debt limit	11.69%	12.56%	15.93%	19.39%

**LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2019**

Assessed v value	\$ 6,047,797,618
Debt limit (5% of assessed v value) <sup>(1)</sup>	302,389,881
Debt applicable to limit:	
General obligation bonds and certificates of obligation, net of premium	35,349,556
Less: amount set aside for repayment of general obligation debt	<u>(916,421)</u>
Total net debt applicable to limit	<u>34,433,135</u>
<b>LEGAL DEBT MARGIN</b>	<b><u>\$ 267,956,746</u></b>

(1) The City's Home Rule Charter (1983), Section 7.07 limits all bonded debt to no more than five percent of the assessed valuation.

## Schedule 13

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 240,835,633	\$ 218,806,195	\$ 210,889,768	\$ 210,889,768	\$ 202,976,984	\$ 204,010,541
<u>57,451,880</u>	<u>64,507,482</u>	<u>71,004,430</u>	<u>73,605,191</u>	<u>56,568,906</u>	<u>60,212,967</u>
<u>\$ 183,383,753</u>	<u>\$ 154,298,713</u>	<u>\$ 139,885,338</u>	<u>\$ 137,284,577</u>	<u>\$ 146,408,078</u>	<u>\$ 143,797,574</u>
23.86%	29.48%	33.67%	34.90%	27.87%	29.51%

**City of West University Place, Texas**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
GROSS REVENUES <sup>(1)</sup>	\$ 8,094,209	\$ 7,900,773	\$ 7,544,895	\$ 7,172,469
OPERATING EXPENSES <sup>(2)</sup>	<u>4,619,159</u>	<u>4,354,881</u>	<u>4,259,755</u>	<u>4,642,322</u>
<b>NET REVENUES AVAILABLE FOR DEBT SERVICE</b>	<b><u>\$ 3,475,050</u></b>	<b><u>\$ 3,545,892</u></b>	<b><u>\$ 3,285,140</u></b>	<b><u>\$ 2,530,147</u></b>
<b>DEBT SERVICE REQUIREMENTS <sup>(3)</sup></b>				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>COVERAGE</b>	N/A	N/A	N/A	N/A

(1) Total revenues including interest, excluding tap fees

(2) Total operating expenses less depreciation

(3) Includes revenue bonds only

Schedule 14

2015	2014	2013	2012	2011	2010
\$ 6,986,297	\$ 6,868,133	\$ 7,623,233	\$ 7,777,386	\$ 8,986,455	\$ 5,917,931
6,085,370	4,580,425	3,962,028	4,293,010	4,802,445	5,003,479
<u>\$ 900,927</u>	<u>\$ 2,287,708</u>	<u>\$ 3,661,205</u>	<u>\$ 3,484,376</u>	<u>\$ 4,184,010</u>	<u>\$ 914,452</u>
\$ 695,000	\$ 675,000	\$ 645,000	\$ 720,000	\$ 785,000	\$ 745,000
144,351	172,185	198,585	225,323	255,154	523,446
<u>\$ 839,351</u>	<u>\$ 847,185</u>	<u>\$ 843,585</u>	<u>\$ 945,323</u>	<u>\$ 1,040,154</u>	<u>\$ 1,268,446</u>
1.07	2.70	4.34	3.69	4.02	0.72

**City of West University Place, Texas**  
 Demographic and Economic Statistics <sup>(1)(2)(3)</sup>  
 Last Ten Fiscal Years

**Schedule 15**

<u>Fiscal Year Ended December 31,</u>	<u>Population <sup>(4)</sup></u>	<u>Median Age</u>	<u>School Enrollment <sup>(5)</sup></u>
2019	15,676	41.10	1,304
2018	15,477	41.10	1,274
2017	15,433	42.80	1,307
2016	15,516	42.40	1,280
2015	15,604	41.80	1,253
2014	15,369	41.40	1,280
2013	15,221	41.40	1,210
2012	15,109	41.40	1,225
2011	14,787	39.30	1,215
2010	14,787	39.30	1,165

(1) Personal income data not available.

(2) Per capita personal income data not available.

(3) Beginning 2005 and after, cities with population under 25,000 do not have unemployment information available.

(4) Data source - Bureau of the Census

(5) The school enrollment reflects enrollment in public schools located within the City limits.

**City of West University Place, Texas**

**Schedule 16**

Principal Employers <sup>(1)(2)</sup>

Current Year and Nine Years Ago

Employer	Fiscal Year	
	2019 Rank	2010 Rank
Southwestern Bell	1	N/A
West University Elementary School	2	2
City of West University Place	3	3
AT&T	N/A	1

Note: The residents of the City of West University Place are primarily employed outside of the City limits.

(1) The number of employees of each of the employers is currently unavailable.

(2) The percentage of total employment is currently unavailable.

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**City of West University Place, Texas**

**Schedule 17**

Full-Time Equivalent City Government Employees by Function  
Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>GENERAL FUND</b>										
Administration	6	6	5	6	6	6	5	5	5	5
Finance	5	5	5	5	5	5	6	6	6	7
Police Department	38	38	38	35	35	35	35	35	32	32
Fire Department	23	23	23	23	23	23	23	23	24	24
Public Works	18	18	18	18	18	19	20	20	20	21
Parks and Recreation	12	12	12	12	12	11	11	11	11	11
Total General Fund	102	102	101	99	99	99	100	100	98	100
<b>ENTERPRISE FUND</b>										
Water	13	13	13	13	14	14	14	14	14	12
Solid Waste	7	7	7	7	6	6	8	8	8	7
Total Enterprise Fund	20	20	20	20	20	20	22	22	22	19
<b>INTERNAL SERVICE FUND</b>										
Administration	4	4	4	4	4	3	3	3	3	3
Total Internal Service Fund	4	4	4	4	4	3	3	3	3	3
<b>TOTAL CITY POSITIONS</b>	<u>126</u>	<u>126</u>	<u>125</u>	<u>123</u>	<u>123</u>	<u>122</u>	<u>125</u>	<u>125</u>	<u>123</u>	<u>122</u>

Notes: Approximately 85-100 temporary and seasonal employees are hired during the summer months as aquatic & customer service personnel. This count is not reflected above. Eight contract personnel are used year round to augment solid waste crews. This count is not reflected above.

# City of West University Place, Texas

## Operating Indicators by Function

### Last Ten Fiscal Years

FUNCTION/PROGRAM	2019	2018	2017	2016
Police				
Arrests	245	269	231	294
Accident reports	157	151	142	151
Citations	3,100	3,073	2,260	1,444
Offense reports	750	761	609	758
Calls for service	25,367	29,719	24,844	24,716
Fire				
Emergency responses	716	698	675	684
Average response time	4:14	4:40	4:35	4:29
Fire incidents	779	723	805	754
Water				
New accounts	593	629	657	598
Source:				
Surface	62	58	59	65
Well	38	42	41	35
Average daily consumption (millions of gallons)	2.17	2.16	2.20	2.12
Number of million gallons of surface water pumped	492.12	462.52	477.01	507.88
Number of million gallons of well water pumped	300.47	328.84	326.45	267.50
Total consumption (millions of gallons)	792.59	791.36	803.46	775.38
Peak daily consumption (millions of gallons)	3.27	4.14	6.54	4.06
Sewer				
Average daily sewage treatment (millions of gallons)	1.15	1.18	1.12	1.17
Total consumption (millions of gallons)	422.63	400.68	409.46	426.47
Peak daily consumption (millions of gallons)	7.00	3.54	5.09	5.88

Source: Various City departments

## Schedule 18

2015	2014	2013	2012	2011	2010
360	226	323	231	294	325
162	122	127	142	121	99
2,322	2,482	2,779	2,260	3,379	4,830
874	581	695	609	583	669
26,354	22,071	26,835	24,844	25,964	29,148
717	669	683	659	660	581
4:34	4:35	4:34	4:45	4:25	3:49
801	721	663	734	765	774
526	608	665	669	678	724
62	80	80	80	80	80
38	20	20	20	20	20
2.06	2.06	2.31	2.38	2.79	2.22
468.12	437.00	466.25	530.06	658.80	357.42
282.03	313.88	375.06	335.24	359.55	452.95
750.15	750.88	841.31	865.30	1,018.35	810.37
4.50	4.24	5.36	4.89	5.10	4.34
1.20	1.10	1.09	1.18	1.10	1.25
436.57	402.95	397.30	430.12	402.36	455.02
5.43	4.04	4.04	4.85	2.66	4.63

**City of West University Place, Texas**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

<b>FUNCTION/PROGRAM</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Police				
Stations	1	1	1	1
Patrol units	8	8	8	8
Fire stations	1	1	1	1
Other public works				
Streets (miles - centerlines)	53	53	53	53
Streetlights	1,747	1,747	1,687	1,687
Parks and recreation				
Parks and Facilities	11	11	11	11
Parks acreage	13.2	13.2	13.2	13.1
Swimming pools	2	2	2	2
Baseball/softball/ soccer	2	2	-	-
Tennis courts	5	5	5	5
Racquetball/squash courts	2	2	2	2
Gymnasiums	-	-	-	-
Half-basketball courts	3	3	3	3
Water				
Water mains (miles)	56	56	56	56
Fire hydrants	347	347	347	347
Storage capacity (millions of gallons)	3.65	3.65	3.65	3.65
Sewer				
Sanitary sewers (miles)	44	44	44	44
Storm sewers (miles)	34	34	34	34
Open ditch/creek/canal drainage (miles)	1.32	1.32	1.32	1.32
Treatment capacity (millions of gallons)	2	2	2	2

Source: Various City departments

# Schedule 19

2015	2014	2013	2012	2011	2010
1	1	1	1	1	1
8	7	7	7	7	7
1	1	1	1	1	1
46	46	46	43	43	43
1,687	1,687	1,687	1,687	1,687	1,694
9	9	9	9	9	9
13.7	13.7	13.7	13.7	13.7	14.0
2	2	2	2	2	2
-	-	-	-	6	6
5	5	5	5	5	5
2	2	2	2	2	2
-	-	-	-	-	-
3	3	3	3	3	3
40	40	40	40	40	40
357	357	357	357	357	357
3.65	3.65	3.65	3.65	3.65	3.65
40	40	40	40	40	40
32	32	32	32	32	32
1.32	1.32	1.32	1.32	1.32	1.32
2	2	2	2	2	2

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## **Overall Compliance and Internal Control Section**

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**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Honorable Mayor  
And Members of the City Council of the  
City of West University Place, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West University Place, Texas (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 15, 2020.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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, 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 *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a material weakness.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Honorable Mayor  
And Members of the City Council of the  
City of West University Place, Texas

### **The City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Houston, Texas  
June 15, 2020

**City of West University Place, Texas**  
Schedule of Findings and Responses  
For the Fiscal Year Ended December 31, 2019

**Finding 2019-001**

**Material Weakness in Internal Control over Financial Reporting—Financial Statement Misstatements**

*Criteria:* "Internal control" is defined as a process effected by those charged with governance, management, and other personnel that is designed to provide reasonable assurance about the achievement of the entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. With respect to the reliability of financial reporting, the existence of a material misstatement of an entity's financial statements is an indication of a material weakness in internal control.

*Condition:* The financial information for the year ended December 31, 2019 that was provided for audit included misstatements that were identified as a result of our audit procedures. As a result, a material adjustment was required to correct cut-off errors in the City's reported balances of accounts payable and accrued liabilities.

The audit adjustments for the year ended December 31, 2019 to correct these cut-off errors were:

- Capital Projects fund – Decrease to accounts payable and accrued liabilities of approximately \$175 thousand to correct the net overstatement of this balance. This correction is the net effect of an overstatement of \$263 thousand that we detected as a result of our audit procedures, offset by an understatement of \$88 thousand that we detected as a result of our audit procedures. The \$263 thousand overstatement represents an invoice that was accrued as a liability as of December 31, 2019, but which should not have been accrued until January 2020. The \$88 thousand understatement represents the estimated liability incurred as of December 31, 2019 related to an invoice received subsequent to year end for which the service period included the period of December 2019 through February 2020.
- Water and Sewer fund – Increase to accounts payable and accrued liabilities of approximately \$130 thousand to correct the understatement of this balance. This understatement represents the water purchase expense for the month of December 2019 which should have been accrued as a liability as of December 31, 2019.

*Cause:* Because these errors were not detected prior to the information being provided for audit, there is an indication of a deficiency in internal control over financial reporting related to closing procedures, specifically closing procedures to establish proper cut-off of accounts payable and accrued liabilities.

*Effect or Potential Effect:* Material misstatement of the City's financial statements was not prevented, or detected and corrected, by the City's system of internal control. Failure to establish effective closing procedures will allow possible misstatements to exist and continue without notice.

*Recommendation:* We noted that while the City had monthly and annual closing procedures in place, the process and related controls did not identify these misstatements. Therefore we recommend that management review the existing closing procedures and develop procedures to encompass consideration of cut-off of accounts payable and accrued liabilities.

*Views of Responsible Official(s) and Planned Corrective Actions:*

The Finance Director position was vacant for the immediate months following year end. With this vacancy, an additional level of review was not available. To address this finding, annual closing procedures will be developed to ensure invoice service periods are reviewed for proper cut-off.



# AGENDA MEMO

Business of the City Council  
City of West University Place, Texas

<b>Meeting Date</b>	06/22/2020	<b>Agenda Item</b>	9
<b>Approved by City Manager</b>	Yes	<b>Presenter(s)</b>	D. Beach, City Manager J. Veld, Administrative Manager
<b>Reviewed by City Attorney</b>	Yes	<b>Department</b>	Parks & Recreation
<b>Subject</b>	Colonial Park East Improvements		
<b>Attachments</b>	<ol style="list-style-type: none"> <li>Budget Amendment Ordinance</li> <li>May 2020 Friends Board Meeting Minutes</li> <li>Colonial Park East Improvement Presentation</li> </ol>		
<b>Financial Information</b>	Expenditure Required:		\$398,850.88
	Amount Budgeted:		\$263,000.00
	Account Number:		203-7000-85002
	Additional Appropriation Required:		\$135,850.88
	Additional Account Number:		203-0000-43303 (Friends Funds)

## Executive Summary

The 2020 Budget appropriated funds for improvements to the east end of Colonial Park and more specifically the playground area. Over the last eight (8) months, staff worked with the Parks and Recreation Board and a citizen user group to explore potential park updates. Based on input from both groups, the Parks and Recreation Board recommended the following changes:

- Re-purposing the sand volleyball area into an age appropriate obstacle course,
- Removal and replacement of the old wooden play structures with updated wooden play structures,
- Sand play for toddler age children,
- Installing solar lighting in the playground area and bollard lights around the walking path,
- Repainting the pavilion, playground structures, and fencing,
- Replacing older equipment and slides on the structures with new apparatus(slides, climbers and play panels),
- Relocating three trees on site, and
- Installing new plastic border timbers to contain and delineate the wood chip area.

During the improvements process, there were changes to the features that were above the original budget. These changes/enhancements include:

- Change zip line to youth obstacle course,
- Improved toddler area elements to include sand play,
- Powder coating the fencing instead of painting, and
- Additional climbers and slide changes to the existing equipment.

**Funding:**

The Friends of West U Parks Fund, Inc. approved funding for the enhanced project at their May 13, 2020 meeting up to \$398,850.88 (\$379,857.98 + \$18,992.90 for contingency). The City will incur the expenses and be reimbursed upon completion.

Project estimates as follows:

Colonial Park East Budget Estimate	
Demo sand volleyball court, install obstacle course elements and turf	\$180,331.46
Install toddler play area	\$60,201.52
Install - new play panels, slides , climbers	\$68,010.00
Repaint existing playground, pavilion and powder coat existing fence	\$27,780.00
Install new borders and top off Engineered Wood Fiber	\$14,285.00
Relocate trees, install dog fountain	\$10,000.00
Solar Lighting - Both Phases	\$19,250.00
Sub-total	\$379,857.98
Contingency (5%)	\$18,992.90
<b>Total</b>	<b>\$398,850.88</b>

As required by Ordinance, a 2020 budget amendment is being requested to increase both revenues and appropriations by \$135,850.88 to fund this project out of the Friends of West U Parks Special Revenue Fund. This project will not exceed \$398,850.88 per the “up to” amount approved by the Friends of West U Parks Fund, Inc.

**Schedule:**

Construction of improvements will begin after Labor Day 2020 and is expected to be completed by the end of November 2020. Portions of the work will require approval by City Council and those items will be brought forward as required.

**Lamppost Deviations to the Zoning Ordinance:**

To provide proper lighting to the playground the following deviations from the zoning ordinance (WUPC 7-6 Note 10) will be needed:

1. Lamppost Height:
  - a. Current requirement is maximum height of eight (8) feet.
  - b. Deviation Requested: Colonial Park East Playground
    - i. Allow 12 foot poles to allow appropriate lighting to the playground, while minimizing the visibility to the neighboring properties.

WUPC Section 6-101 states:

*It is an affirmative defense in any proceedings to enforce this ordinance that any of the following sets of circumstances is applicable:*

*(3) The condition or activity in question is:*

- (i) controlled by the City itself or its officers, agents, employees or contractors, in the course of their duties of the City, and*
- (ii) approved by the City Council.*

City Council’s acceptance of this plan with known deviations will allow staff to complete this project as presented in a timely manner.

## Recommended Action

Staff recommends City Council take the following action:

- Approve the Friends of West U Parks Fund, Inc., expenditure in an amount not to exceed \$398,850.88;
- Adopt an ordinance approving and adopting an amendment to the 2020 Budget;
- Accept the Colonial Park East Playground lampposts project as presented with known deviations to the City's Zoning Code;
- Authorize the City Manager to execute necessary agreements to complete the specified Colonial Park East Improvements in an amount not to exceed \$398,850.88.

City of West University Place  
Harris County Texas

**ORDINANCE No. XXXX**

AN ORDINANCE AMENDING THE BUDGET OF THE CITY OF WEST UNIVERSITY PLACE, TEXAS FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2020 AND ENDING DECEMBER 31, 2020; CONTAINING FINDINGS AND PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EMERGENCY

WHEREAS, it is found and determined that changes in the current budget are necessary for municipal purposes and that amendments are necessary for emergencies of the kind contemplated by state law, and it is formally found, determined and declared that such emergencies exist;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WEST UNIVERSITY PLACE, TEXAS:

Section 1. That the budget of the City of West University Place for the 12 month period beginning January 1, 2020, and ending December 31, 2020 as heretofore adopted be, and it is hereby, amended as shown in Exhibit A attached.

Section 2. The City Council approves, adopts and ratifies the findings set out in the preamble hereof and directs that the City Secretary file a copy of this ordinance with the county clerk, in the same manner as original budgets are required to be filed.

Section 3. All ordinances and parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict only.

Section 4. If any word, phrase, clause, sentence, paragraph, section or other part of this ordinance or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, neither the remainder of this ordinance, nor the application of such word, phrase, clause, sentence, paragraph, section, or other part of this ordinance to any other persons or circumstances, shall be affected thereby.

Section 5. The City Council officially finds, determines and declares that a sufficient written notice of the date, hour, place and subject of each meeting at which this ordinance was discussed, considered, or acted upon was given in the manner required by the Open Meetings Act, Chapter 551, Texas Local Government Code, as amended, and that each such meeting has been open to the public as required by law at all times during such discussion, consideration and action. The City Council ratifies, approves and confirms such notices and the contents and posting thereof.

Section 6. The public importance of this measure and the requirement of the law create an emergency and an urgent public necessity requiring that this ordinance be passed and take effect as an emergency measure, and a state of emergency is hereby declared. This ordinance is accordingly passed as an emergency measure and shall take effect immediately upon adoption and signature.

Section 7. This ordinance shall become effective upon adoption and signature.

PASSED, APPROVED AND ADOPTED ON FIRST AND FINAL READING on the \_\_\_\_\_ day of \_\_\_\_\_, 2020.

(Seal)

Attest: \_\_\_\_\_  
City Secretary Thelma Gilliam

Signed: \_\_\_\_\_  
Mayor Bob Higley

Recommended by:

\_\_\_\_\_  
City Manager David Beach

Approved as to legal form:

\_\_\_\_\_  
City Attorney Alan Petrov

Exhitit "A"

<b>City of West University Place, Texas</b> <b>Budget Amendment</b>
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	2020 Budget	Amendment June 22, 2020	2020 Amended Budget
<b>Friends of West U Parks Special Revenue Fund</b>			
Revenue			
Friends of West U Parks	\$263,000.00	\$135,850.88	\$398,850.88
APPOPRIATION			
Construction Costs	\$263,000.00	\$135,850.88	\$398,850.88

**Friends of West University Parks Fund  
Board Meeting Minutes  
Wednesday, May 13, 2020**

Friends of West University Parks Fund (“Friends”) Board met on Wednesday, May 13 at 11:30 AM via JoinMe conference call due to COVID-19.

The following were in attendance:

**Board Members**

Sami Morrison  
Judy Cheng  
Mary Frances DuMay  
Kim Eads  
Grace Ebaugh  
Dan Fertig  
Katie Hill  
Kelly Beth Hapgood  
Michelle Huth  
Stephen Jacobson  
Sarah Knysh  
Stephen Olson  
Christine Parker  
Mark Prescott

Mitra Woody  
Christi Young

**Executive Director**

Donna LaMond

**Mayor Pro Tem**

Kevin Trautner

**Advisory Board**

Joni Fichter

**Staff**

Susan White  
Brooks Smith  
Jeremy Veld

**Call to Order**

**I. The meeting was called to order at 11:34 am.**

**II. Welcome, Opening Remarks and Approval of minutes – Sami Morrison**

**Approval of Minutes** - Motion to approve the February 2020 minutes was made by Katie Hill and seconded by Christine Parker.

Mary Frances DuMay and Kim Eads were officially appointed to Friends Board by the City Council on March 13.

Fathers & Flashlights is scheduled for November 7 – 8. The plan is on hold due to the uncertainty with current COVID-19 situation.

Thank you to Susan White and Brooks Smith for their diligent work on the Colonial Park improvement project.

**III. Treasurer’s Report – Christine Parker**

P&L and Balance Sheet were distributed via email prior to the meeting. Friends has about \$1.5 million in cash.

#### **IV. Parks and Recreation Department – Susan White & Brooks Smith**

- Colonial Park East Project

Susan White presented the recommended plan and layout for the Colonial East project.

- Repurpose sand Volleyball court into youth challenge course with artificial turf
- Remove existing wooden play structures and replace with updated sand play area – imaginative play. Shade structure over the play area would be massive and is not recommended
- Refresh existing large play structures and add ADA enhancements
- Refresh pavilion and playground fencing
- Lighting improvements - solar lightings around the walking trails and playground
- The above layout and recommendations have been approved by the Parks Board.
- The total estimated project cost is at \$398,850.88.
- After funding is approved by Friends, the plan will go to City Council for approval.

Susan addressed the shade structure question from Kelly Beth Hapgood - Shade structures are not recommended over both the play area and the challenge course after looking at the current shade provided by the tree canopy and shade structure options.

Susan answered Kim Eads questions on upcoming projects - Huffington is the next project as determined by Parks Board and current estimate is around \$250,000. Judson will have minimum update in 2022.

Sami Morrison moved to approve Friends funding of the Colonial Park East project up to \$398,850.88. Christine Parker seconded the motion. All in favor and none opposed. The motion passed.

#### **V. Mayor Pro Tem – Kevin Trautner**

- City Council has approved A/V system update to comply with Texas Open Meeting Act
- Council proclamation to recognize Public Works for their essential roles during COVID-19 - May 17-23, 2020 will be recognized as Public Works Week.
- Buffalo Speedway project is at 95% completion.
- 2 cameras will be installed this month for the Virtual Gate project. The rest of the cameras will be installed this fall.
- Thank you to Susan White and David Beach for their hard work.

#### **VI. Parks and Rec Re-opening – Susan White**

- Friends Park and Hughes Park are open. High touch surfaces, benches and playground equipment, are still off limits.
- Green space will be open, and fences will be installed around playground to keep people out of the closed areas.
- No contact sports are allowed currently
- Rec Center will be open with modified capacity on June 1.
- Parks and Rec is to follow the Training and Health guidelines. There is no officially published perimeters on programs and youth camp from the state yet.
- Colonial Park Pool is a miniature water park. Splash pad is still off the limit at this time.

- Good Neighbors Team continues to serve approximately 80 seniors with regularly phone calls and deliveries. Senior Services has been providing virtual programming to senior citizens 65 years-old and older.
- Survey is delayed until fall
- HISD fields and batting cages are still closed

## **VII. Other Reports and Announcements - Donna LaMond**

- After some deliberation, we decided to cancel the June Party on the Patio concert series. We did not have a sponsor and were able to cancel the bands in time to avoid any expenses.
- Today's meeting is typically our annual Star Citizen Awards meeting and luncheon. We have obviously postponed this special event and will let you all know when we can reschedule. Our star citizen recipients are our PLB 2020 co-chairs Kim and John Carr Eads and Mary Frances and David DuMay.
- During the Stay Home Work Safe period, Friends remains busy with a variety of projects:
  - PLB Chair Notebook is well underway. Kim Eads, Mary Frances DuMay are working with me on this project.
  - Friends Agreement of Formation and Bylaws – Crosby Scofield and his team at Vinson & Elkins did prepare edits for Matt Foytlin and I to review. We did an initial review and found some items that needed to be addressed and we expect to hear back from V & E soon with the edited version.
  - Friends 2019 Tax Return is underway.
  - Researching virtual fundraising including some very useful webinars.
- PLB 2021 – February 6, 2021. New venue Hotel ZaZa. Thank you to Sami Morrison and Stephen Jacobson for helping me review the contract. I plan to execute the contract today and email it to the ZaZa and then mail a deposit. I am hopeful that we can proceed with this event. I do not have event chairs secured yet, working on that. I also have the mobile bidding company, Qtogo, and the AV company secured.
- The date for the next Friends board meeting will most likely be in August or September. However, that may change. We may have another virtual meeting.
- Please continue to refer to the weekly reports that you receive via email for ongoing updates on Friends activities as well as all Parks and Rec activities. This concludes my report.

**VIII.** Meeting was adjourned at 12:36 pm.

Respectfully submitted,  
 Judy Cheng  
 Secretary

**FY 2020**

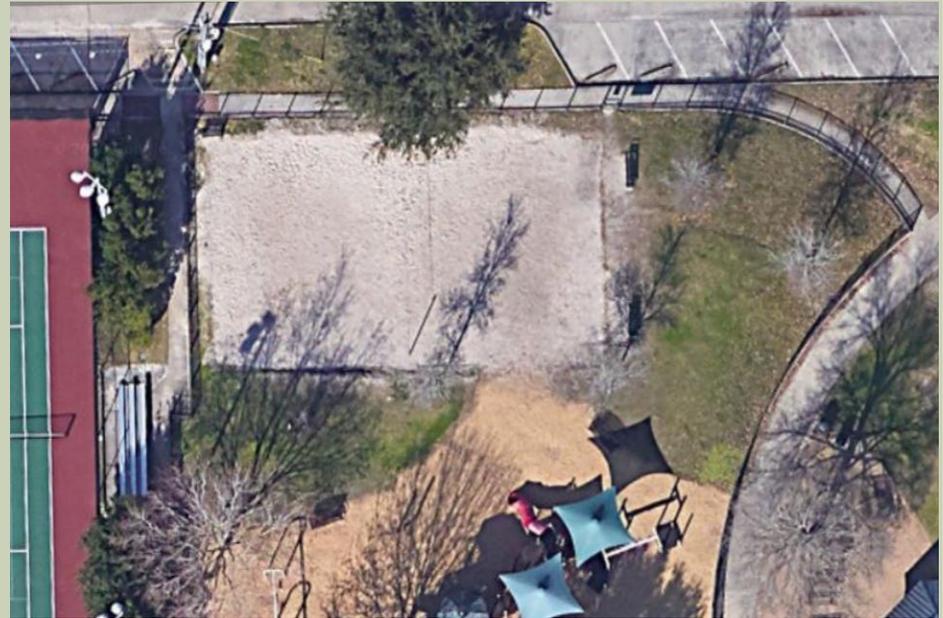
**COLONIAL PARK  
RECOMMENDED  
IMPROVEMENTS**



# PROJECT OVERVIEW

- Repurpose sand volleyball court into youth challenge course
- Remove existing wooden play structures and replace with updated sand play area – imaginative play
- Refresh existing large play structures (2-5 years & 5-12 years) and add ADA enhancements and misc. playground improvements.
- Refresh pavilion and playground fencing
- Lighting improvements
- Install Dog Drinking Fountain

# CURRENT SAND VOLLEYBALL AREA



# NEW CHALLENGE COURSE



Intellectual property of GameTime, a PlayCore Company. The site shown in rendering is an interpretation and may not reflect exact site conditions.



A PLAYCORE COMPANY

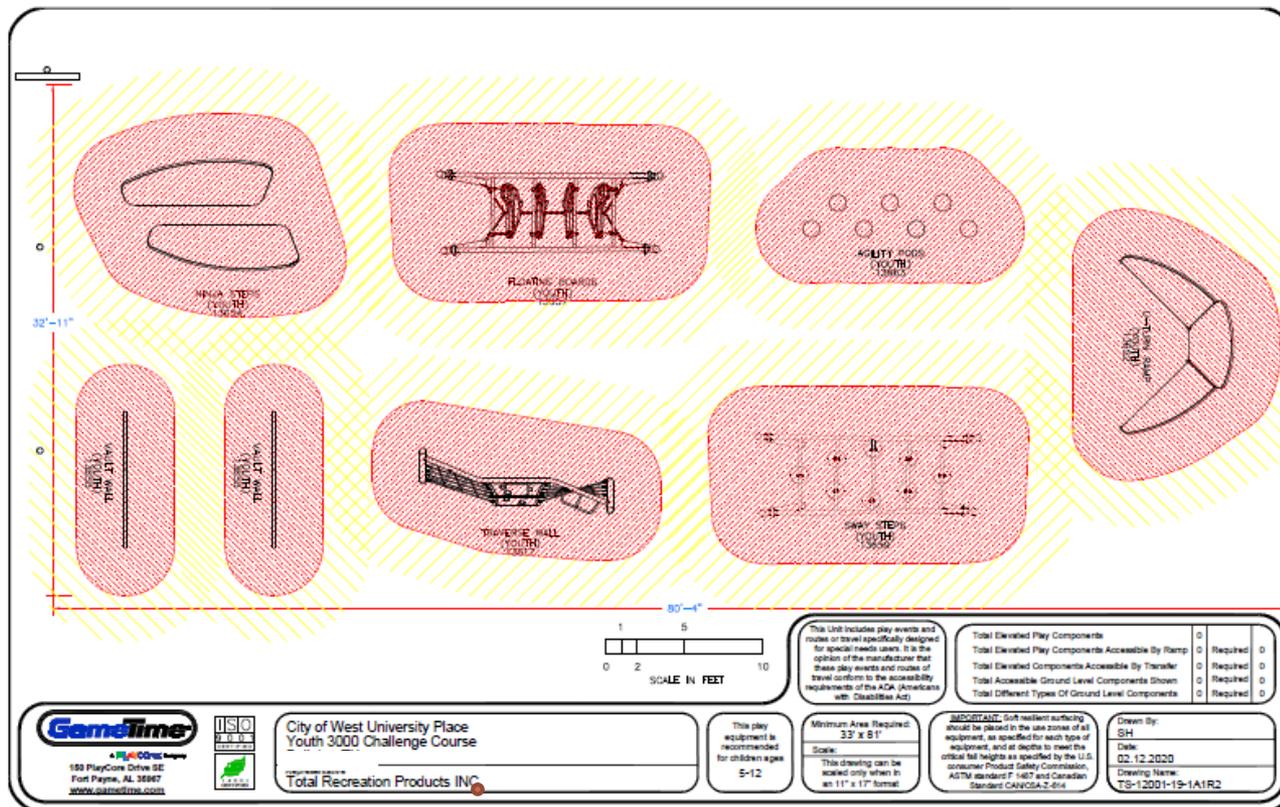
www.gametime.com

Colonial Park  
City of West University Place, TX



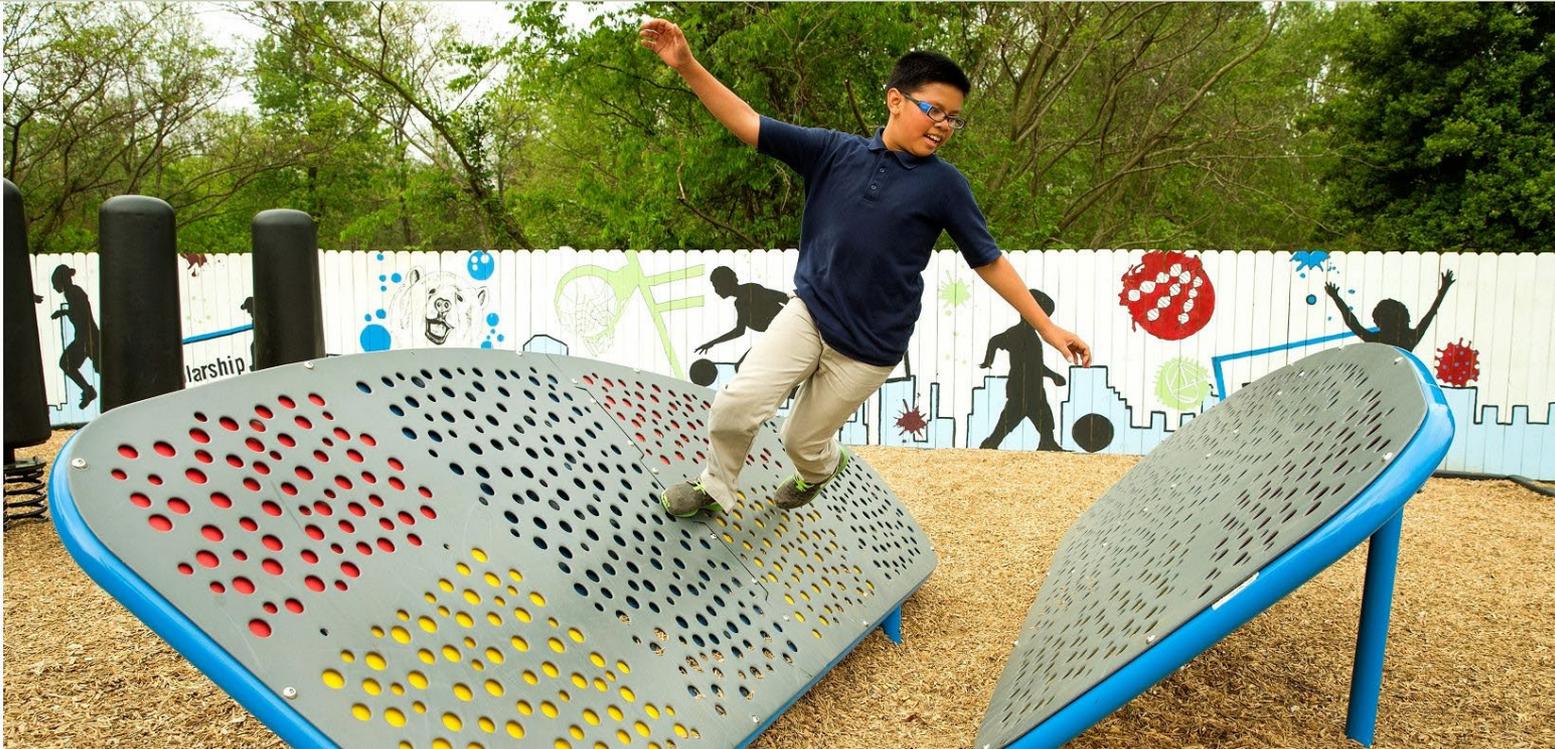
www.totalrecreation.net

# CHALLENGE COURSE



# CHALLENGE COURSE

## Ninja Steps



Ninja Steps are a fun, exciting running and climbing activity that are the perfect starting platform a Challenge Course. The steps feature HDPE plastic panels in three different colors, denoting the various levels of challenge (Blue: Beginner, Yellow: Intermediate, Red: Expert) and are covered with textured punched steel panels for added traction. <sup>6</sup>

# CHALLENGE COURSE

## Floating Boards



Challenge Course Floating Boards elevate a user's **balance**, **flexibility** and **muscle fitness** as they climb from one end to the other. Hand and footholds, as well as a wide center opening, give Floating Boards three distinct routes of travel: over, through or along the side.

# CHALLENGE COURSE

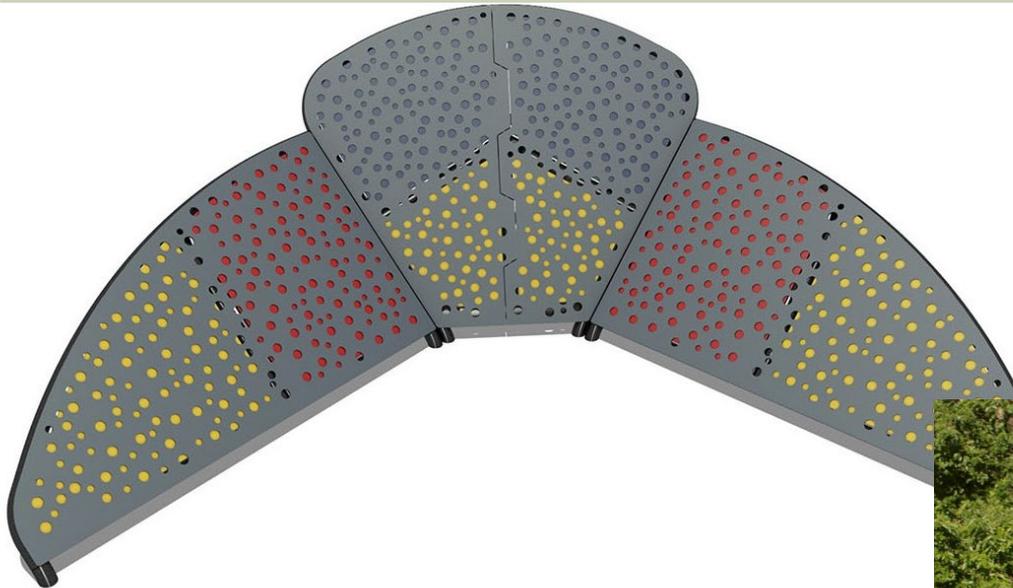
## Agility Pods



Agility pods are the perfect addition to your outdoor obstacle course! Not only are they low-impact, they are a simple way for people to improve balance and coordination on your Challenge Course.

# CHALLENGE COURSE

## U-Turn Ramp



The curved design of the U-Turn Ramp promotes balance and agility as users run along the curved ramp at full speed! Ramp features plastic panels in three different colors, denoting the various levels of challenge (Blue: Beginner, Yellow: Intermediate, Red: Expert) and are covered with textured punched steel panels for added traction.



# CHALLENGE COURSE

## Sway Steps



Elevate your balance, flexibility and muscle fitness by stepping along the pods from one end to the other. Place both feet on a pod, grip the cable, and use your upper body and core muscles to advance to the next pod.

# CHALLENGE COURSE

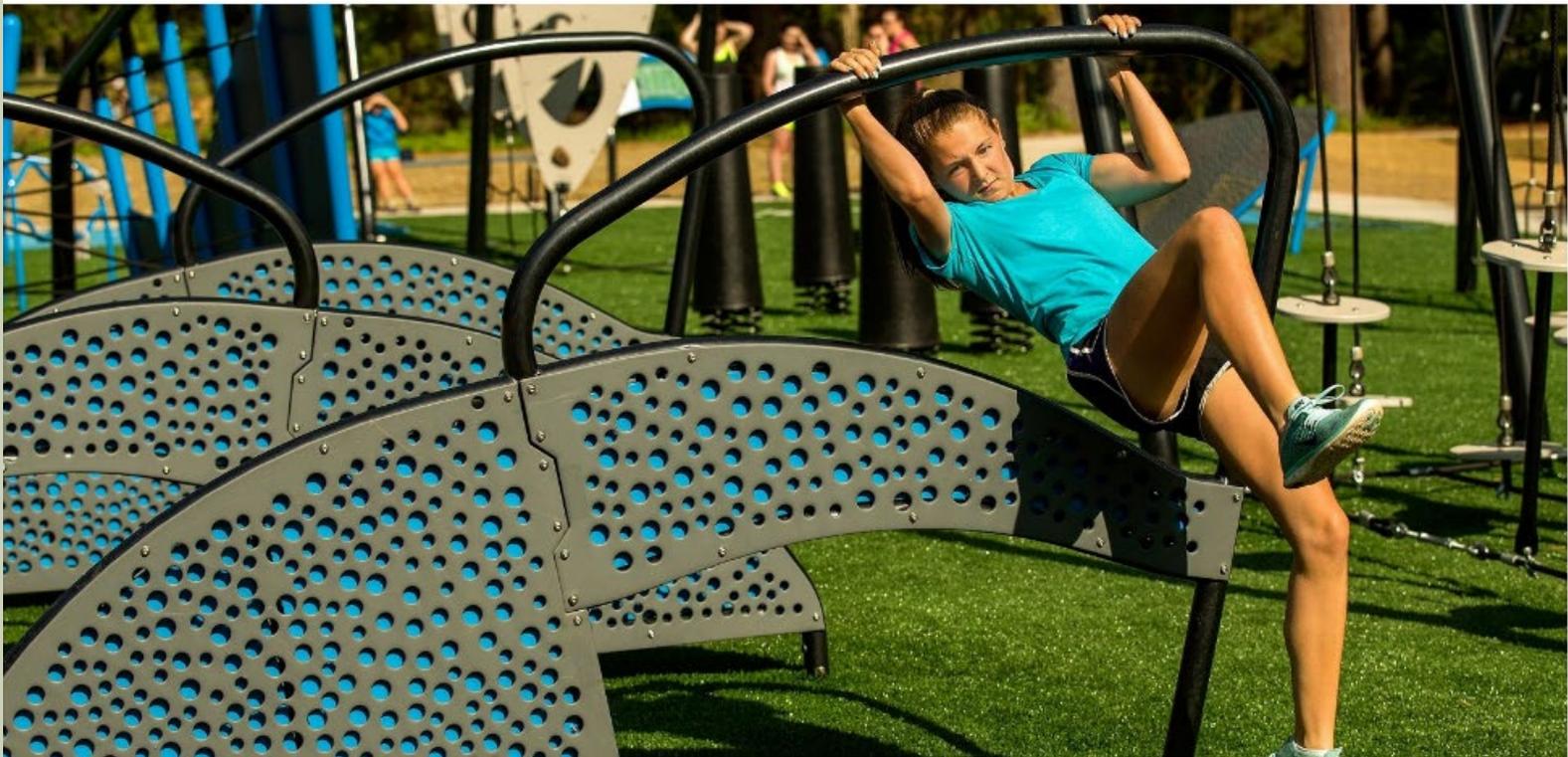
## Traverse Wall



The Traverse Wall provides a wide range of developmental, physical and cognitive benefits in a single challenge event. The combination of ropes, rock climbing wall, and elevated grip rails provide users a varied course of transit as they traverse the wall. <sup>11</sup>

# CHALLENGE COURSE

## Vault Walls



Design allows users to choose three different ways to maneuver the walls (over, under, or through). These are positioned at the end of the course as a final physical and mental challenge to enhance decision-making skills and improve speed/agility. West U Layout has 2 walls, not 3 as pictured.

# BALES INTERMEDIATE (FRIENDSWOOD) 5- 12 YEARS COMPARABLE LAYOUT & EQUIPMENT SIZE



# CHALLENGE COURSE TIMING SYSTEM



## **Professional-Grade Timing Systems - Make your mark on the leaderboard**

Optional timing system for Challenge Course things get really interesting! Same systems used by athletic organizations to provide accurate timing. Users press and hold the button before they begin. The scoreboard signals when to start with a sequence of LED lights. When you complete the course, press the button at the finish line to display your time on the board.

# CHALLENGE COURSE SIGNAGE



# PLAYGROUND IMPROVEMENTS

## Proposed 2-5 Year Old Play Structure Updates – South Side



# PLAYGROUND IMPROVEMENTS

## Proposed 2-5 Year Old Play Structure – North Side



# WOODEN STRUCTURES TO BE REMOVED

- Current 2-5 Year Old Play Structures – North Side



# NEW SAND PLAY FEATURES (2-5 YEARS)



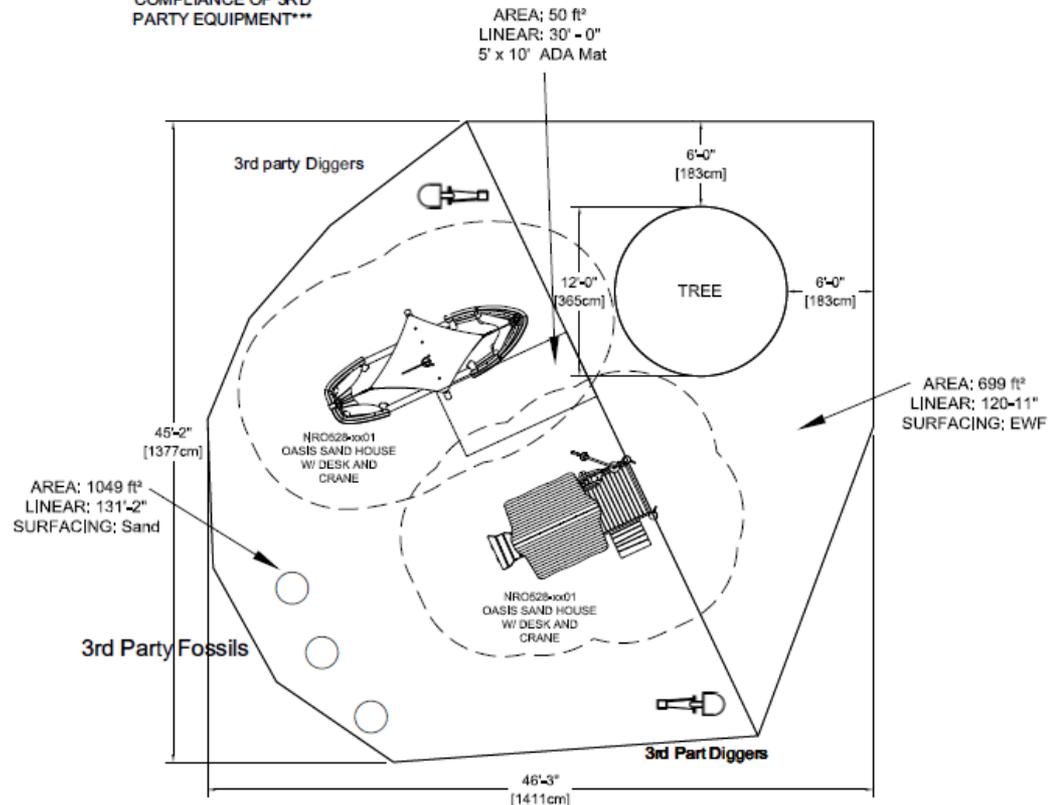
# SAND PLAY ELEMENTS AND BORDER

Imaginative Play Area to Replace Wood Features



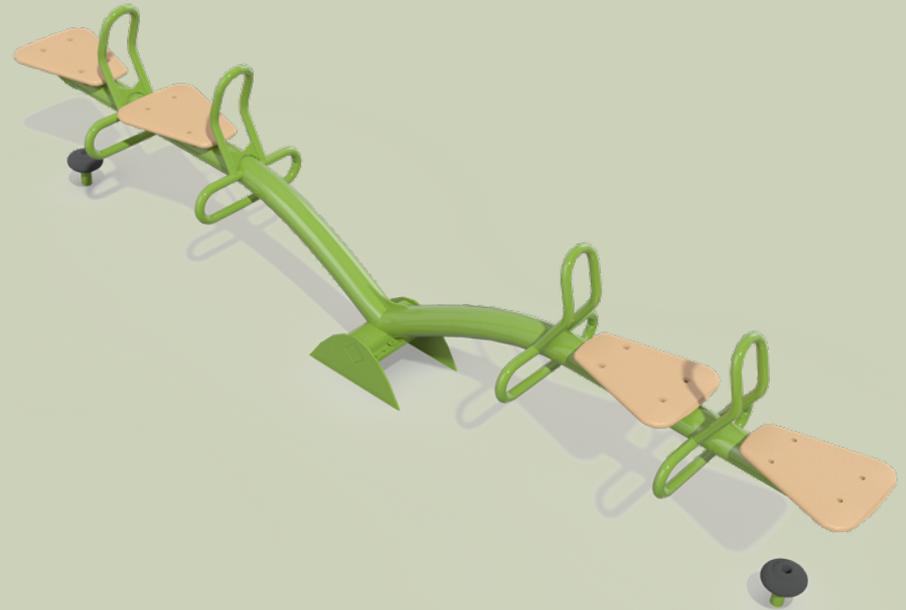
# PROPOSED SAND AREA (2-5 YEARS)

\*\*\*KOMPAN NOT RESPONSIBLE FOR PLACEMENT/ COMPLIANCE OF 3RD PARTY EQUIPMENT\*\*\*



# DIGGER AND SEE-SAWS

Imaginative Play Area to Replace Wood Features



# FOSSILS

SEA SHELLS, DINO EGGS, T-REX BONES



# PLAYGROUND IMPROVEMENTS

## Proposed 5-12 Year Old Play Structure – North Side



# PLAYGROUND IMPROVEMENTS

## Proposed 5-12 Year Old Play Structure – South Side



# FENCE AND PAVILION PAINTING

- Pavilion
  - All steel posts
  - Roof
  - Steel support structure
  
- Fence
  - Playground perimeter fence panels and posts

# FENCE AND PAVILION PAINTING

Current Playground Fence



Current Playground Fence



# FENCE AND PAVILION PAINTING

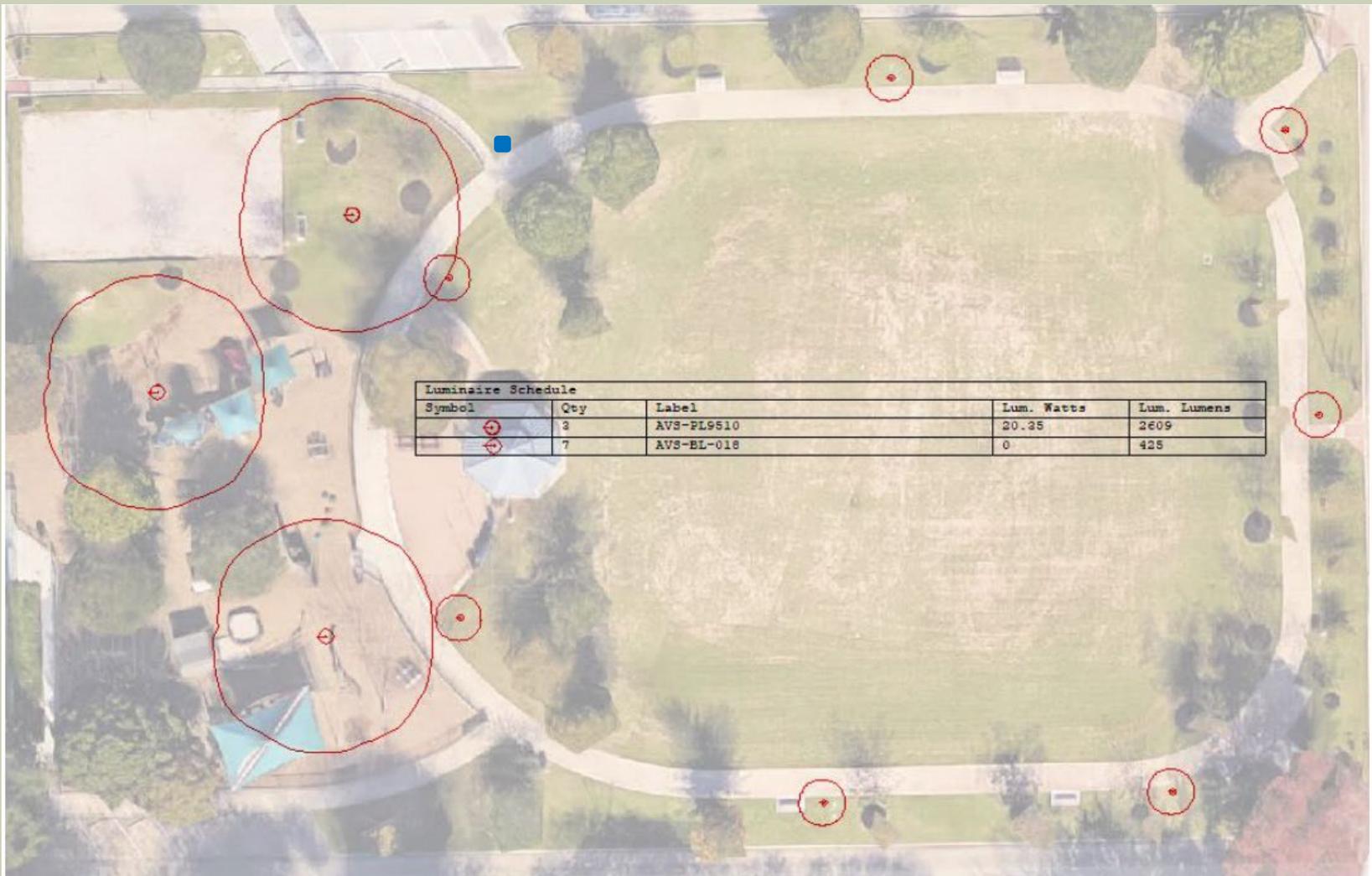
**Current Pavilion**



**Current Pavilion**



# PLAYGROUND AND PATHWAY SOLAR LIGHTING & DOG DRINKING FOUNTAIN



■  
Estimated  
location  
for dog  
drinking  
fountain

# PLAYGROUND AND PATHWAY SOLAR LIGHTING

- Playground lighting to be on 12' poles to minimize visibility by neighbors but still provide lighting to the playground. Council variance.
- Pathway lighting to be low bollards to act as way points around the sidewalk. Pathway lighting to be installed outside the pathway to insure the field remains free and clear of obstacles.
- All lighting will be programmable.
- Provides a sense of animation in the park and increased visibility/sense of security without being glary or a nuisance to neighbors.

# PLAYGROUND AND PATHWAY LIGHTING

Install Bollards Around the Walking Trail



# PLAYGROUND AND PATHWAY LIGHTING

## Install Solar Lighting in Playground



# COLONIAL PARK EAST BUDGET ESTIMATES - MAY 2020

Colonial Park East Budget Estimates - May 2020			
Items	No Shade Included		Total
GameTime - Demo sand volleyball court, install Youth 3000 Challenge elements, timer system and stop/start in turf.			178,331.46
Electrical not included for timer connections			2,000.00
Kompan - Install sand box, play house, boat, borders and ada mats			60,201.52
Landscape Structures (LSI) - Provide and install - Change pipe wall barriers to play panels, replace slides, replace chimney, add fossils, two diggers and 4 person see saw - demo of existing wood structures			66,140.00
Play Range Age Signage Updates			1,870.00
Repainting of existing playground elements and decks			9,000.00
Repainting of pavilion			3,780.00
new installed playground borders on northern edge of playground			2,785.00
Relocate 2 trees in Challenge Course are with 90"spade			4,000.00
Impact Attenuation Testing			1,500.00
Top off of Engineered Wood Fiber			10,000.00
Relocate Backflow Estimate			2,000.00
Doggie Drinking Fountain			4,000.00
Solar Lighting - Both Phases			19,250.00
Powder coat existing playground fence			15,000.00
Sub-total			379,857.98
Contingency	5% for any unforeseen expenses		18,992.90
<b>Total</b>			<b>398,850.88</b>



# AGENDA MEMO

Business of the City Council  
City of West University Place, Texas

<b>Meeting Date</b>	06/22/2020	<b>Agenda Item</b>	10
<b>Approved by City Manager</b>	Yes	<b>Presenter(s)</b>	D. Beach, City Manager
<b>Reviewed by City Attorney</b>	N/A	<b>Department</b>	Administration
<b>Subject</b>	Boards & Commissions Items		
<b>Attachments</b>	None		
<b>Financial Information</b>	Expenditure Required:		None
	Amount Budgeted:		None
	Account Number:		None
	Additional Appropriation Required:		None
	Additional Account Number:		None

## Executive Summary

At the May 18 Workshop, City Council discussed items or topics for consideration by staff, boards and commission. The following items/topics received the approval from Council to move forward for discussion:

1. **TREES:** Are the City’s rules with respect to removal of trees during construction and the requirement to plant replacement trees versus replacement inch certificates (e.g. contribution to the Tree Trust) still appropriate or do they need to be modified?
  - a. Responsibility – Staff
  - b. Direction – City staff to review the current regulations under Chapter 82 of the Code of Ordinances and determine if the requirements for replacement planting / contribution to the Tree Trust versus replacement planting is still appropriate when trees are removed during construction projects.
2. **PERVIOUS MATERIALS:** Are there new pervious materials that can be used for driveways? If so, can they be specified in the Code of Ordinances so that a special exception from the ZBA is not necessary anytime residents wish to use something other than concrete?
  - a. Responsibility – Building and Standards Commission (BSC) and Zoning and Planning Commission (ZPC)
  - b. Direction –
    - i. BSC – Consider additional pervious material be allowed in lieu of concrete driveway without the requirement to obtain a special exception from the Zoning Board of Adjustment (ZBA).
    - ii. ZPC – Review the current regulations stated under Appendix A, Article 7, Table 7-3 of the Code of Ordinances and determine options available to possibly increase the minimum front, side, rear yard minimum percentage of pervious area.

3. **BUILDING MATERIALS** – The State has prevented cities from regulating building materials permitted under the International Building Code. Can a city do something along the lines of additional registration for problematic building materials, such as stucco?
  - a. Responsibility – Staff and BSC
  - b. Direction –
    - i. BSC – Consider a requirement that stucco construction be installed with a brick ledge, which allows for the installation of a brick wall at a later time.
    - ii. Staff – Consider applicable requirements for all stucco contractors doing work in the City to register with the City and/or acquire a special permit for use of stucco on homes.
4. **SINGLE DEPTH LOT** – Should all “through” lots really be subject to the double setbacks currently in the City’s Ordinances?
  - a. Responsibility – ZPC
  - b. Direction – Review the site setback requirements under Appendix A, Section 2-102a for all non-adjointing interior and/or corner building site lots that back up to a street and determine if current changes can be made without a special exception to extend the rear fence line.
5. **VIRTUAL CLASSES** – I would like to see more virtual classes, activities and seminars added to our recreational offerings on an ongoing basis.
  - a. Responsibility – Parks Board & Staff
  - b. Direction – Staff will work with the Parks Board to evaluate the possibility of adding virtual programming for consideration during the budget process.
6. **RESIDENTIAL DETENTION EFFORTS** – Consider options to encourage residents to participate in green initiatives, such as, rain barrels or rain gardens on their personal property.
  - a. Responsibility – Recycling & Solid Waste Recycle Board (RSWRB)
  - b. Direction – Evaluate options for future programs that encourage storm water detention on a resident’s property, such as, rain barrels or rain gardens.

This item was discussed during the 2020 Budget process.

7. **MUNICIPAL OVERLAY** – Consider the creation of a zoning overlay for all municipal properties (parks, buildings and vacant city owned land), which would replace the underlying zoning and subsequent requirements. If the City were to no longer own the land, the original underlying zoning would remain. This prevents the needs for the City to grant itself exemptions for items that do not comply with the underlying zone (i.e. height of lights in a municipal park).
  - a. Responsibility – ZPC
  - b. Direction – Consider the creation of a municipal overlay zoning district for all municipal properties, which allows the City to utilize the property for public benefit even if those uses do not comply with the underlying zoning requirement.

### Recommended Action

Staff recommends that Council forward the above items to appropriate boards, commissions and staff for review and recommendations on possible changes.



**AGENDA MEMO**  
Business of the City Council  
City of West University Place, Texas

<b>Meeting Date</b>	06.22.20	<b>Agenda Item</b>	11
<b>Approved by City Manager</b>	Yes	<b>Presenter(s)</b>	D. Beach, City Manager A. Taylor, EMC, Fire Chief
<b>Reviewed by City Attorney</b>	N/A	<b>Department</b>	Fire
<b>Subject</b>	Information and Update Related to COVID-19 and City Response		
<b>Attachments</b>	None		
<b>Financial Information</b>	Expenditure Required:		None
	Amount Budgeted:		None
	Account Number:		None
	Additional Appropriation Required:		None
	Additional Account Number:		None

**Executive Summary**

Update and discussion between City Council and staff on the COVID-19 emergency and City's response to this declared emergency.

**Recommended Action**

Discussion purposes only, no action recommended.



**AGENDA MEMO**  
Business of the City Council  
City of West University Place, Texas

<b>Meeting Date</b>	06.22.20	<b>Agenda Item</b>	12A
<b>Approved by City Manager</b>	N/A	<b>Presenter(s)</b>	T. Gilliam, City Secretary
<b>Reviewed by City Attorney</b>	N/A	<b>Department</b>	Administration
<b>Subject</b>	City Council Meeting Minutes		
<b>Attachments</b>	<ul style="list-style-type: none"><li>• June 8, 2020 City Council Meeting Minutes</li><li>• June 14, 2020 City Council Strategic Visioning Workshop Minutes</li><li>• June 15, 2020 City Council Strategic Visioning Workshop Minutes</li></ul>		
<b>Financial Information</b>	Expenditure Required:		N/A
	Amount Budgeted:		N/A
	Account Number:		N/A
	Additional Appropriation Required:		N/A
	Additional Account Number:		N/A

**Executive Summary**

The Minutes of the June 8, June 14, and June 15 meetings of the City Council are attached.

**Recommended Action**

Staff recommends approval of the attached Minutes.



# The City of West University Place

*A Neighborhood City*

## **CITY COUNCIL**

Bob Higley, Mayor  
Kevin Trautner, Mayor Pro Tem  
John P. Barnes, Councilmember  
Lauri Lankford, Councilmember  
Ed Sobash, Councilmember

## **STAFF**

David J. Beach, City Manager  
Alan Petrov, City Attorney  
Thelma Gilliam, City Secretary

## **CITY COUNCIL MINUTES**

The City Council of the City of West University Place, Texas, met in a workshop and regular session via on **Monday, June 8, 2020**, at **4:00 p.m.** in the Council Chambers in the Municipal Building, 3800 University, West University Place.

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Agenda items were as follows:

### **1. Call to Order**

Mayor Higley called the meeting to order at 4:00 p.m. All members of Council were present. City Manager Beach and City Secretary Gilliam were also present.

### **2. Convene into Executive Session**

Matters related to legal services.

At 4:00 p.m., Councilmember Sobash moved to convene into Executive Session in accordance with Sections 551.071 and 551.074 of Chapter 551 of the Texas Government Code. Councilmember Barnes seconded the motion. **MOTION PASSED.**

### **3. Adjourn Executive Session**

Mayor Higley adjourned the Executive Session at 5:10 p.m. and granted a 5-minute recess before calling the Workshop to order.

## **WORKSHOP (5:00 PM)**

### **4. Call Workshop to Order**

Mayor Higley called the Workshop to order at 5:15 p.m. All members of Council were present. City Manager Beach, City Secretary Gilliam and HR Director Urban were also present.

Joellen Cademartori with GovHR USA attended via teleconference.

### **5. Compensation Study and Personnel Policies and Employee Handbook**

Matters related to the 2020 compensation study and the City's Personnel Policies and Employee Handbook. *Recommended Action: Discuss and take any desired action. Mr. James Urban, HR Director*

City Manager Beach stated that the Workshop was to present Council with the results of the recently completed 2020 Compensation Study and to review recommended changes to the City's Personnel Policies and Employee Handbook.

Mayor Higley summarized his understanding of the basics related to the compensation study as follows:

- The consultants polled 24 cities that are arguably comparable to West U.
- 18 responses were received.
- Positions from those 18 cities were compared to positions in West U.
- West U arbitrarily determined that it wants to be in the top quarter with respect to pay.
- Consultant derived an estimate of what the City service model cost is going to be in the next budget.

HR Director Urban confirmed the mayor's understanding of the basics relating to the process.

Councilmember Lankford said she was surprised that staff selected the comparable cities instead of the consultants selecting them. Mr. Urban responded that staff used the same cities used for the 2017 study and so if the cities changed the City would not be comparing apples to apples from 2017 to 2020.

When asked why the City of Southside Place was not included in the comparisons, Mr. Urban responded that the City would not be able to match a lot of the positions included in the study because Southside does not have most of those positions due to them not offering some of the services the City offers.

Mr. Urban stated that most of our pay plans are accurate and relatively good. He said we are in the market range and that the biggest changes will be in the police and fire departments and would require some adjustments. He said other than that, most of the grades were right where we should be.

Councilmember Sobash said he observed that the lower limit of the 75 percentile is above what the City's current market rate was when the City hired two key positions. He said he has a hard time understanding that right now and that the study left him with more questions than answers.

After some technical difficulties, Ms. Cademartori with GovHR USA joined the conversation and answered some of Council's concerns regarding the study.

Ms. Cademartori said she was able to hear the discussion up to this point and she addressed the concerns raised regarding the selected cities, proposed ranges, cost-of-living adjustment (COLA), and the cities that responded.

In response to a question about the 75 percentile, Ms. Cademartori explained that 75 percentile means 25% of the communities surveyed pay more for a position and 75% pay less.

Councilmember Lankford asked Mr. Urban is it his recommendation that the City adopt this study or are any of the shortfalls noted in the report going to be corrected. Mr. Urban said he feels the shortfalls have been addressed.

Councilmember Lankford also requested that more information be included in the Personnel Policies and Employee Handbook regarding performance reviews.

Councilmember Lankford said regarding the difficulty of hiring officers, she noticed that according to the survey only 14 out of the 18 respondents had 12-hour shifts for their police officers. She said she was told that the City might have trouble hiring because of the 12 hour shifts because other cities have 8 or 10 hour shifts.

Chief Walker said he has put out feelers recently in the department and not one officer showed interest in changing the schedule. He said a newly hired officer chose West U because of the 12-hour shifts and the ability to have every other weekend off with his family. Chief Walker said he doesn't work 12-hour shifts so if his officers want to change it and it's within reason or doesn't degrade the department's ability to provide service, he'd change it in a heartbeat. He said until that time, he's not inclined to change it.

Regarding benefits, Mr. Urban and Ms. Cademartori said for the most part the City's benefits are pretty much on par.

Mayor Higley asked what do people value other than compensation. Ms. Cademartori said time-off, flexible work schedules and benefits with options even if it costs a little more.

Mayor Pro Tem Trautner asked what municipalities are doing over the next year in regards to compensation given the current market in Texas as a result of the virus and the oil crash. Ms. Cademartori said it depends on the City's revenue structure and how much of it is elastic. Mayor Pro Tem Trautner confirmed with Ms. Cademartori that what she is seeing is that if the structure is stable the cities will continue with their usual course of business.

In terms of the percentage of premiums paid for by the City, Mayor Pro Tem Trautner said he noticed that West U is on target with the average, a little less on the PPO, but that the HSA contribution is much more generous. He asked Ms. Cademartori her thought on the percentage paid for by West U for its employees and whether it is in the ballpark, too high or too low. She said she feels the City is on par and would have pointed it out if she thought there was a big disparity.

Councilmember Sobash stated that acceptance of the compensation study is on tonight's regular meeting Consent Agenda and he wanted to confirm if accepting it means it becomes policy. He said if there are more questions, Council can table the item and not accept it.

Councilmember Barnes said he is concerned that the study is based on a model that might not be totally accurate based on the selection criteria.

Councilmember Sobash said he likes the consolidation of the grades and likes some of the work that was done but can't say overall he likes the results of the study. He said he likes what he saw with Public Safety but other areas is a mixed bag. He said he agrees with Councilmember Barnes that the study started with a model that he doesn't fully understand and doesn't think is a good model to start with.

Regarding cost-of-living-adjustments, Councilmember Barnes said there has to be adjustments made in comparing the cities where people want to live and work if comparing apples to apples otherwise the model driving the 75 percentile is flawed.

City Manager Beach said there will not be enough time to make it through the Personnel Manual and because it is not time sensitive staff will bring it back to Council. In the meantime, he said he will solicit questions and concerns individually from Council regarding the compensation study and address those questions and concerns at a future meeting.

Councilmember Sobash moved to adjourn the Workshop at 6:20 pm. Councilmember Barnes seconded the motion. **MOTION PASSED.**

**Ayes:** Higley, Trautner, Barnes, Lankford, Sobash  
**Noes:** None

**Absent:** None

**6. Adjourn Workshop**

**REGULAR MEETING (6:30 PM)**

**7. Call Regular Meeting to Order**

Mayor Higley called the Regular Meeting to order at 6:30 p.m.

**8. Roll Call**

All members of Council were present.

City Manager Beach, City Secretary Gilliam, HR Director Urban, Fire Chief Taylor, and Police Chief Walker were also present. City Attorney Petrov attended via teleconference.

**9. Pledge of Allegiance**

Councilmember Lankford led the Pledge.

**10. Proclamation for Dr. Evelyn Carson**

Matters related to a proclamation recognizing Dr. Evelyn Carson for her 100<sup>th</sup> Birthday. *Recommended Action: Read proclamation. **Mayor Bob Higley***

Mayor Higley read a proclamation recognizing Dr. Evelyn Carson's 100<sup>th</sup> Birthday and her contributions to the community.

**11. Public Comments**

This is an opportunity for citizens to speak to the Council relating to agenda and non-agenda items.

City Secretary Gilliam received and read emails received from residents. The emails have been summarized as follows:

**David Winks**, 3805 Villanova, requested a response from City Council regarding an incident report filed with the Police Department.

**Ken Hoffman**, 4212 Ruskin, requested Council establish a moratorium on gas blowers for the next several months.

**12. Information and Updates related to COVID-19**

Matters related to COVID-19. *Recommended Action: Discuss and take any desired action. **Mr. Dave Beach, City Manager and Mr. Aaron Taylor, Fire Chief and Emergency Management Coordinator***

Fire Chief reported following on COVID-19:

- The City now has access to COVID-19 information regarding active cases. He said the total number of cases in West U is currently 22 with 14 being active, 8 recovered and 0 deaths. Since the last Council meeting there has been 9 additional cases added to the list.
- The City has implemented its Phase II plans to reopen City buildings to the public, which has gone well so far.
- Colonial Park pool opened today at 50 percent occupancy and as of this afternoon staff reported that operating at this level was comfortable to manage and the groups were self-distancing from each other.

- State and regional data is showing a slight increase in cases and staff will continue monitoring.
- Year-to-date the City has spent \$26,003 on supplies related to COVID-19.

In response to a question by Councilmember Sobash, Chief Taylor said the Recreation Pool is open and close distances is restricted by lanes.

Mayor Pro Tem Trautner asked Chief Taylor if he is concerned that there are 9 new cases in West U since the last report. Chief Taylor said one day's data brought in 8 new cases and though there is concern staff doesn't want to base any action off of one day's data.

### **13. Consent Agenda**

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member requests in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

#### **A. City Council Minutes**

Approve the City Council Meeting Minutes of May 18, 2020.

#### **B. Council Rules of Procedure**

Matters related to an ordinance adopting revisions to Council's Rules of Procedure. *Recommended Action: Adopt ordinance on the first of two readings. Mr. Dave Beach, City Manager]*

#### **C. Acceptance of Compensation Study**

Matters related to accepting the City's 2020 Compensation Study. *Recommended Action: Accept the City's 2020 Compensation Study. Mr. James Urban, HR Director*

Councilmember Sobash requested that Item C be removed from the Consent Agenda. Councilmember Sobash then moved to table acceptance of the Compensation Study. Councilmember Barnes seconded the motion. **MOTION PASSED.**

**Ayes:** Higley, Trautner, Barnes, Lankford, Sobash  
**Noes:** None  
**Absent:** None

Mayor Higley requested that Item A be removed from the Consent Agenda.

Councilmember Lankford moved to approve Item B on the first of two readings. Mayor Pro Tem Trautner seconded the motion. **MOTION PASSED.**

**Ayes:** Higley, Trautner, Barnes, Lankford, Sobash  
**Noes:** None  
**Absent:** None

Regarding the Minutes (Item A) changes were made as follows:

- On Page 2, the paragraph in which Mr. Wilson states "some amount of light on a property is going to illuminate a neighbor's property regardless of what type of there is" should state "...what type of **glare** there is."
- On Page 3, Item 3, "Regulate the equipment instead of noise" should read "Regulate the decibel of the equipment rather than that of the noise."

- Page 9, second paragraph, should read prevent somebody “from” speaking instead of “for” speaking.
- Page 9, second paragraph, “statue” should be “statute.”

Councilmember Sobash moved to approve the Minutes with the revisions. Mayor Pro Tem Trautner seconded the motion. **MOTION PASSED.**

**Ayes:** Higley, Trautner, Barnes, Lankford, Sobash  
**Noes:** None  
**Absent:** None

**14. Recess Regular Meeting to Convene Workshop**

Matters related to a modeling study on the City’s storm water drainage system. *Mr. Gerardo Barrera, Public Works Director*

City Manager Beach removed this item from the agenda.

**15. Adjourn Workshop and Reconvene Regular Meeting**

Not applicable as workshop did not convene.

**16. Adjourn Regular Meeting**

With no other matter before the council, the meeting will adjourn.

Councilmember Lankford moved to adjourn the meeting at 6:55 p.m. Councilmember Sobash seconded the motion. **MOTION PASSED.**

**Ayes:** Higley, Trautner, Barnes, Lankford, Sobash  
**Noes:** None  
**Absent:** None

*Audio of this Council Meeting is available on the City’s website or contact the City Secretary’s office for a copy.*

Prepared by: City Secretary Thelma A. Gilliam

Approved by City Council on: \_\_\_\_\_



# The City of West University Place

*A Neighborhood City*

## **CITY COUNCIL**

Bob Higley, Mayor  
Kevin Trautner, Mayor Pro Tem  
Lauri Lankford, Councilmember  
John P. Barnes, Councilmember  
Ed Sobash, Councilmember

## **STAFF**

David J. Beach, City Manager  
Alan Petrov, City Attorney  
Thelma Gilliam, City Secretary

## **CITY COUNCIL MINUTES**

The City Council of the City of West University Place, Texas, met in a workshop session on **Sunday, June 14, 2020**, in the Municipal Building, 3800 University, West University Place.

**Call to Order.** Mayor Higley called the meeting to order at approximately 9:00 a.m. in the Council Chambers. Council and Staff in attendance were: Councilmembers Barnes, Lankford, Sobash, Mayor Pro Tem Trautner (remotely from home), and City Manager Beach.

Consultant Lyle Sumek attended remotely.

### **1. City Council Strategic Visioning Workshop**

Matters related to the first of two workshops on strategic visioning for the newly elected City officials.

Consultant Lyle Sumek led one of two scheduled workshops to follow-up with Council on its goals outlined in initial the strategic visioning workshops held in June 2019.

### **2. Adjourn**

With no other business before the Council, Councilmember Lankford moved to adjourn the workshop at 3:31 p.m.

*Audio of this Workshop is available on the City's website or contact the City Secretary's office for a copy.*

Prepared by: Thelma A. Gilliam, TRMC, City Secretary

Council Approved: \_\_\_\_\_



# The City of West University Place

*A Neighborhood City*

## **CITY COUNCIL**

Bob Higley, Mayor  
Kevin Trautner, Mayor Pro Tem  
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Ed Sobash, Councilmember

## **STAFF**

David J. Beach, City Manager  
Alan Petrov, City Attorney  
Thelma Gilliam, City Secretary

## **CITY COUNCIL MINUTES**

The City Council of the City of West University Place, Texas, met in a workshop session on **Monday, June 15, 2020**, in the Municipal Building, 3800 University, West University Place.

**Call to Order.** Mayor Higley called the meeting to order at approximately 4:00 p.m. in the Council Chambers. Council and Staff in attendance were: Councilmembers Barnes, Lankford, Sobash, Mayor Pro Tem Trautner (remotely from home), City Manager Beach, and City Secretary Gilliam

Staff attending remotely were: Police Chief Walker, P&R Administrative Manager Veld, HR Director Urban, Finance Director DuBose, Police Chief Walker, IT Director Dang, Fire Chief Taylor, and Public Works Director Barrera

Consultant Lyle Sumek was also in attendance.

### **1. City Council Strategic Visioning Workshop**

Matters related to the second of two strategic visioning workshops.

Lyle Sumek led City Council in its second and final workshop on strategic visioning for 2020.

The following 2020-2021 Policy and Management Agendas resulted from the workshops (Project names may be tweaked at a later date):

#### **Policy Agenda – Top Priority**

City Communications Enhancements  
Financial Plan/Model with 5-Year Projections  
Key Performance Metrics  
Alternative Stormwater Detention/Drainage Modeling  
Virtual Gate – Phase 2  
Lots Maximum Buildable Area

#### **Policy Agenda – High Priority**

Westside Acquisition of Easements for Drainage  
Community Feedback on Services and Performances  
Financial Policies  
Intergovernmental Partnership Opportunities  
Traffic Safety Study  
Public Safety Issues

**Management Agenda – Top Priority**

- Wastewater Treatment Plant Flood Protection
- Police Services Full Staffing
- City Compensation Policy and Funding
- Bond Program 2020
- Succession Planning and Program
- Balanced Budget FY 2021 (COVID-19 Impacts and Tax Cap)

**Management Agenda – High Priority**

- Poor Farm Ditch
- Buffalo Speedway Road Replacement and Drainage Project
- COVID-19 Short Term Action Plan
- Water Efficiency and Capacity Study
- Virtual Gate – Phase 1
- Recreation Programming and Senior Needs Assessment

**2. Adjourn**

With no other business before the Council, Mayor Higley moved to adjourn the meeting at approximately 6:15 p.m.

*Audio of this Workshop is available on the City's website or contact the City Secretary's office for a copy.*

Prepared by: Thelma A. Gilliam, TRMC, City Secretary

Council Approved: \_\_\_\_\_



# AGENDA MEMO

Business of the City Council  
City of West University Place, Texas

<b>Meeting Date</b>	06/22/2020	<b>Agenda Item</b>	12B
<b>Approved by City Manager</b>	Yes	<b>Presenter(s)</b>	D. Beach, City Manager
<b>Reviewed by City Attorney</b>	Yes	<b>Department</b>	Administration
<b>Subject</b>	City Council Rules of Procedure		
<b>Attachments</b>	<ol style="list-style-type: none"> <li>Proposed Ordinance</li> <li>Exhibit A – Proposed Changes to City Council Rules of Procedure</li> </ol>		
<b>Financial Information</b>	Expenditure Required:		None
	Amount Budgeted:		None
	Account Number:		None
	Additional Appropriation Required:		None
	Additional Account Number:		None

## Executive Summary

Based upon comments received at the May 18 City Council meeting, staff made the necessary edits to the City Council’s Rules of Procedure and drafted an ordinance for Council’s consideration on first reading at its meeting on June 8. The primary change that was made was the addition of Rule 7 which allows for remote attendance of meetings. A few other minor changes (see redlined edits) in the Rules of Procedure were based upon Council’s discussion during the May 18 meeting.

Additional Changes / Clean Up:

- **Rule ~~17~~18. Presiding Officer.** The Mayor, or in the Mayor's absence or inability to perform, the Mayor Pro Tem, shall be the presiding officer at all Council meetings. If both the Mayor and Mayor Pro Tem are absent or unable to perform, the most senior Council Member present shall preside. In the event two or more Members equally possess the greatest seniority, then the eldest person among them shall preside. For this purpose, seniority is measured by current, continuous service on the City Council.

*When the Mayor or Council Member who would be the meeting’ Presiding Officer is attending remotely, the senior member of Council present at the physical meeting location will be the Presiding Officer.*

- **Rule ~~27~~28. ~~Remarks to be Germane~~ Matters on the Agenda.** Public comments [on matters on the agenda](#) must be kept relevant to the subject before the Council. The presiding officer shall rule on the relevance of comments. Persons making irrelevant, personal, impertinent, or slanderous remarks may be barred by the presiding officer from further comment before the Council during the meeting. [This rule does not prohibit criticism of the City or criticisms of actions or omissions of the City](#)

- **Rule 2829. Matters Not On the Agenda.** Discussion of matters not on the agenda is usually governed by Section 551.042 of the Texas Government Code, which currently provides:
  - (a) If, at a meeting of a governmental body, a member of the public or of the governmental body inquires about a subject for which notice has not been given as required by this subchapter, the notice provisions of this subchapter do not apply to:
    - (1) a statement of specific factual information given in response to the inquiry; or
    - (2) a recitation of existing policy in response to the inquiry.
  - (b) Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting.

Persons making personal, impertinent, or slanderous remarks may be barred by the presiding officer from further comment before the Council during the meeting. This rule does not prohibit criticism of the City or criticisms of actions or omissions of the City.

Council approved the ordinance on first reading at the June 8 meeting.

#### Recommended Action

Staff recommends that Council approve the ordinance adopting Council Rules of Procedure on the second and final reading.

City of West University Place  
Harris County, Texas

**ORDINANCE NO. XXXX**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST UNIVERSITY PLACE, TEXAS; AMENDING APPENDIX B, RULES OF PROCEDURE, OF THE CODE OF ORDINANCES OF THE CITY OF WEST UNIVERSITY PLACE, TEXAS.**

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WEST UNIVERSITY PLACE, TEXAS, THAT:**

**Section 1.** Appendix B, Rules of Procedure, of the Code of Ordinances of the City of West University Place, Texas is amended to read as set out in Appendix A, attached hereto. All other portions of Appendix B of the Code of Ordinances not specifically amended hereby remain in full force and effect.

**Section 2.** All ordinances and parts of ordinances in conflict with this Ordinance are repealed to the extent of the conflict only.

**Section 3.** If any word, phrase, clause, sentence, paragraph, section or other part of this Ordinance or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, neither the remainder of this Ordinance, nor the application of such word, phrase, clause, sentence, paragraph, section or other part of this Ordinance to any other persons or circumstances, shall be affected thereby.

**Section 4.** The City Council officially finds, determines and declares that a sufficient written notice of the date, hour, place and subject of each meeting at which this Ordinance was discussed, considered or acted upon was given in the manner required by the Texas Open Meetings Act, as amended, and that each such meeting has been open to the public as required by law at all times during such discussion, consideration and action. The City Council ratifies, approves and confirms such notices and the contents and posting thereof.

**Section 5.** This Ordinance takes effect immediately upon its passage and adoption on second reading.

**PASSED, APPROVED AND ADOPTED ON FIRST READING** on the \_\_\_\_ day of \_\_\_\_\_, 2020.

**PASSED, APPROVED AND ADOPTED ON SECOND READING, AND SIGNED,** on the \_\_\_\_ day of \_\_\_\_\_, 2020.

(Seal)

**Attest:** \_\_\_\_\_ **Signed:** \_\_\_\_\_  
City Secretary Mayor

Recommended by: \_\_\_\_\_  
City Manager

Approved as to legal form: \_\_\_\_\_  
City Attorney



## CITY OF WEST UNIVERSITY PLACE RULES OF PROCEDURE

### Part I. General Provisions

**Rule 1. Scope of Rules.** These rules shall govern the conduct of the Council and shall be interpreted to insure fair and open deliberations and decision making.

**Rule 2. Technical Parliamentary Forms Abolished.** Except as specifically required by these rules, the Council shall not use any formal points of parliamentary order, personal privilege, parliamentary inquiry or other technical forms.

**Rule 3. Rulings; Matters Not Covered.** The presiding officer shall rule, initially, on all questions of procedure. The ruling of the presiding officer may be appealed to the entire Council. Any matter or order or procedure not covered by these rules shall be decided in the same manner.

**Rule 4. Interpretation.** These rules are intended to supplement and shall be interpreted to conform with the statutes of the State of Texas and the charter and ordinances of the City of West University Place. In general, these rules shall be interpreted to allow the majority to prevail but preserve the right of the minority to be heard.

### Part II. Time and Place of Meeting

**Rule 5. Regular Meetings.** The City Council shall meet in regular session on each second and fourth Monday in each calendar month beginning at 6:30 PM. The City Council, by motion, resolution or ordinance, may reschedule any regular meeting. If a regular meeting falls on a legal holiday, it is automatically rescheduled for the following Monday, unless rescheduled by the City Council.

**Rule 6. Special Meetings.** Calling special meetings is governed by Section 2.09 of the Charter, which currently provides: "Special meetings may be called by the City Secretary at the request of the Mayor or two Members of Council. The City Manager shall be notified of all special meetings." A request for a special meeting shall be filed with the City Secretary in written form unless made at a regular meeting at which all Council Members are present.

**Rule 7. Remote (Virtual) Meetings.** As permitted by the Texas Open Meetings Act, Chapter 551, Texas Government Code, a member of the City Council will be provided the opportunity to attend City Council meetings remotely via video conference if he/she is not physically able to attend a meeting and a quorum of the City Council will be physically present at the meeting location. ~~A request by a Council Member to attend a meeting~~

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~~remotely must be sent to the City Secretary within three (3) days of a scheduled meeting.~~

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**Rule 87. Quorum, Majority Voting.** Quorum and majority voting are governed by Section 2.10 of the Charter, which currently provides: A majority of Council, qualified and serving, shall constitute a quorum at all meetings for the transaction of business, and no action of the Council shall be of any effect unless it is adopted by the favorable vote of a majority of Council present unless otherwise provided by this Charter.

### Part III. Agenda

**Rule 98. Preparation of Agenda; Requests.** As a general rule the City Manager creates each City Council agenda. The City Secretary prepares, posts and distributes notices of meetings and assembles the agenda package. The City Manager is responsible for approving each agenda package before posting. The City Manager must place a subject on the agenda if the subject is requested by the Mayor or by two or more Council Members.

**Rule 109. Consent Agenda.** In preparing an Agenda the City Secretary may separately designate items as "Consent Agenda" which may be acted upon by the Council under Rule 354. The "Consent Agenda" shall consist of routine items, which in the City Secretary's determination can be appropriately considered as a group (without separate discussion) at the Council meeting.

**Rule 110. Agenda Deadline.** All requests to place a subject on the agenda must be ~~in writing (including fax or e-mail) and~~ provided to the City Secretary or City Manager ~~by 5:00 PM on the fifth day preceding the meeting.~~

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**Rule 124. Requests to Include.** Each request to include an agenda item shall be forwarded to all members of the Council at the time the request is submitted to the City Secretary or City Manager. When a Council Member will be absent from a meeting, the Council Member may request that an item not be included and such request shall not be unreasonably denied.

**Rule 132. Withdrawal of Items.** The person who requests an item be placed on the agenda may withdraw the item from the agenda prior to the Council meeting, but in withdrawing the item shall state the reason and such reason shall be transmitted to the Council.

**Rule 143. Council Action to Defer, Continue or Not Act.** A Council Member wishing to withdraw, defer or continue an item may make a motion to that effect. Such a motion shall be considered before any other action on that item.

**Rule 154. [Reserved]**

### Part IV. Conduct of Meetings

**Rule 165. Roll Call.** Before proceeding with the business of the Council, the City Secretary shall note the Members present, and enter their names in the minutes. The presiding officer shall determine the presence of a quorum as required by law and these rules.

**Rule 176. Call to Order.** The presiding officer shall call the meeting to order.

**Rule 187. Presiding Officer.** The Mayor, or in the Mayor's absence or inability to perform, the Mayor Pro Tem, shall be the presiding officer at all Council meetings. If both the Mayor and Mayor Pro Tem are absent or unable to perform, the most senior Council Member present shall preside. In the event two or more Members equally possess the greatest seniority, then the eldest person among them shall preside. For this purpose, seniority is measured by current, continuous service on the City Council.

When the Mayor or Council Member who would be the meetings' Presiding Officer is attending remotely, the senior member of Council present at the physical meeting location will be the Presiding Officer.

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**Rule 198. Control of Discussion.** The presiding officer shall moderate discussion of the Council on each agenda item to assure full participation in accordance with these rules. The presiding officer will preserve order and decorum, preventing the impugning of any member's motives or other personal comment not relevant to the orderly conduct of business. The presiding officer shall request all speakers to keep comments brief and relevant to the question before the Council. All persons present in the meeting room should avoid abusive, rude or inappropriate conduct. See Chapter 38 of the Texas Penal Code regarding the "hindering" of official proceedings.

**Rule 2049. Order of Consideration of Agenda.** Except as otherwise provided in these rules, each agenda item shall be considered in the numerical order assigned by the City Secretary. Each agenda item shall be introduced by the presiding officer. To introduce an item, it shall be sufficient to identify the item by the number assigned by the City Secretary. However, as provided in Section 2.11 of the City Charter: Every ordinance shall be introduced in writing or printed form and have a clearly summarized and fully descriptive title or caption. After a measure is introduced, the standard procedure is as follows:

- (1) Reading of the measure by the City Secretary (or other person designated by the presiding officer). Reading ordinances or resolutions by caption or summary is allowed if the full text is available as prescribed by the Charter. (Note: Section 2.11 of the Charter currently requires additional steps for ordinances: "The reading aloud of the title or caption of the ordinance shall suffice as a reading provided that printed copies of the ordinance, in the form required for adoption, are available to all members of Council and that a reasonable number of additional copies is available to interested citizens present at the Council meeting. A majority of the Council qualified and serving may require an ordinance to be read in its entirety.")

- (2) The City Manager or other person may present a staff statement.
- (3) Public comments that have been deferred to the agenda item.
- (4) Discussion.
- (5) Motion and second.
- (6) Additional discussion, if necessary.
- (7) Vote. Informal voice voting shall be used, unless a Council Member requests a roll call vote. On a roll call vote, the moving member votes first, the seconding member votes second, the remaining members vote in alphabetical order and the presiding officer votes last (unless the presiding officer has moved or seconded the motion). In case of a tie, the motion fails.

**Rule 219. Presiding Officer's Right to Enter into Discussion.** The Mayor (or other presiding officer) as a Member of the Council may enter into any discussion.

**Rule 224. Limit on Remarks.** Each Council Member shall limit his or her remarks to a reasonable length.

**Rule 232. Presiding Officer's Right to Speak Last.** The presiding officer has the right to speak last on any item.

**Rule 243. Closing Debate or Discussion.** Debate or discussion shall be closed on any item by the presiding officer with the concurrence of a majority of the Council present. Except as provided by Rule 312, a call for the vote shall not close discussion if any Member of the Council still wishes to be heard or the presiding officer determines the continued participation of others will be helpful to the Council.

## **Part V. Citizen Participation**

**Rule 254. Public Participation.** Comments and suggestions by the public are highly valued and encouraged during those parts of a meeting designated for public participation. Speakers should register in advance and should limit their presentations to three minutes each. Speakers should direct all remarks and questions to the Council. The presiding officer may refer a matter for investigation, response or other action. Public comments by a speaker relating to a non-agenda item shall be heard after the pledges at the beginning of a meeting. For comments relating to an agenda item, the speaker has the option of speaking during the Public Comment Period or may defer his/her remarks until the subject agenda item is addressed by Council. Council members may ask questions of a speaker or discuss a matter raised by a speaker if the matter is included as an item on the agenda. The Mayor may request a staff report or comments on an agenda item before calling for public comments. The "Texas Open Meetings Act" requires the City to post a notice, in advance, listing every topic or subject to be considered by the Council. This law may prevent the Council from considering a subject raised by a member of the public. In this case, the presiding officer may refer the matter, and the Council may direct that the matter be placed on the agenda for an upcoming

meeting.

**Rule 265. Manner of Addressing Council.** A person desiring to address the Council shall step to the lectern or other designated place, state his or her name and address for the record.

**Rule 276. Total Time Limits.** Total time for public comment on any subject under Council consideration can be limited to a fixed period by the presiding officer. A majority vote of the Council may extend the time limitations of this rule.

**Rule 287. ~~Remarks to be Germane~~Matters on the Agenda.** Public comments on matters on the agenda must be kept relevant to the subject before the Council. The presiding officer shall rule on the relevance of comments. Persons making irrelevant, personal, impertinent, or slanderous remarks may be barred by the presiding officer from further comment before the Council during the meeting. This rule does not prohibit criticism of the City or criticisms of actions or omissions of the City

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**Rule 298. Matters Not On the Agenda.** Discussion of matters not on the agenda is usually governed by Section 551.042 of the Texas Government Code, which currently provides:

- (a) If, at a meeting of a governmental body, a member of the public or of the governmental body inquires about a subject for which notice has not been given as required by this subchapter, the notice provisions of this subchapter do not apply to:
  - (1) a statement of specific factual information given in response to the inquiry; or
  - (2) a recitation of existing policy in response to the inquiry.
- (b) Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting.

Persons making personal, impertinent, or slanderous remarks may be barred by the presiding officer from further comment before the Council during the meeting. This rule does not prohibit criticism of the City or criticisms of actions or omissions of the City

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## Part VI. Council Action

**Rule 3029. Motion Required.** All action requiring a vote shall be moved by a Member of the Council.

**Rule 319. Motion to Reconsider.** Except in case of a tie vote, a motion to reconsider must be made by a Council Member who was on the prevailing side in the original action or by a Council Member absent at the time of the original action. The motion must be made at a meeting when the subject is on the agenda. See Rule 98.

**Rule 324. Less Than a Full Deck.** When only three Members of the Council are in attendance at a meeting and an agenda item fails to receive two affirmative or negative votes, the item shall, upon the request of any Council Member in attendance at the

meeting, be continued and placed on the agenda for the next Council meeting, and continued thereafter upon the agenda for subsequent meetings until it shall receive sufficient affirmative or negative votes to pass or fail. If consideration of an ordinance is continued under this rule, the ordinance shall not be considered to have been read or voted upon.

**Rule 332. Call for Vote.** At the conclusion (or closure) of debate or discussion, the presiding officer shall call for a vote, provided however, a majority of the Council present may close further discussion and require a vote at any time.

**Rule 343. Separate Consideration.** Except as otherwise required by these rules each agenda item shall be voted upon separately and each separate vote shall be recorded by the City Secretary.

**Rule 354. Action on Consent Agenda.** Except as herein provided, the "Consent Agenda" shall be considered as a group (without separate discussion on each item). When the Consent Agenda is introduced, each Council Member has the right to remove any item, in which case the item is handled under Rule 2049. After items are removed, the presiding officer shall ask the Members to indicate their votes on the remaining Consent Agenda items. Each Member may indicate a separate affirmative vote on each remaining item by saying "aye," or the Member may indicate a different vote on any particular item, in which case that item is automatically removed from the Consent Agenda and handled under Rule 2049. The City Secretary shall record the votes on each item separately.

**Rule 365. Consideration Out of Order.** With the consent of the Council any agenda item may be considered out of order, at the request of a Council Member.

**Rule 376. Recording Names of Moving Members.** The City Secretary shall record the name of the Council Member making each motion and seconding each motion.

**Rule 387. [Reserved]**

**Rule 398. [Reserved]**

#### **Part VII. Miscellaneous**

**Rule 4039. Voting Required.** Section 2.10 of the Charter requires Members to vote, as follows:

Each member of Council present shall vote on every action taken by Council unless the action involves the member's own conduct or presents a possible conflict of interest. In that case, the member shall file with the City Secretary a written statement of the reason for abstaining.

Any Member prohibited from voting by personal interest shall announce at the

commencement of consideration of the matter and shall not enter into discussion or debate on any such matter.

Any Council Member refusing to vote--and not excused from voting--shall be recorded in the minutes as voting in the affirmative.

**Rule 419. Suspension of Rules.** These rules or any part hereof may be suspended for a specific purpose, or any single meeting, by a vote of three-fourths of the Council Members present.

**Rule 424. Informal Requests.** A Member of the Council, before or during the consideration of any matter, or in the course of a hearing, may request and receive information, explanations or the opinions of the City Manager, City Attorney, City Secretary or any City employee present, all subject to Rules 243 and 332.



**AGENDA MEMO**  
Business of the City Council  
City of West University Place, Texas

<b>Meeting Date</b>	June 22, 2020	<b>Agenda Item</b>	12C
<b>Approved by City Manager</b>	Yes	<b>Presenter(s)</b>	K. DuBose, Director
<b>Reviewed by City Attorney</b>	Yes	<b>Department</b>	Finance
<b>Subject</b>	Texas Local Government Investment Pool Authorizations		
<b>Attachments</b>	1. City Resolution 2. TexPool Amending Authorized Representative form		
<b>Financial Information</b>	Expenditure Required:	None	
	Amount Budgeted:	None	
	Account Number:	None	
	Additional Appropriation Required:	None	
	Additional Account Number:	None	

**Executive Summary**

On June 8, 1992, the City of West University Place (the “Participant”) and Texas Local Government Investment Pool (“TexPool / Texpool Prime”) entered into a Participation Agreement (the “Agreement”), which requires that the Participant amend Authorized Representatives by resolution from time-to-time as changes in staffing occur, as is the case with the recent hiring of the new Finance Director Katherine Dubose.

The attached resolution will amend the approved list of Authorized Representatives (the “Investment Officials”) who act to transmit funds for investment or to withdraw funds, to issue letters of instruction, and take such other actions deemed necessary or appropriate for the investment of local funds with Texas Local Government Investment Pool (“TexPool / TexPool Prime”).

This resolution if adopted will supersede all prior resolutions authorizing representatives.

**Recommended Action**

Staff recommends that the City Council approve the resolution amending the Authorized Representatives and appointing the Authorized Representatives as Investment Officials.

**RESOLUTION NO. XX-XXXX**

**RESOLUTION OF THE CITY OF WEST UNIVERSITY PLACE, TEXAS,  
AUTHORIZING A RESOLUTION AMENDING AUTHORIZED  
REPRESENTATIVES TO THE TEXAS LOCAL GOVERNMENT  
INVESTMENT POOL (“TEXPOOL / TEXPOOL PRIME”) TO CONDUCT  
TRANSACTIONS FOR THE INVESTMENT OF CITY FUNDS.**

**WHEREAS**, the City of West University Place, Texas (“Participant”) entered into a Participation Agreement (“Agreement”) between the City and Texas Local Government Investment Pool (“TexPool / Texpool Prime”) on June 8, 1992 by Resolution Number 92-08.

**WHEREAS**, the Agreement requires the Participant to follow certain operating procedures with the respect to the establishment and maintenance of accounts; and

**WHEREAS**, the Agreement’s operating procedures requires a resolution amending Authorized Representatives that were approved by a Participant’s governing body; and

**WHEREAS**, the TexPool / Texpool Prime Amending Resolution attached to by form states that the Resolution Amending Authorized Representatives supersedes all prior resolutions authorizing representatives; and

**WHEREAS**, the Participant is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

**WHEREAS**, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

**WHEREAS**, the TexPool / Texpool Prime, a public funds investment pool, consisting of separate pooled investment funds, was created pursuant to the provisions of Chapter 791, Texas Government Code, on behalf of entities to provide government functions and services, specifically public funds investment, whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; **NOW THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST UNIVERSITY PLACE, TEXAS:**

**Section 1.** That the Finance Director shall designate one or more individuals to act as Authorized Representatives of the City of West University Place, in the manner provided in the form attached titled TexPool / Texpool Prime Resolution Amending Authorized Representative, to transmit funds for investment in the TexPool / Texpool

Prime Pool and to withdraw funds from the TexPool / Texpool Prime Pool from time to time, to issue letters of instruction, and take such other actions deemed necessary or appropriate for the investment of local funds.

**Section 2.** That the individuals, whose signatures appear in the TexPool / Texpool Prime Resolution Amending Authorized Representatives, attached to by form, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / Texpool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

**Section 3.** That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / Texpool Prime account or (2) is no longer employed by the Participant; and

**Section 4.** That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant.

**Section 5.** That this Resolution, and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation.

**Section 6.** That the listed Authorized Representatives are approved by the City of West University Place, Texas, to transmit funds for investments and to withdraw funds from time to time, to issue letters of instruction, and take such other actions deemed necessary or appropriate for the investment of local funds.

- |                             |                            |                     |
|-----------------------------|----------------------------|---------------------|
| 1. Name: Katherine DuBose   | Title: Finance Director    | Phone: 713-662-5816 |
| 2. Name: Darla Steubing     | Title: Fiscal Svcs Officer | Phone: 713-662-5819 |
| 3. Name: Harrison Nicholson | Title: Treasurer           | Phone: 713-662-5817 |

**Section 7.** That this Resolution shall take effect immediately upon its **passage and approval.**

**PASSED, APPROVED AND ADOPTED** on the \_\_\_\_ day of \_\_\_\_\_, 2020.

**Attest:** \_\_\_\_\_  
City Secretary (Seal)

**Signed:** \_\_\_\_\_  
Mayor

**Recommended:**

\_\_\_\_\_  
City Manager

**Approved as to legal form:**

\_\_\_\_\_  
City Attorney

# Resolution Amending Authorized Representatives



Please complete this form to amend or designate Authorized Representatives. *This document supersedes all prior Authorized Representative forms.*

**\* Required Fields**

**1. Resolution**

**WHEREAS,**

City of West University Place

7 8 4 4 5

Participant Name\*

Location Number\*

("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool / Texpool Prime"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

**NOW THEREFORE,** be it resolved as follows:

- A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.
- B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool Prime account or (2) is no longer employed by the Participant; and
- C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representative(s) of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. Katherine DuBose | Finance Director  
Name | Title

7 1 3 6 6 2 5 8 1 6 | 7 1 3 6 6 2 5 8 0 4 | kdubose@westutx.gov  
Phone | Fax | Email

  
Signature

2. Harrison Nicholson | Treasurer  
Name | Title

7 1 3 6 6 2 5 8 1 7 | 7 1 3 6 6 2 5 8 0 4 | hnicolson@westutx.gov  
Phone | Fax | Email

  
Signature

3. Darla Steubing | Fiscal Services Officer  
Name | Title

7 1 3 6 6 2 5 8 1 9 | 7 1 3 6 6 2 5 8 0 4 | dsteubing@westutx.gov  
Phone | Fax | Email

  
Signature

1. Resolution (continued)

4.    
 Name Title  
    
 Phone Fax Email  
  
 Signature

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Katherine DuBose  
Name

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. *This limited representative cannot perform transactions.* If the Participant desires to designate a representative with inquiry rights only, complete the following information.

Name Title  
    
 Phone Fax Email

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 22 day of June, 2020.

**Note: Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.**

City of West University Place  
Name of Participant\*

**SIGNED**

Signature\*  
Bob Higley  
 Printed Name\*  
Mayor  
 Title\*

**ATTEST**

Signature\*  
Thelma A. Gilliam  
 Printed Name\*  
City Secretary  
 Title\*

2. Mailing Instructions

The completed Resolution Amending Authorized Representatives can be faxed to TexPool Participant Services at 1-866-839-3291, and mailed to:

TexPool Participant Services  
1001 Texas Avenue, Suite 1150  
Houston, TX 77002