



# City of Piney Point Village

7676 WOODWAY DR., SUITE 300  
HOUSTON, TX 77063-1523

TELEPHONE (713) 782-0271  
FAX (713) 782-0281

## **THE CITY OF PINEY POINT VILLAGE REGULAR COUNCIL MEETING MONDAY, MAY 18, 2020**

**NOTICE IS HEREBY GIVEN THAT THE CITY COUNCIL OF THE CITY OF PINEY POINT VILLAGE WILL HOLD A REGULAR MEETING ON MONDAY, MAY 18, 2020 AT 6:30 P.M. VIA ZOOM TO DISCUSS THE AGENDA ITEMS LISTED BELOW.**

**THE MAY 18, 2020 6:30 P.M. MEETING WILL BE HELD VIRTUALLY THROUGH THE USE OF ZOOM. THE DIAL IN NUMBER IS: 884-841-6839**

### **DECLARATION OF QUORUM AND CALL TO ORDER**

**SWEARING IN OF NEWLY ELECTED OFFICIALS: MARK KOBELAN, JOEL BENDER AND HENRY KOLLENBERG**

### **PLEDGE OF ALLEGIANCE**

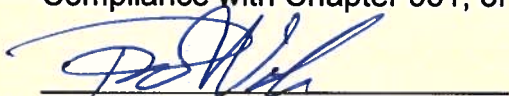
**CITIZENS WISHING TO ADDRESS COUNCIL** - *At this time, any person with city-related business may speak to the Council. In compliance with the Texas Open Meetings Act, if a member of the public comments or inquiries about a subject that is not specifically identified on the agenda, a member of Council or a Staff Member may only respond by giving a statement of specific factual information or by reciting existing policy. The City Council may not deliberate or vote on the matter*

1. Discuss and take possible action on election of Mayor Pro Tempore
2. Discuss and take possible action on the MVPD monthly report
3. Discuss and take possible action on the MVPD 2021 Budget and 2019 Annual Financial Report
4. Discuss and take possible action on the VFD monthly report
5. Discuss and take possible action on the 2019 Annual Financial Report
6. Discuss and take possible action on "Little Free Library" at Carol Tree Park
7. Discuss and take possible action on Municipal Court Modifications

8. Discuss and take possible action on the Mayor's monthly report, including but not limited to:
  - Flags
  - Echo Lane and Taylorcrest Landscaping
9. Discuss and take possible action on the City Administrator's monthly report, including but not limited to:
  - April 2020 Financials
10. Discuss and take possible action on 2020 Paving Improvements Project
11. Discuss and take possible action on the City Engineer's monthly report
12. Discuss and take possible action on the minutes of the April 27, 2020 Council meeting
13. Discuss and take possible action on any future agenda items, meeting dates, etc.
14. Adjourn

#### **CERTIFICATION**

I certify that a copy of the May 18, 2020 agenda of items to be considered by the Piney Point Village City Council was posted in a place convenient to the general public in Compliance with Chapter 551, of the Texas Government Code on May 15, 2020.



Roger Nelson  
City Administrator

In compliance with the Americans with Disabilities Act, the City of Piney Point Village will provide for reasonable accommodations for persons attending City Council meetings. This facility is wheelchair accessible and accessible parking spaces are available. To better serve you, your requests should be received 48 hours prior to the meeting. Please contact Karen Farris, City Secretary, at 713-782-0271. The City Council reserves the right to adjourn into a Closed Executive Session at any time under the Texas Government Code, Section 551.071, to consult with an attorney.



Memorial Villages Police Department

11981 Memorial Drive  
Houston, Texas 77024  
Tel. (713) 365-3701

Raymond Schultz  
Chief of Police

May 11, 2020

TO: MVPD Police Commissioners

FROM: R. Schultz, Chief of Police

REF: April Monthly Report

During the month of March MVPD responded/handled a total of 6,390 calls/incidents. 5,470 House watch checks were conducted. 20 traffic stops were initiated with 27 citations being issued for 52 violations. (Note: 9 Assists in Hedwig, 28 in Houston, 1 in Spring Valley and 0 in Hillshire)

*Calls/Events by Village were:*

Village	Calls/YTD	House Watches/YTD	Accidents	Citations	Response Time
Bunker Hill:	1897/10060	1669/8603	1	6	6@3:35
Piney Point:	2067/7446	1771/5967	0	17	12@4:11
Hunters Creek:	2356/9281	2025/5586	1	4	6@4:03 24@4:02

*Type and frequency of calls for service/citations include:*

Call Type	#	Call Type	#	Citations	#
False Alarms:	124	Ord. Violations:	18	Speeding:	7
Accidents:	2	Info Reports:	11	Exp. Registration:	2
ALPR Hits:	31	Suspicious Situations:	159	No Ins:	6
Assist Fire:	45	Welfare Checks:	14	Equipment	7
Assist EMS:	31			Stop Sign:	4

*This month the department generated a total of 61 police reports.*

Crimes Against of Persons (1)

Aggravated Assault 1

Crimes Against Property (19)

Burglary of a Vehicle	3	Fraud/ID	8
Burglary of a Habitation	1	Misd Theft	4
Attempted Burglary	1	Credit Card Abuse	1
Forgery	1		

Petty/Quality of Life Crimes/Events (41)

ALPR Hits (valid)	9	DWI	1
Poss. of a Controlled Sub/Para.	1	Misc. Reports	19
Warrants	2	Recovered Stolen Vehicle	9

Arrest Summary: Individuals Arrested (11)

Warrants	2	DWI	1
Class 3 Arrests	0	Felony	8

<u>Budget YTD:</u>	<u>Expense</u>	<u>Budget</u>	<u>%</u>
• Personnel Expense:	1,511,145	4,815,125	31.4%
• Operating Expense:	367,016	896,837	40.9%
• Total M&O Expenditures:	1,878,161	5,711,962	32.9%
• Capital Expenses:	9,332	138,000	6.8%
• Net Expenses:	1,887,492	5,849,962	32%

#### Follow-up on Previous Month Items/Requests from Commission

- Budget Committee met and reworked proposed FY21 budget. Reducing expenditures to: Personnel expenses 3.99%, Total budget 4.44%
- Initiated reimbursement process with State of Texas, FEMA staff for COVID-19 cost reimbursement.

#### Personnel Changes/Issues/Updates

- The department is now fully staffed. 44.5 FTE's.
- COVID-19 additional support staff of 1-2 officers per shift was reduced to only one officer per day for a maximum of 6 hours as of May 1<sup>st</sup>. The additional officer is in a marked unit using cruise lights for high visibility, during early evening hours.
- Ms. Loud and Ms. Bowman continue to work a modified schedule between at home and on-site. Both remain available M-F.

#### Major/Significant Events

- Officers Boggus and White assisted Polk County emergency personnel with recovery efforts by deploying the MVPD drone. Officers spent a total of 3 days surveying the area around Lake Livingston. 1 day in searching for victims using the FLIR and 2 days mapping damage.
- ALPR vehicle recoveries now stand at 22 recovered vehicles totaling over \$343,000 in value. Thus far in 2020, 16 of the 22 or 72% of all ALPR vehicles have a nexus to other crimes with the top crime being identity and mail thefts.

#### Status Update on any Major Projects

- Held introductory teleconference with State officials for the grant/reimbursement process for COVID-19 related expenses.
- Participated in a LOS waiver teleconference with the FAA for expanded Drone testing and usage in partnership with Paladin Drones.
- Flock Safety upgraded several cameras to new technology. Moved the camera that was at Echo and Taylorcrest to Flintdale and Taylorcrest due to poor cell service. Electricity installed at Memorial and Voss, and Memorial and Briar Forest to convert those camera systems to 110v service.
- Obtained and trained crime scene and investigative personnel in new credit/gift card reader system obtained by MVPD. The reader allows detectives to read suspected stolen or embezzled gift/credit and debit cards and learn all information about the usage and balances.

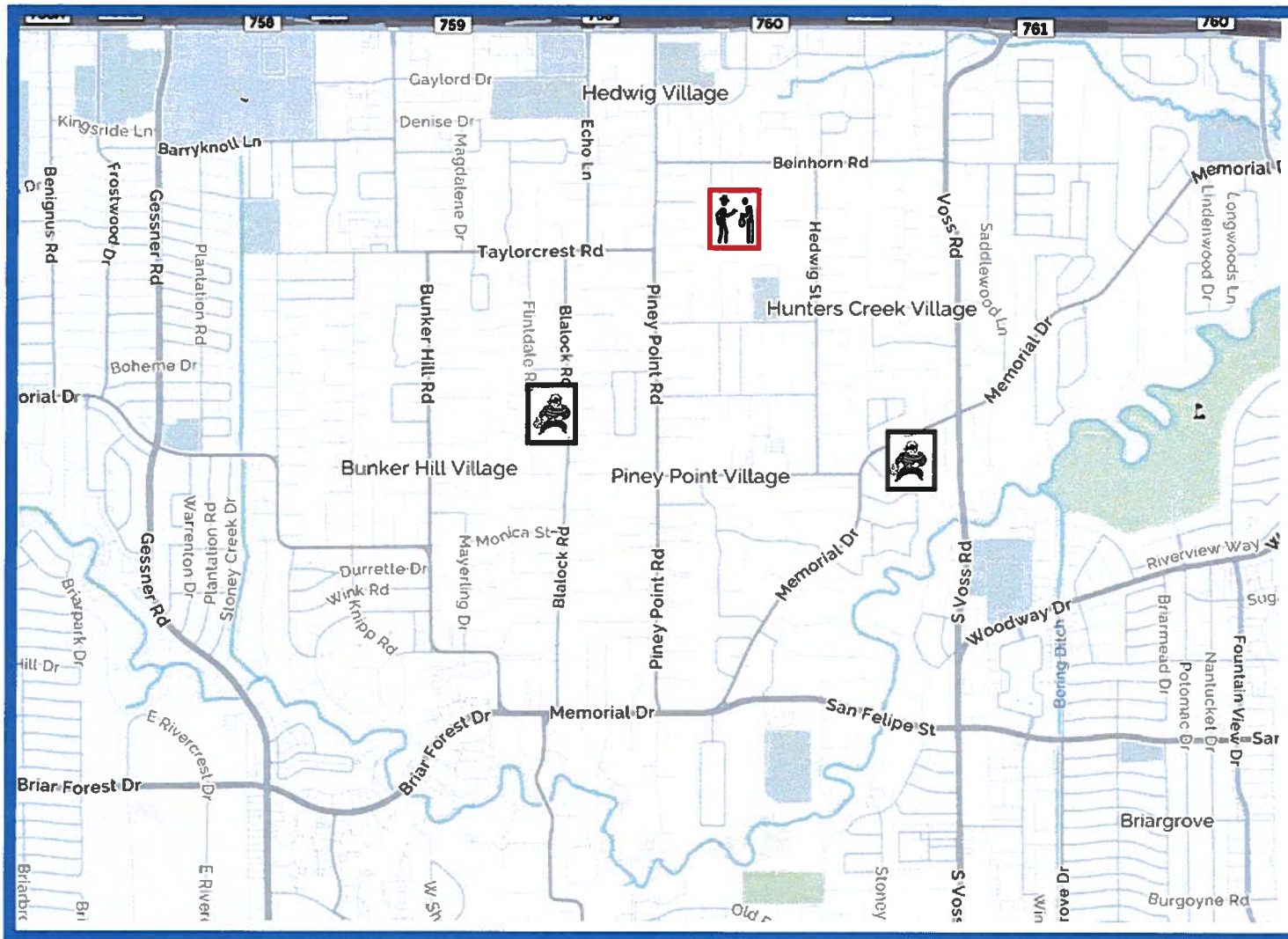
V-LINC new registrations in April: +151

BH – 1218/1250 (+23)

PP – 866/1160 (+30)

HC – 1269/1514 (+89)

Out of Area – 416 (+9)



## 2020 Burglary Map

Address	Alarm	POE
22 Willowron	N	Rear Door Force
11603 Mockingbird	N	Veh in Open Gar

## 2020 Robberies

Address	MO
6 Smithdale Estates	Purse at Ft Door



Daytime Burglary



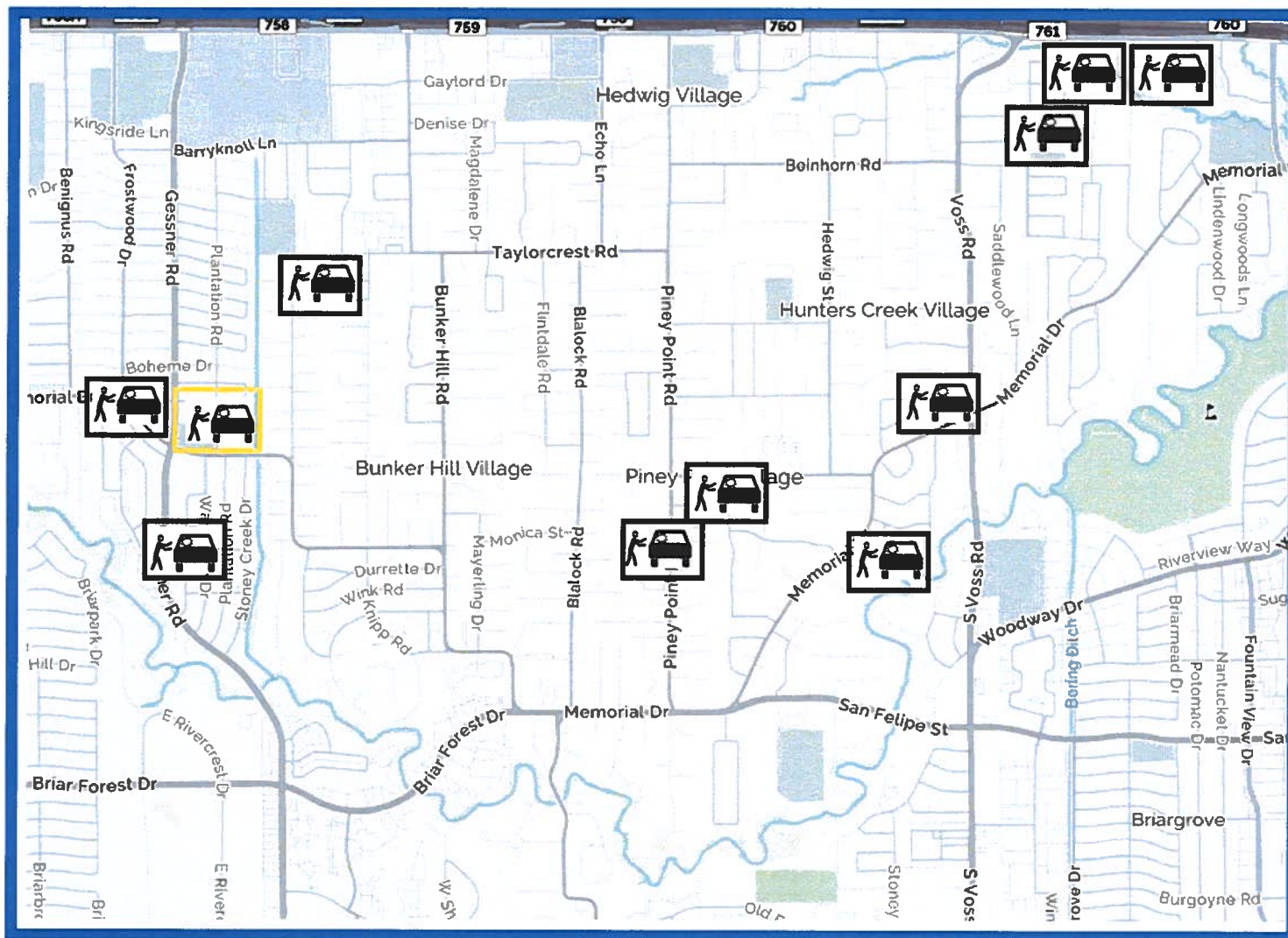
Nighttime Burglary



Robbery

5/1/20

2



## 2020 Auto Burglary Map

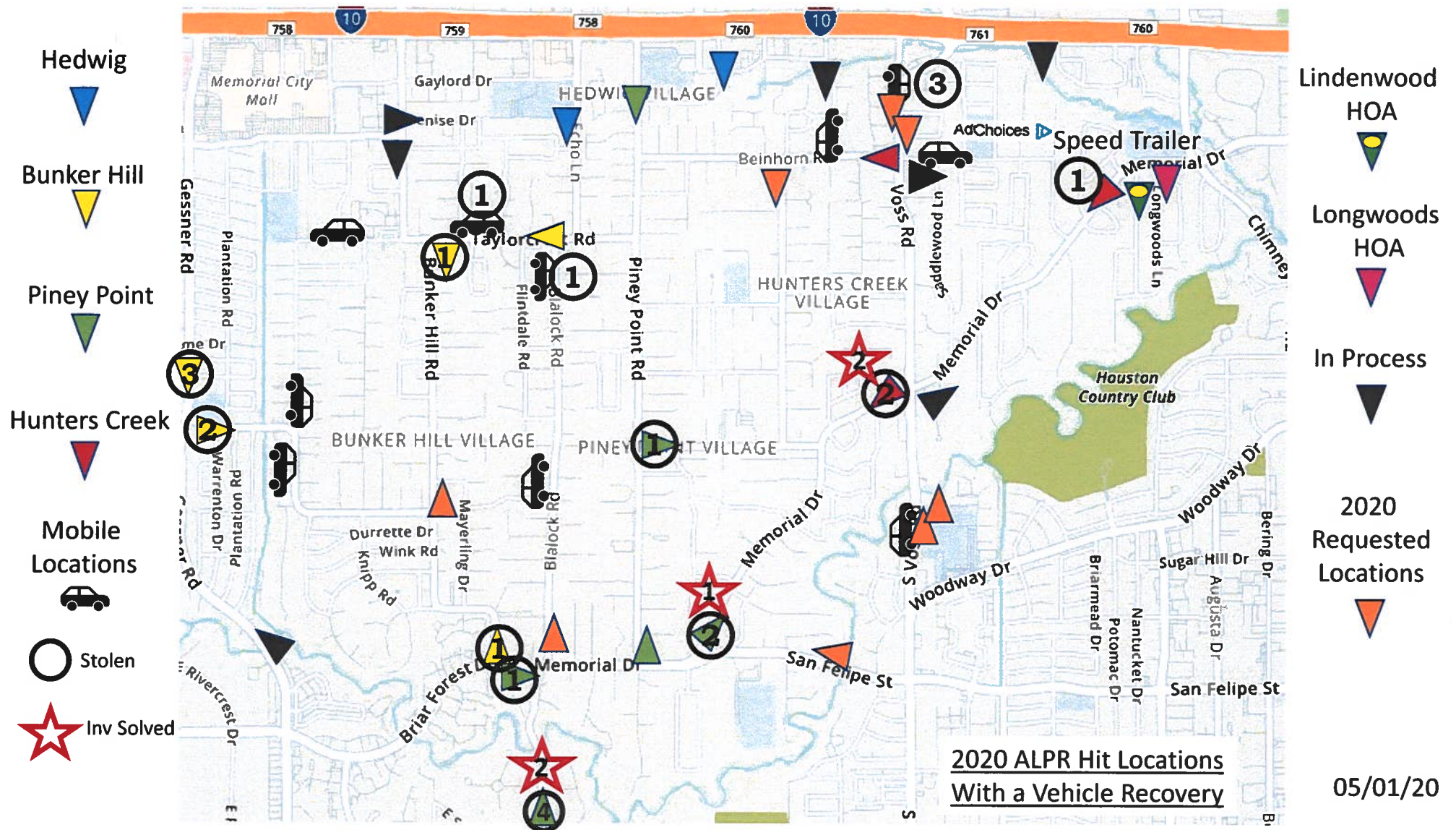
Address	POE
12210 Valley Star	Side Window
11910 Broken Bough	UNL Door
933 Hickory Hollow	UNL Door
12126 Tara	Side Window
12330 Tealwood North	UNL Door
8435 Katy FWY	UNL Door
906 Flint River	UNL Door
422 Piney Point	UNK Door
11230 Hermosa	UNK Door
11106 Wickway	UNK Door
206 Caruthers	UNK Door

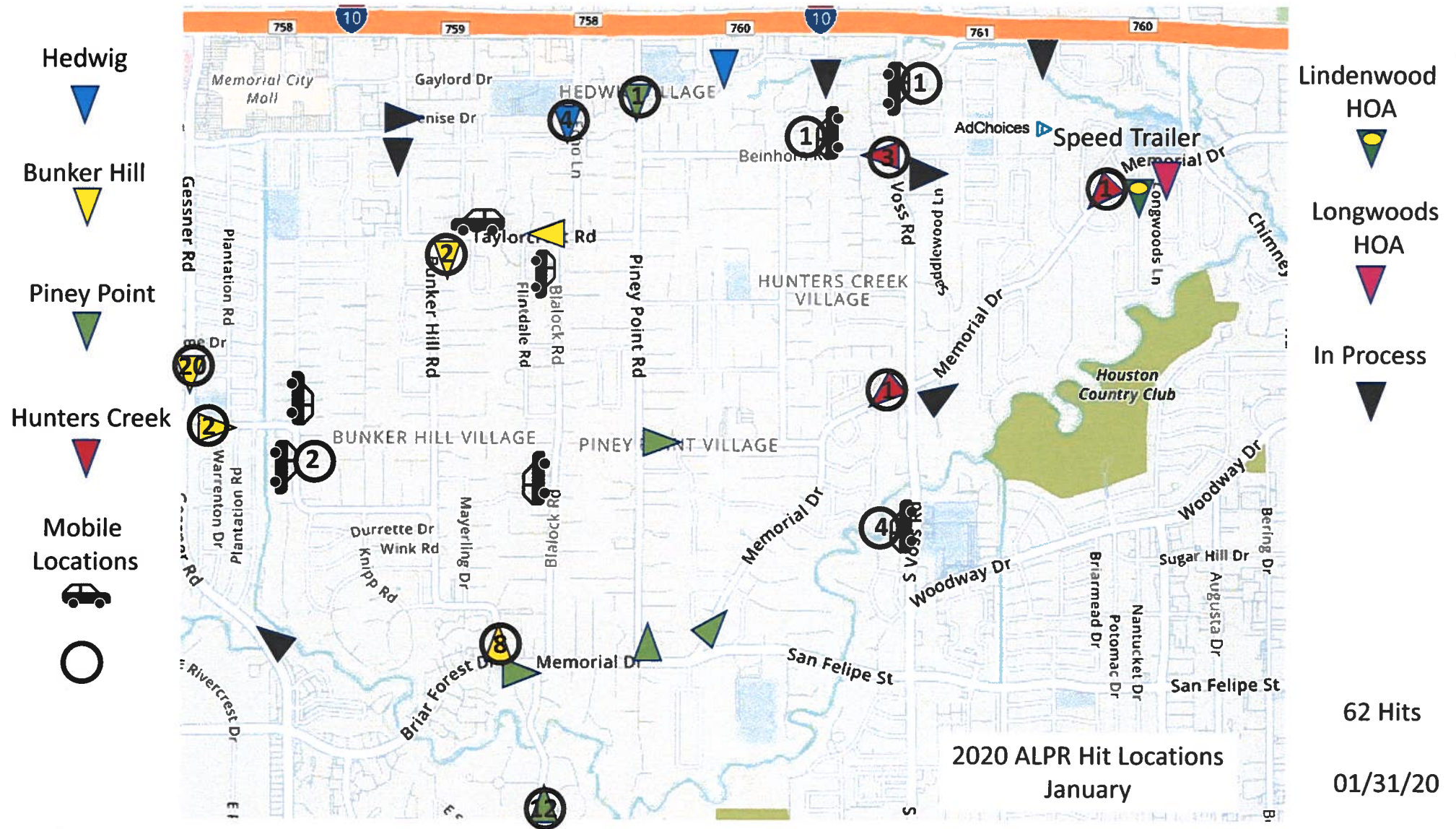
Daytime Burglary

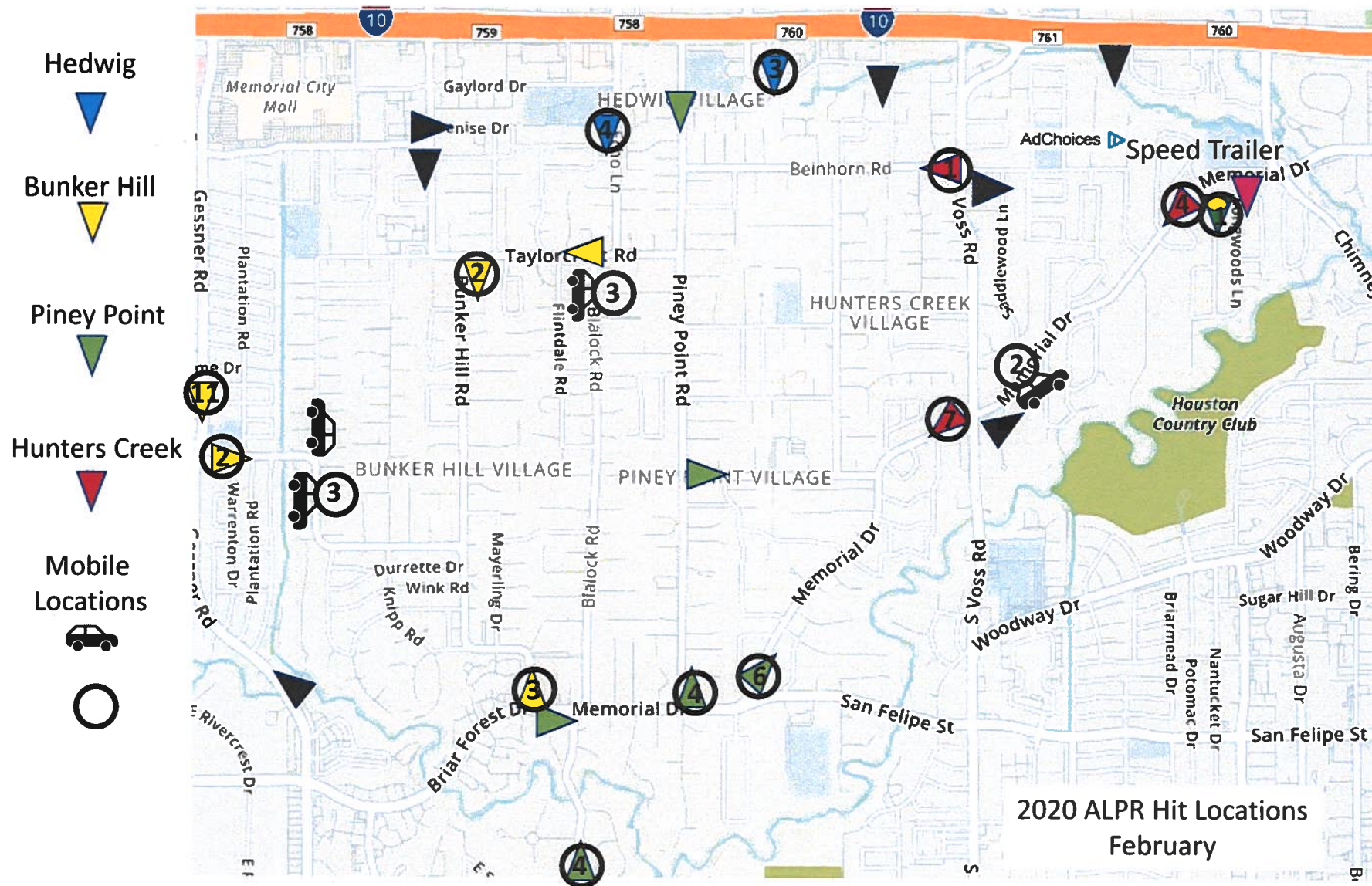
Nighttime Burglary

2
3
4

5/1/20



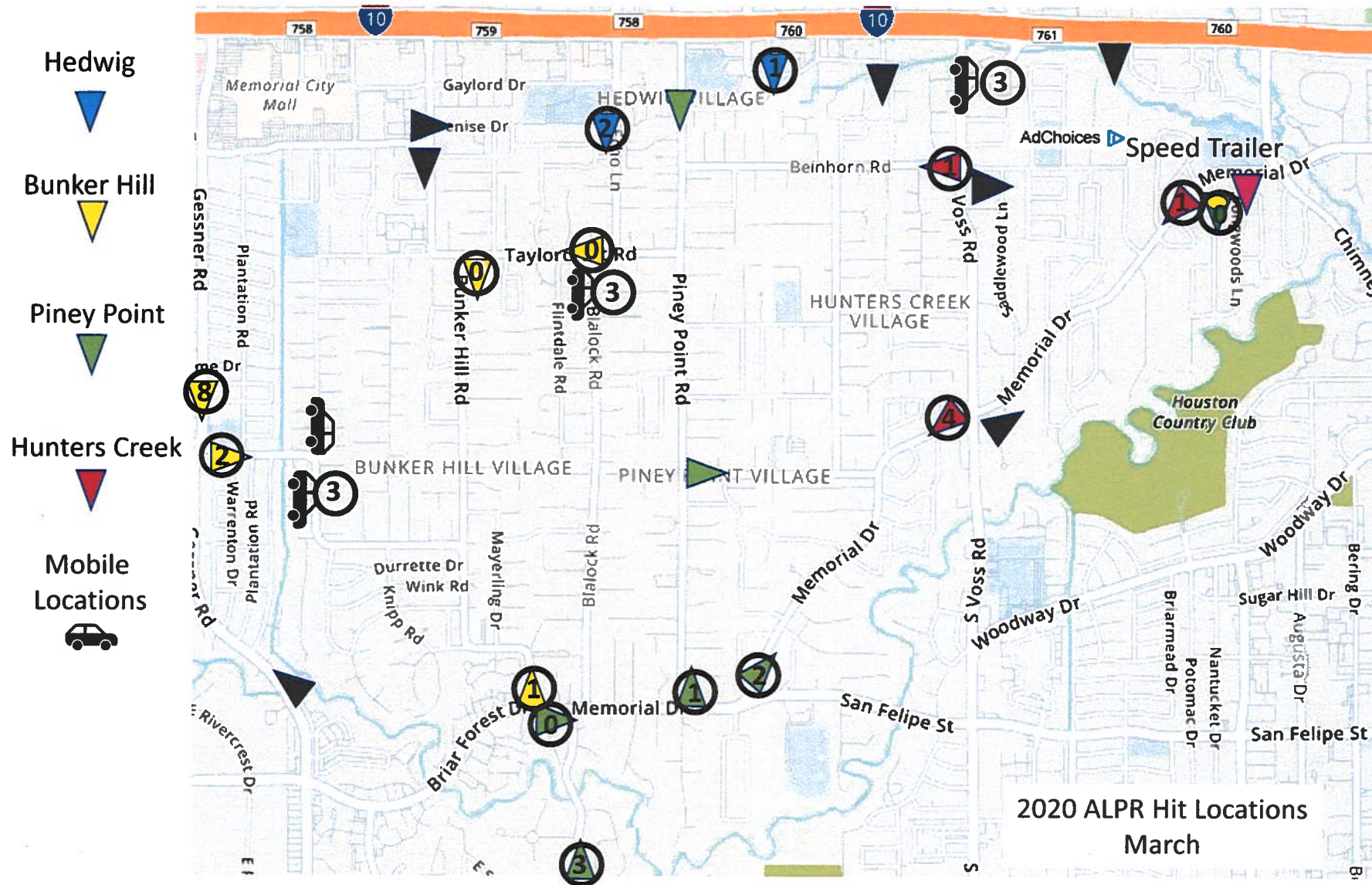




- Lindenwood HOA
- Longwoods HOA
- In Process

2020 ALPR Hit Locations  
February

60 Hits  
02/29/20



2020 ALPR Hit Locations  
March

35 Hits  
03/31/20



## 2019 Officer Committed Time to Service Report

Employee Name		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Reports	Cites
BAKER, BRIAN C		7:46:27	4:07:52	7:15:21	10:53:17									1	0
BIEHUNKO, JOHN		13:02:04	14:54:33	9:01:13	16:30:24									4	0
BOGGUS, LARRY		20:23:44	15:24:33	16:44:41	10:13:20									2	0
BRACHT, DANIEL		14:03:18	15:34:43	12:36:45	9:17:50									2	0
BURLESON, Jason		7:45:56	13:35:03	7:16:26	7:33:38									0	0
CADENA, VANESSA		20:57:17	17:39:42	18:40:55	16:47:33									2	4
CANALES, RALPH EDWARD		14:39:35	13:47:14	9:58:28	9:29:05									2	0
CERNY, BLAIR C.		4:49:50	19:25:49	11:58:56	17:43:42									4	4
HARWOOD, NICHOLAS		13:39:36	14:10:55	2:17:22	10:59:38									2	0
JARVIS, RICHARD		38:52:26	22:25:37	10:04:09	8:52:25									6	1
JOLIVET, CHARLES		17:12:39	18:35:09	6:19:11	6:59:44									0	0
JONES, ERIC	*	1:40:48	0:00:00	2:52:11	1:29:07									0	0
KELSO JR, RONALD K	*	2:44:33	6:12:45	0:24:12	16:20:06									0	0
LERMA, FRANK	*	5:38:37	15:52:34	1:54:02	9:32:00									1	0
MCELVANY, ROBERT		8:18:04	14:18:27	12:47:52	10:23:58									1	0
MILLER, OSCAR	*	2:42:40	2:51:20	8:34:23	13:29:32									1	0
NASH, CHRISTOPHER		28:31:10	15:29:03	19:13:08	18:20:54									3	0
NOWLIN, DONALD L		11:12:43	28:35:23	9:17:31	11:29:15									1	13
OWENS, LANE	*	0:14:42	1:30:29	0:00:00	0:00:00									0	0
PAVLOCK, JAMES ADAM		6:22:26	11:48:32	8:48:47	7:55:45									2	0
RODRIGUEZ, CHRISTOPHER	*	5:12:41	4:39:42	5:55:59	18:10:13									0	0
SCHANMEIR, CHRISTIAN		12:06:22	14:35:02	12:46:49	14:00:33									2	0
SCHULTZ, RAYMOND	*	1:23:48	0:44:16	0:20:02	4:02:00									0	0
SILLIMAN, ERIC		7:52:27	17:00:02	10:25:56	17:10:04									6	0
SISSION, KYLE J	*	0:00:00	0:00:00	1:23:31	0:43:24									2	0
SPRINKLE, MICHAEL		4:11:54	10:11:38	6:25:27	2:50:16									0	0
TAYLOR, CRAIG		15:47:28	18:58:41	20:05:55	10:23:31									3	1
TORRES, PATRICK	*	1:01:08	1:02:53	12:25:13	13:19:18									2	0
TUGGLE, JAMES		13:39:46	14:26:44	12:53:29	10:32:32									1	1
VALDEZ, JUAN		19:48:46	16:17:39	19:37:12	15:04:39									2	0
VASQUEZ, Monica					15:45:17									8	3
WHITE, TERRY		16:06:36	28:42:38	14:37:43	14:27:56									1	0
* = Admin Asmt.															61
															27

Dispatch Committed Time															Totals
911 Phone Calls		422	548	395	299										1664
3700 Phone Calls		2612	2306	2341	2395										9654
DP General Phone Calls*		62:09:26	63:05:30	40:09:43	40:19:19										

\* This is the minimal time as all internal calls route through the 3700 number.

## 2020 Total Incidents

2020	Crimes Against Persons	Crimes Against Property	Quality of Life Incidents	Total	Arrests	Incidents	House Checks	YTD BH INC	YTD BH HC	YTD PP INC	YTD PP HC	YTD HC INC	YTD HC HC
January	1	10	96	107	51	7824	6112	3248	2733	2166	1690	2117	1614
February	3	16	82	101	42	6182	4519	2148	1690	1578	1135	2201	1672
March	1	21	40	62	6	7095	6188	2767	2511	1635	1371	2607	2300
April	1	19	41	61		6390	5470	1897	1669	2067	1771	2356	2025
May													
June													
July													
August													
September													
October													
November													
December													
Total	6	66	259	331	99	27491	22289	10060	8603	7446	5967	9281	7611

[illegible]

## April 2020 VFD Assists

### Calls received directly by MVPD via 911/3700

<u>Priority Events</u>	<u>Average Response Times</u>
------------------------	-------------------------------

Total – 15	4:14
------------	------

Fire – 6	3:19
----------	------

EMS – 9	4:49
---------	------

#### By Village

BH Fire – 3	3:14
-------------	------

BH EMS – 1	1:36
------------	------

PP Fire – 2	3:43
-------------	------

PP EMS – 4	5:17
------------	------

HC Fire -1	2:36
------------	------

HC EMS -4	4:09
-----------	------

#### Combined VFD Events (Priority + Radio)

Total – 54	3:56
------------	------

Fire – 35	3:42
-----------	------

EMS – 19	4:36
----------	------

#### Radio Call Events

Total – 39	3:59
------------	------

Fire- 29	3:48
----------	------

EMS- 10	4:24
---------	------



Hunters Creek



Village

# FY21 Budget

Bunker Hill Village - Piney Point Village - Hunters Creek Village





Hunters Creek



Village

## FY21 Budget Goals and Objectives

### Goals:

Hire, Develop and Maintain the **best qualified and experienced employees** to serve as Memorial Villages Police Department, Police Officers, Dispatchers and Professional Support Staff.

Provide and maintain the **best tools, technology and equipment** available for use by the MVPD in order to provide for a Safe Community, Free of Crime and the Fear of Crime.

### Objective:

Use Village Funds in the most effective and efficient manner possible in order to hire and retain employees by providing a competitive salary and benefit package, while at the same time providing staff with the latest technology, tools, equipment and support services that will allow personnel to provide the **highest level of Police Services and Protection**.



Hunters Creek



Village

# FY21 Budget

## Results from Previous Budgets



BUILDING  
THE  
BRAND



MODERNIZATION

RESPONSE  
TIME



OFFICER SAFETY



Hunters Creek



Village

# FY21 Budget

## Investment in Personnel – Fully Staffed

Build on our Solid Base

5% Increase in Salary and Benefit Budget

- Avg Base Salary Increase – 4%  
(1% STEP + 3% Salary Adjustment)
- Shift Differential – Final Phase
- 457b City contribution at 1%

Average Salary

w/incentives will be:

Sergeant	\$103,600
Patrol Officer	\$84,575
Dispatcher	\$58,610





Hunters Creek



Village

# FY21 Budget

## Salary Increase - Justification

Maintain our Competitiveness in the LE Community  
If not at the Top of the Scale – Be very close

- Base Salary Increase – Recognize the quality work performed along with the additional duties and attention to detail performed by MVPD employees
- 1% STEP – Annual Individual Performance Based Pay Incentive
- 1% 457b Contribution – Long term savings incentive to compensate for Windfall Act Penalty, Fixed TMRS benefit and Loss of Post Employment Health Care.



Hunters Creek

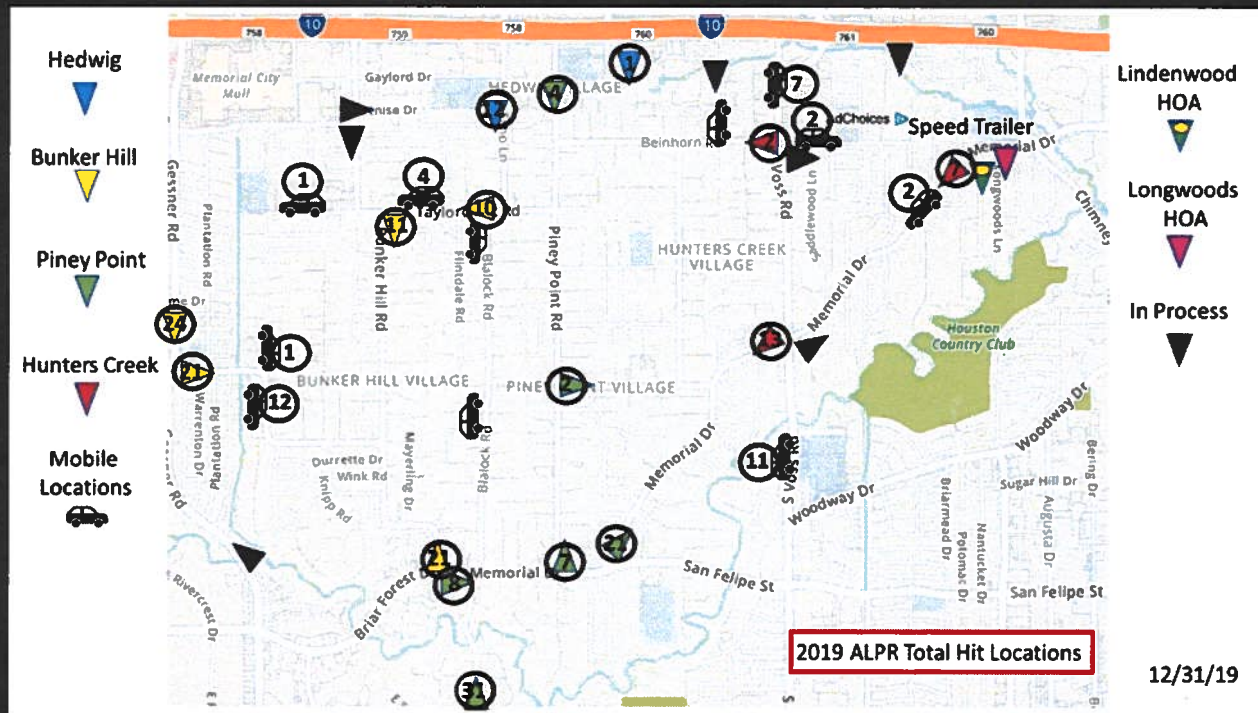


Village

# FY21 Budget

## Technology: Efficiency – Risk Reduction

- ALPR – Continue the ALPR Project at 28 ALPR Systems  
\$56,000 Annual Cost     ½ of a FTE





Hunters Creek



Village

## FY21 Budget Proposal

### FY21 Budget Adjustments/Increases/Decreases

Overtime (+\$5,000)

Bailiff Overtime (-\$9,600)

ALPR's +8 Systems (+\$16,000)

BWC Year 2 (-\$22,000)

In-Car Video Year 2 (-\$7,000)

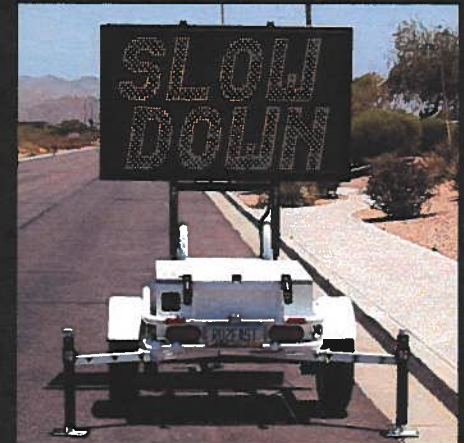
4 additional Urban Rifle (+\$6,900)

4 Automated Ticket Writers EOL (+\$6,600)

Recruiting (-\$5,000)

Capital Auto Replacement (+\$15,000)

Capital Variable Message Board (+\$16,500)





Hunters Creek



Village

## FY21 Budget Proposal

### Proposed Total Budget Package for 2021

Personnel and Benefits \$5,040,063 (+5%)

Total Operations \$899,881 (+0.35%)

Total M&O \$5,939,944 (+3.99%)

Auto – Capital \$169,500 (22.8%)

(Vehicles)

Proposed 2021 Budget – \$6,109,444 (+4.44%)

Cost per Village \$2,036,481

Increase of \$86,494 per village over FY20



Hunters Creek



Village

## Future Capital Projects 2022-2026

The Memorial Villages Police Department administration has identified several capital projects that will likely need Funding from participating cities over the next 2-5 years.

These projects include:

- Roof Replacement
- HVAC Replacement
- Radio System Upgrades
- CAD/RMS/ARS Replacement
- Building Upgrades – Gutters, Overhead Doors, Paint, Jail Fixtures

Although the Memorial Villages Police Department has an fund in place to account for capital projects, this fund has not been regularly used as a vehicle to hold funds for these projects. Instead, the three cities have essentially employed a pay as you go methodology whereby the participating cities provide funding for capital projects as needed. Over the next several months, the Department administration will provide the participating cities with detailed information concerning the scope and cost of the anticipated capital projects set forth above. Hopefully, this will allow the participating cities to make appropriate plans or establish reserves so that these projects may be appropriately and timely funded.





## Memorial Villages Police Department Summary

### FY2021 Budget Proposal

#### FY21 Proposed Budget Summary

The Memorial Villages Police Commission has recommended adoption of the FY21 Budget Proposal and is submitting that for approval by member cities. The MVPD Chief is requesting an overall budget of \$6,109,444 which is an additional \$259,482 or 4.44 % increase over the FY20 adopted budget.

A comparative view and breakdown of the proposed budget is as follows:

Category	2020 Adopted Budget 44.5 FTE's	2021 Proposed Budget 44.5 FTE's	Variance	% Change
M&O EXPENDITURES	5,711,962	5,939,944	227,982	3.99%
FLEET REPLACEMENT	138,000	153,000	15,000	11%
CAPITAL OUTLAY EXPENDITURES	0.00	16,500	16,500	
COMBINED EXPENDITURES	5,849,962	6,109,444	259,482	4.44%

The total cost to each city would equate to \$2,036,481

- M&O \$1,979,981
- Fleet \$51,000
- Capital \$5,500

The Department is requesting a two-month assessment beginning January 2021:

- Maintenance & Operations \$330,001
- Fleet \$8,500
- Capital \$5,500

February 2021 thru November 2021 will be invoiced as follows:

- Maintenance & Operations \$164,998
- Fleet \$4,250

*No invoicing is expected to occur in December 2021*

## FY21 Budget Highlights

	Category	2019 Unaudited Actual	2020 Adopted Budget	2021 Proposed Budget	Variance	% Change
100	PERSONNEL/BENEFITS	4,413,866	4,815,125	5,040,063	224,938	5%

### 100 PERSONNEL/BENEFITS:

MVPD has budgeted 44 fulltime employees (FTEs) and 1-part time employee. There are 32 sworn personnel, 10 full time and 1 part time communications staff members, 1 office/human resource manager, and 1 finance manager.

This category includes salary, overtime, court/bailiff costs, TMRS participation, a newly requested 1% contribution to a 457b account for full time employees, and the health benefits costs. The proposed budget continues to support the salary and retention plan specifically created to attract, hire, and retain the best and most qualified employees. *\*The salary line includes adjustments for regular hours that would be charged to the overtime and estimates for yearend pto payouts.*

### SALARIES & WAGES - \$3,302,244

This category includes the base annual pay for the department's 44 full time and 1 part time employee. It also reflects a 3% COLA and 1% step increase. The Office/Human Resource Manager and Finance Manager will also receive a 4% increase. Adjustments have been made to account for step plan increases which are based on the employee's anniversary date.

### TCLEOSE CERTIFICATION - \$181,176

Based on the current compensation policy sworn officers and dispatchers are awarded additional compensation for state certification recognized by the Texas Commission on Law Enforcement Officer Standards and Education. Employees who have achieved Intermediate certification receive an additional 2.5% percent of their base pay. Advanced certification is compensated at 5% of base pay and Master certification is compensated at 7.5% of employee base pay. At the time of this budget proposal 40 FTEs are eligible for this incentive. Any increase in base salary will necessitate increases to certification pay.

### BILINGUAL INCENTIVE - \$8,680

Sworn personnel and dispatchers who have Spanish language bilingual proficiency receive 2.5% in additional pay. Currently there are 5 employees who are eligible for this incentive. Any increase in base salary will prompt increases to bilingual incentive payments awarded to employees.

**COLLEGE INCENTIVE - \$31,200**

Employees who have obtained advanced degrees from accredited colleges and universities earn additional compensation based on the following updated schedule: Associates Degree - \$100 per month, Bachelor's Degree - \$200 per month and master's degree - \$250 per month. At the time of this proposal 14 employees have obtained advanced degrees.

**LCC/FBI INCENTIVE - \$2,400**

Graduates of the FBI National Academy or Leadership Command College receive \$100 per month in additional pay. Currently two employees qualify for this incentive.

**CLOTHING ALLOWANCE - \$1,200**

Detectives receive \$50 per month in clothing allowance

**LONGEVITY - \$70,320**

The new compensation and retention plan changed the way tenure is earned and rewarded. Two thru five-year employees will receive a single \$1200 payment each year in association with an annual employee contract. Employees with 6 years or more of service will be paid on a bi-monthly basis starting at \$1,440 annually. The maximum annual earning is reached after 10 years of service and equates to \$2,400 annually.

**SHIFT DIFFERENTIAL - \$61,217**

The final phase of the shift differential program is requested. Employees assigned to nightshift are eligible for \$138.50 in additional pay per pay-period. Employees working a split shift will earn \$69.25 per pay period.

**EMERGENCY CARE ATTENDANT (ECA) - \$40,300**

All sworn personnel are required to earn and maintain advanced first aid training and proficiency at the ECA level within 18 months. Upon attainment sworn personnel will receive \$50 bi-monthly certification pay.

**OVERTIME – \$125,000**

The requested overtime takes into consideration the historical costs of operating the department

**Court Bailiff – \$12,000**

Requested line item is used to support the costs to staff the court with bailiffs during each session.

**RETIREMENT CONTRIBUTION - \$450,483**

The 2021 request is estimated at the current 2020 rate of 11.79%. The actual rate letter was not received at the time this proposal was presented.

## **GROUP-HEALTH-DENTAL/HSA CONTRIBUTIONS - \$592,828**

Health/Dental Insurance estimate: \$438,028 employer contribution. Estimate is based on a 15% increase over current elections.

Employer HSA contribution estimate: \$88,800 (\$2,700 for family, \$1,500 single)

Wellness Exam contribution estimate: \$44,000 (\$1,000 per employee)

Physical Fitness assessment estimate: \$22,000 (\$500 per employee)

## **WORKERS COMPENSATION - \$70,500**

The employer's contribution rates for workers compensation is determined by the Texas Municipal League (TML).

## **LIFE/LTD - \$21,709**

The department provides employee term life, AD&D, and long-term disability coverage to its employees. Cost estimate is based on 10% increase of current rates.

## **MEDICARE TAX EMPLOYER - \$55,403**

The current Medicare tax rate is 1.45% applied to the total compensation package including the overtime budget.

	Category	2019 Unaudited Actual	2020 Adopted Budget	2021 Proposed Budget	Variance	% Change
200	INSURANCE	59,378	68,052	72,180	4,128	6%

### **200 INSURANCES:**

The insurance category represents our auto, general, public official bond, professional, and real property insurance coverage through the Texas Municipal League. Rates are determined by TML. The amount requested reflects anticipated rate increases based on current billing.

## **AUTO LIABILITY – \$41,100**

Automatic coverage for any vehicles purchased throughout the year

## **GENERAL LIABILITY –\$720**

This coverage protects the department from general liability claims from injuries and wrongful acts.

## **PUBLIC OFFICIAL BOND – \$960**

Coverage for the Police Commission and protection against forgery

## **PROFESSIONAL LIABILITY – \$21,400**

Protection from liability claims associated with law enforcement functions.

## **REAL & PERSONAL PROPERTY – \$8,000**

Coverage for damage or destruction of departmental property.

Category		2018 Unaudited	2019 Adopted Budget	2020 Proposed Budget	Variance	% Change
300	<b>FLEET MAINTENANCE</b>	<b>108,548</b>	<b>115,000</b>	<b>122,500</b>	<b>7,500</b>	<b>7%</b>

### **300 FLEET MAINTENANCES:**

The fleet maintenance category includes the annual fuel costs as billed by Villages Fire Department. This category also includes vehicle maintenance, damage repair, and tire replacement costs.

**GAS & OIL – \$70,500**

**FLEET MAINTENANCE – \$35,000**

**TIRE REPLACEMENT – \$7,000**

**DAMAGE REPAIR – \$10,000**

Category		2019 Unaudited Actual	2020 Adopted Budget	2021 Proposed Budget	Variance	% Change
400	<b>BUILDING MAINTENANCE</b>	<b>45,070</b>	<b>68,200</b>	<b>62,000</b>	<b>(6,200)</b>	<b>-9%</b>

### **400 BUILDING**

The building maintenance category includes the annual janitorial services contract, building refresh i.e. filing cabinets, lockers and chairs. This category covers any repair costs associated with the upkeep of the building.

**GENERAL MAINTENANCE – \$5,000**

The increased request will cover maintenance cost associated with a/c units.

**JANITORIAL SERVICES – \$21,000**

The current service provider is Coverall with a monthly fee of \$1500.

**JAIL – \$1,000**

Purchases in this line item support supplying detainees with blankets and food.

**BUILDING FURNISHINGS – \$15,000**

Purchases support the upkeep of the office (chairs, filing cabinets, lockers etc....)

Category		2019 Unaudited Actual	2020 Adopted Budget	2021 Proposed Budget	Variance	% Change
500	OFFICE	40,093	47,400	47,050	(350)	-1%

#### **500 OFFICE**

The office category includes funding requests for computer purchases & replacement, postage machine & supplies, office supplies, bank service charges, and payroll contract expenditures.

#### **COMPUTERS – \$13,000**

A computer replacement schedule was created to better plan and budget for the technology needs of the department. The request is based on estimated replacements of computer in FY18.

#### **POSTAGE/POSTAGE MACHINE – \$1,100**

The expenditures in this category will cover the postage machine rental fee from Pitney Bowes as well as postage and ink refill requirements for the fiscal year.

#### **OFFICE SUPPLIES /SUPPLIES /STATIONERY/EXPENDIBLES – \$15,000**

The expenditures in this category include office supplies, meeting expenses, and employee relations

#### **BANK/FINANCE CHARGES – \$550**

Banking and credit card fees

#### **PAYROLL –\$17,400**

Payroll and Human Resource expenditures

Category		2019 Unaudited Actual	2020 Adopted Budget	2021 Proposed Budget	Variance	% Change
600	UTILITES	55,582	63,008	61,923	(1,085)	-2%

#### **600 UTILITIES**

The utilities category includes expenditures related to monthly telephone, electric, water & sewer, and natural gas services.

#### **COMMUNICATIONS/TELEPHONE – \$6,003**

The appropriation for this category will cover the department's phone lines, long distance calling, internet, cable television, and employee phone allowance.

#### **ELECTRIC SERVICE – \$20,000**

The department's electrical service provider is Cavallo Energy.

## **WATER & SEWER – \$5,320**

Water & sewer services are provided by the City of Bunker Hill Village

## **NATURAL GAS – \$600**

The departments natural gas provider is Center Point Energy

	Category	2018 Unaudited Actual	2020 Adopted Budget	2021 Proposed Budget	Variance	% Change
700	CONTRACT/SERVICES	264,214	350,441	334,992	(15,449)	-4%

### **700 CONTRACT/SERVICES**

The contract/services category includes MVPD's equipment maintenance contracts, annual SETCIC fees, legal & professional service fees (legal and audit), IT contracts, and software maintenance contracts (ex. CAPERS, Power DMS).

## **EQUIPMENT MAINTENANCE CONTRACT – \$118,340**

Increase requested to cover maintenance charges for the body worn camera and ALPR's

## **SETCIC FEES – \$3,600**

This line item request covers the fees paid to the Harris County Treasurer for inclusion of misdemeanor warrants in the county-wide network.

## **LEGAL FEES – \$55,000**

This line item request covers fees associated with Attorney duties, legal research and interpretation, annual audit, RFP advertising, and TML claim deductibles.

## **IT SERVICES – \$101,850**

This line item requests supports a variety of the department's information technology needs to include cloud-based data and application hosting, bill paying services, information technology support services, and the annual subscription to the Texas Commission on Law Enforcement Data Distribution System.

The largest expense in this category (\$90,000) is to support the IT contract.

## **SOFTWARE MAINTENANCE CONTRACTS – \$56,202**

This line item request supports the various software maintenance contracts needed to effectively run the department.

## **800 OPERATIONS**

The operations category includes the line items that support accreditation, uniforms, training, travel, recruiting costs, criminal investigations, small equipment, and contingency funding requests.

### **ACCREDITATION – \$1,200**

The Department successfully obtained recognition status for compliance with the Texas Law Enforcement Agency Best Practices Recognition Program. This request is for accreditation fees only.

### **UNIFORMS/OFFICER CLOTHING – \$30,500**

This line item supports the replacement of uniforms, vests, and outfitting costs associated with sworn personnel and dispatchers.

### **RADIO PARTS & LABOR – \$33,036**

On 2-1-2012 the Department signed a contract for radio services with the City of Houston. The contract automatically renews each year for a period of 30 years. The Department can terminate the agreement if it is before 60 days of the contract renewal date.

There is a set fee schedule for repairs and airtime. Each radio is assessed a \$41 monthly fee according to the schedule implemented by the City of Houston in March 2015. Each licensed Officer is issued a radio.

### **FIREARMS TRAINING & AMMO – \$5,500**

This line item request supports ammunition and training expenditures for State mandated firearms qualifications for sworn personnel.

### **TASERS – \$15,000**

This line item request supports the taser replacement schedule

### **TRAINING & PROFESSIONAL DUES – \$58,000**

This line item request supports costs associated with job related training, professional dues, and the R.A.D self-defense program.

### **TRAVEL – \$9,000**

This line item support travel and lodging costs for employees.

### **RECRUITING COSTS – \$5,000**

This line item supports tuition reimbursement and recruitment and selection, which includes: background, drug testing, finger printing, and psychiatric examinations.

### **CRIMINAL INVESTIGATIONS – \$3,500**

This line item supports costs associated with criminal investigations such as fingerprinting supplies, drug testing, sketching services, public data information searches, and other investigative supplies and services.

### **CONTINGENCY – \$25,000**

This line item is requested for unplanned emergency expenditures.

### **SMALL EQUIPMENT – \$13,500**

Funding is requested to capture needed small equipment items that do not fit into specific categories such as computers and building furnishings. FY20 request includes 4 ticket writers.

	Category	2019 Unaudited Actual	2020 Adopted Budget	2021 Proposed Budget	Variance	% Change
1000	<b>FLEET REPLACEMENT</b>	<b>158,332</b>	<b>138,000</b>	<b>153,000</b>	<b>15,000</b>	<b>11%</b>

#### **1000 CAPITAL – FLEET REPLACEMENT**

**\$138,000**

Line item in this category supports our vehicle replacement plan. The department will use existing funds to help offset the cost of purchasing three new vehicles

**NOTE:** All vehicle purchased must be approved by the Police Commission prior to ordering.

	Category	2019 Unaudited Actual	2020 Adopted Budget	2021 Proposed Budget	Variance	% Change
2000	<b>CAPITAL ITEMS</b>	<b>518</b>	<b>0</b>	<b>16,500</b>	<b>16,500</b>	

#### **2000 CAPITAL OUTLAY**

This category includes purchase of individual items with a cost over \$5,000 with an estimated useful life greater than one year. This year's request is for a radar message board.

**Memorial Villages Police Department**  
**FY21 BUDGET PROPOSAL**

**GENERAL FUND**

**3% COLA, 1% STEP**

Acct. No	Category	2019 Unaudited Actual	2020 Adopted	2021 Requested	\$ Increase/ 2020-2021	% Increase
<b>100</b>						
100	Salaries	3,279,467	3,520,578	3,679,271	158,693	5%
110	Overtime	115,094	120,000	125,000	5,000	4%
115	Court/Bailiff	6,010	21,600	12,000	(9,600)	-44%
120	Retirement	379,669	432,315	450,483	18,168	4%
125	475b contribution		0	32,869	32,869	
130	Health Insurance	503,527	579,228	592,828	13,600	2%
140	Workers Compensation - TML	65,000	66,712	70,500	3,788	6%
150	Life/LTD	17,847	21,523	21,709	186	1%
160	Medicare	47,252	53,169	55,403	2,234	4%
170	Social Security					
	<b>TOTAL PERSONNEL/BENEFITS</b>	<b>4,413,866</b>	<b>4,815,125</b>	<b>5,040,063</b>	<b>224,938</b>	<b>5%</b>
<b>200</b>						
	<b>TML INTERGOVERNMENTAL RISK POOL</b>					
200	Auto	26,604	25,332	41,100	15,768	62%
210	General Liability	430	720	720	0	0%
220	Public Official Bond	849	960	960	0	0%
230	Professional Liability	18,858	25,200	21,400	(3,800)	-15%
240	Real & Personal Property	12,637	15,840	8,000	(7,840)	-49%
	<b>TOTAL OTHER INSURANCE</b>	<b>59,378</b>	<b>68,052</b>	<b>72,180</b>	<b>4,128</b>	<b>6%</b>
<b>300</b>						
300	Gas and Oil	66,046	70,500	70,500	0	0%
310	Fleet maintenance	31,154	27,500	35,000	7,500	27%
320	Tires	6,565	7,000	7,000	0	0%
	Damage Repair	5,783	10,000	10,000	0	0%
	<b>TOTAL FLEET MAINTENANCE</b>	<b>109,548</b>	<b>115,000</b>	<b>122,500</b>	<b>7,500</b>	<b>7%</b>
<b>400</b>						
400	General/Building Maintenance	18,848	28,400	25,000	(3,400)	-12%
410	Janitorial Services	18,000	21,000	21,000	0	0%
420	Jail	773	1,000	1,000	0	0%
430	Building Furnishings	7,450	17,800	15,000	(2,800)	-16%
	<b>TOTAL BUILDING</b>	<b>45,070</b>	<b>68,200</b>	<b>62,000</b>	<b>(6,200)</b>	<b>-9%</b>
<b>500</b>						
500	Computers	10,640	10,000	13,000	3,000	30%
510	Postage/postage machine	840	1,300	1,100	(200)	-15%
520	Office Supplies	12,063	18,000	15,000	(3,000)	-17%
530	Bank/Finance Service Chgs	329	700	550	(150)	-21%
540	Payroll Services	16,220	17,400	17,400	0	0%
	<b>TOTAL OFFICE</b>	<b>40,093</b>	<b>47,400</b>	<b>47,050</b>	<b>(350)</b>	<b>-1%</b>
<b>600</b>						
600	Telephone	33,954	34,408	36,003	1,595	5%
610	Electric	16,051	23,000	20,000	(3,000)	-13%
620	Water/Sewer	5,067	5,000	5,320	320	6%
630	Natural Gas	510	600	600	0	0%
	<b>TOTAL UTILITIES</b>	<b>55,582</b>	<b>63,008</b>	<b>61,923</b>	<b>(1,085)</b>	<b>-2%</b>
<b>700</b>						
700	Equipment Maint. Contracts	58,797	129,100	118,340	(10,760)	-8%
710	SETCIC fees	3,262	3,600	3,600	0	0%
720	Legal/Professional	51,406	60,400	55,000	(5,400)	-9%
730	IT Services	98,578	101,250	101,850	600	1%
740	Software Maintenance Contracts	52,170	56,091	56,202	111	0%
	<b>TOTAL CONTRACTS/SERVICES</b>	<b>264,214</b>	<b>350,441</b>	<b>334,992</b>	<b>(15,449)</b>	<b>-4%</b>
<b>800</b>						
800	Accreditation	0	1,200	1,200	0	0%
810	Uniforms	26,518	32,000	30,500	(1,500)	-5%
820	Radio parts and labor	29,686	33,036	33,036	0	0%
830	Firearms Trng and Ammo	5,323	5,500	5,500	0	0%
	Tasers	9,656	11,000	15,000	4,000	36%

**Memorial Villages Police Department**  
**FY21 BUDGET PROPOSAL**

**GENERAL FUND CONTINUED**

Acct. No	Category	2019 Unaudited Actual	2020 Adopted	2021 Requested	\$ Increase/ 2020-2021	% Increase
840	Training & Prof. Dues	38,311	54,000	58,000	4,000	7%
850	Travel	7,642	7,000	9,000	2,000	29%
860	Recruiting Costs	5,154	10,000	5,000	(5,000)	-50%
870	Criminal Investigations (CID)	3,084	3,500	3,500	0	0%
880	Contingency - Miscellaneous	13,481	25,000	25,000	0	0%
892	Small Equipment	4,182	2,500	13,500	11,000	440%
	Storm Related Expenditures				0	
	<b>TOTAL OPERATIONS</b>	<b>143,038</b>	<b>184,736</b>	<b>199,236</b>	<b>14,500</b>	<b>8%</b>
	<b>TOTAL M&amp;O</b>	<b>5,130,790</b>	<b>5,711,962</b>	<b>5,939,944</b>	<b>227,982</b>	<b>3.99%</b>
<b>OTHER FUNDS</b>						
Acct. No	Category	2019 Unaudited Actual	2020 Adopted	2021 Requested	\$ Increase/ 2020-2021	% Increase
<b>1000</b>						
1000	Auto Replacement	158,332	138,000	153,000	15,000	11%
	Rifle Locking System					
	AEDs				0	
	<b>TOTAL VEHICLE REPLACEMENT</b>	<b>158,332</b>	<b>138,000</b>	<b>153,000</b>	<b>15,000</b>	<b>10.87%</b>
<b>2000</b>						
2880	Capital Projects Contingency	518				
	Radar message board			16,500	16,500	
	<b>TOTAL SPECIALCAPITAL ASSETS</b>	<b>518</b>	<b>0</b>	<b>16,500</b>	<b>16,500</b>	
	<b>TOTAL OTHER FUNDS</b>	<b>158,850</b>	<b>138,000</b>	<b>169,500</b>	<b>31,500</b>	<b>23%</b>
	<b>Category</b>	<b>2019 Unaudited Actual</b>	<b>2020 Adopted</b>	<b>2021 Requested</b>	<b>\$ Increase/ 2020-2021</b>	<b>% Increase</b>
	<b>GENERAL FUND</b>	<b>5,130,790</b>	<b>5,711,962</b>	<b>5,939,944</b>	<b>227,982</b>	<b>3.99%</b>
	<b>OTHER FUNDS</b>	<b>158,850</b>	<b>138,000</b>	<b>169,500</b>	<b>31,500</b>	<b>22.83%</b>
	<b>COMBINED TOTALS</b>	<b>5,289,639</b>	<b>5,849,962</b>	<b>6,109,444</b>	<b>259,482</b>	<b>4.44%</b>



May 8, 2020

To the Board of Commissioners and Management  
Memorial Villages Police Department

In planning and performing our audit of the financial statements of the Memorial Villages Police Department (the "Department"), as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Department's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified a deficiency in internal controls that we consider to be a material weakness.

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 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. We consider the following deficiency in the Department's internal control to be a material weakness:

## **1. CLOSING PROCESS**

Management is responsible for its closing process and assuring the yearend trial balance is consistent with generally accepted accounting principles "GAAP" for local governmental units as prescribed by the Governmental Accounting Standards Board. As a part of our audit we proposed several audit adjustments. These adjustments are listed in the audit communication letter provided to the Board of Commissioners.

### **Recommendation**

We recommend that management review the existing policies, procedures, and controls over these areas to ensure that all information is recorded and reported properly.

Other matters are any additional noteworthy items that may or may not relate to internal controls, compliance with laws and regulations, or operational matters. In addition, we noted the following other matters:

## **2. CAPITAL ASSETS**

The Department was unable to readily produce a complete detail listing of capital assets and depreciation for the year under audit. This schedule had traditionally been maintained by the auditors.

### **Recommendation**

The Department management should begin maintaining a listing of capital assets each year that support the amounts and calculations presented in the financial statements.

## **3. PUBLIC FUNDS INVESTMENT ACT ("PFIA")**

Pursuant to the PFIA, the government body of local governments are required to review and approve their investment policy annually. The Department's current investment policy was not reviewed during the year.

### **Recommendation**

The Department should review and approve the investment policy annually.

## **4. GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB) STATEMENT NO. 87, LEASES (GASB-87)**

GASB-87 is effective for reporting periods beginning after December 15, 2019. GASB-87 will replace the current operating and capital lease categories with a single model for lease accounting based on the concept that leases are a means to finance the right to use an asset. Under the new rules, the Department will recognize a lease liability and an intangible asset for all noncancelable leases greater than one year while the lessor will recognize a lease receivable and a deferred inflow of resources. The intangible asset will have similar characteristics to other capital assets and may be amortized depending on various provisions of the asset (or the lease) and if need be, may be impaired.

The accounting for a lessor is complimentary. A lease receivable is established at contract inception equal to the present value of the expected payments over the lease term. As payments are received the lease receivable is reduced and interest revenue is recognized. A deferred inflow is recorded equal to the lease receivable and any payments that are made at the beginning of the lease.

The initial application of this accounting standard will require substantial evaluation and will result in additional accounting and reporting requirements.

**Recommendation**

The Department should begin planning for the implementation of this accounting standard by establishing a policy to 1) establish a capitalization threshold for leases, 2) define "reasonably certain" as it relates to the likelihood of a lease term to extend beyond 12 months, 3) establish a system to capture the required lease information in order to determine the applicability of the standard.

**5. APPROVED VENDOR LIST**

The Department currently approves new vendors as they are presented and engaged to conduct business with the Department. Although this practice is appropriate, over time the list of vendors in the accounting system can become quite large and contain entities that may no longer be in business or approved to work with the Department. An excessively large list of approved vendors can create opportunities for misappropriation of funds and payments to false vendors.

**Recommendation**

The Department should periodically review the master vendor file to ensure that there are no unauthorized vendors in the accounting system. This list should be refined to include only those vendors that the Department expects to utilize in the future.

This communication is intended solely for the information and use of the Board of Commissioners and management, and others within the Department, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, slightly stylized font.

BrooksWatson & Co., PLLC

  
**BROOKSWATSON & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS

May 8, 2020

To the Board of Commissioners and management  
Memorial Villages Police Department

We have audited the financial statements of the Memorial Villages Police Department (the "Department"), as of and for the year ended December 31, 2019, and have issued our report thereon dated May 8, 2020. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated October 29, 2019, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our findings regarding significant control deficiencies over financial reporting material weaknesses and material noncompliance, and other matters noted during our audit in a separate letter to you dated May 8, 2020.

## **Planned Scope and Timing of the Audit**

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

## **Compliance with All Ethics Requirements Regarding Independence**

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

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

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

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Department is included in Note I.F. to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are useful lives of capital assets.

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

#### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Department's financial statements relate to capital assets and pension.

#### **Significant Difficulties Encountered during the Audit**

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

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. We noted no such misstatements whose effects, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Exhibit 1 summarizes all misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management.

#### **Disagreements with Management**

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

#### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated May 8, 2020.

### **Management's Consultations with Other Accountants**

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

### **Other Significant Matters, Findings, or Issues**

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

### **Other Information in Documents Containing Audited Financial Statements**

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

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

This report is intended solely for the information and use of the governing body and management of Memorial Villages Police Department and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co.

14950 Heathrow Forest Pkwy | Ste 530  
Houston, TX 77032

## EXHIBIT 1

### *Corrected Audit Adjustments:*

Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To reverse client entry, overcrediting cash for insurance reimbursement to employee			
05-10000	Allegiance - 7415	276.67	
05-11330	Prepaid Insurance		276.67
<b>Total</b>		<b>276.67</b>	<b>276.67</b>
Adjusting Journal Entries JE # 2			
To properly classify prepaid insurance			
05-11330	Prepaid Insurance	53,439.79	
05-2000	Accounts Payable		53,439.79
<b>Total</b>		<b>53,439.79</b>	<b>53,439.79</b>
Adjusting Journal Entries JE # 3			
To true up prepaid Flock Safety expense as of FYE			
01-11330	Prepaid Maintenance	28,350.16	
01-17080	Equipment Repair & Maintenance		28,350.16
<b>Total</b>		<b>28,350.16</b>	<b>28,350.16</b>
Adjusting Journal Entries JE # 4			
To properly classify transfers from operating fund and true up A/R as of FYE			
05-1200	Accounts Receivable	18,911.40	
05-44041	MVPD Medical Contributions		18,911.40
<b>Total</b>		<b>18,911.40</b>	<b>18,911.40</b>
Adjusting Journal Entries JE # 5			
To correct deferred revenue that was overstated in PY			
01-12500	Unearned revenue	32,216.02	
01-3900	Retained Earnings		32,216.02
<b>Total</b>		<b>32,216.02</b>	<b>32,216.02</b>
Adjusting Journal Entries JE # 7			
To correct beginning fund balance.			
01-3900	Retained Earnings	152.44	
05-4903	Retained Earnings—MVPD	1,590.00	
01-17200	Office Supplies		152.44

05-46113	MVPD Medical Expense	<u>1,590.00</u>
<b>Total</b>		<b><u>1,742.44</u></b>

#### Adjusting Journal Entries JE # 8

To accrue excess fund balance owed to participating entities.

01-13011	Surplus Refund to Cities	253,774.00
01-11171	Due to Cities as Surplus	<u>253,774.00</u>
<b>Total</b>		<b><u>253,774.00</u></b>

<b>Total Adjusting Journal Entries</b>	<b><u>388,710.48</u></b>
--	--------------------------

***ANNUAL FINANCIAL REPORT***

**of the**

**Memorial Villages Police Department**

**For the Year Ended  
December 31, 2019**

(This page intentionally left blank.)

# Memorial Villages Police Department

## TABLE OF CONTENTS

December 31, 2019

### **FINANCIAL SECTION**

Independent Auditor's Report	1
Management's Discussion and Analysis	5

### **Basic Financial Statements**

#### **Government-Wide Financial Statements**

Statement of Net Position	15
Statement of Activities	17

#### **Fund Financial Statements**

##### **Governmental Funds:**

Balance Sheet	18
Reconciliation of the Balance Sheet to the Statement of Net Position- Governmental Funds	20
Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25

##### **Proprietary Funds:**

Statement of Net Position	26
Statement of Revenues, Expenses, and Changes in Fund Net Position	27
Statement of Cash Flows	28

Notes to Financial Statements	31
-------------------------------	----

### **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual - General Fund	61
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System	62
Schedule of Employer Contributions to Pension Plan – Texas Municipal Retirement System	64
Schedule of Changes in OPEB Liability and Related Ratios – Texas Municipal Retirement System	66
Schedule of Changes in OPEB Liability and Related Ratios – Retiree Health Plan	67

(This page intentionally left blank.)



## ***INDEPENDENT AUDITOR'S REPORT***

To the Board of Commissioners of the  
Memorial Villages Police Department:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Memorial Villages Police Department (the "Department"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

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

The Department's 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. 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.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Department as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

As discussed in Note V.F., the Department has restated beginning net position within governmental activities to correct a liability recorded in the prior year. Our opinion is not modified with respect to this matter.

### *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



BrooksWatson & Co., PLLC  
Certified Public Accountants  
Houston, Texas  
May 8, 2020

***MANAGEMENT'S DISCUSSION  
AND ANALYSIS***

(This page intentionally left blank.)

# **Memorial Villages Police Department**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

**December 31, 2019**

As management of the Memorial Villages Police Department (the "Department"), we offer readers of the Department's financial statements this narrative overview and analysis of the financial activities of the Department for the fiscal year ended December 31, 2019.

### **Financial Highlights**

- The Department's total combined net position was a deficit \$(1,389,461) at December 31, 2019.
- At the close of the current fiscal year, the Department's governmental funds reported combined fund balances of \$224,877, a decrease of (\$57,493).
- As of the end of the year, the unassigned fund balance of the general fund was \$60,000 and participant assessment refunds totaled \$253,774 for the year.
- The Department had an overall decrease in net position of \$573,710.
- The Department closed the year with a net pension liability of \$3,305,765.

### **Overview of the Financial Statements**

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

### **Government-Wide Statements**

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

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

The *statement of activities* presents information showing how the Department's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues

# Memorial Villages Police Department

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

December 31, 2019

and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Department that are principally supported by charges for services (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Department include public safety.

### FUND FINANCIAL STATEMENTS

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

#### Governmental Funds

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

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

The Department maintains four 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, vehicle replacement, youth services and special capital assets funds, which are considered to be major funds.

The Department adopts an annual appropriated budget for its general, vehicle replacement, and capital asset funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

# **Memorial Villages Police Department**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***

**December 31, 2019**

### **Proprietary Funds**

The Department's proprietary funds consist of an internal service fund. The Department's internal service fund is used to account for health benefit services provided to the Department's employees, as well as those of the cities of Bunker Hill Village, Texas and Piney Point Village, Texas. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, billing and collection. The Department's intent is that costs of providing the services to the individual funds on a continuing basis is financed through charges.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the health benefits fund.

### **Notes to Financial Statements**

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

### **Other Information**

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted previously, net position may serve over time as a useful indicator of the Department's financial position. For the Department, liabilities exceed assets by \$(1,389,461) as of December 31, 2019, in the primary government.

The largest portion of the Department's net position, \$816,385, reflects its investments in capital assets (e.g., land, police station, equipment and vehicles), less any debt used to acquire those assets that are still outstanding. The Department uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Department'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.

**Memorial Villages Police Department**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**December 31, 2019**

The following table reflects the condensed Statement of Net Position:

	<b>Governmental Activities</b>		
	<b>2019</b>	<b>2018</b>	
	<b>Governmental</b>	<b>Governmental</b>	<b>\$</b>
	<b>Activities</b>	<b>Activities</b>	<b>Variance</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 5,191,952	\$ 4,861,462	\$ 330,490
Grants and contributions	-	36,191	(36,191)
General revenues:			
Investment income	5,145	3,863	1,282
Other revenues	19,564	27,351	(7,787)
<b>Total Revenues</b>	<b>5,216,661</b>	<b>4,928,867</b>	<b>287,794</b>
<b>Expenses</b>			
Public safety	5,790,371	5,352,792	437,579
<b>Total Expenses</b>	<b>5,790,371</b>	<b>5,352,792</b>	<b>437,579</b>
<b>Change in Net Position</b>	<b>(573,710)</b>	<b>(423,925)</b>	<b>(149,785)</b>
Beginning Net Position	(815,751)	(391,826)	(423,925)
<b>Ending Net Position</b>	<b>\$ (1,389,461)</b>	<b>\$ (815,751)</b>	<b>\$ (573,710)</b>

Current and other assets for governmental activities decreased by \$98,768 when compared to the prior year. This decrease is primarily attributed to the Department's increased investment in capital assets during the year. Deferred outflows of resources for the Department increased by \$494,239 when compared to the prior year. This increase is directly related to the current year changes in actuarial valuation of the Department net pension liability and related deferred outflows. Other liabilities decreased by \$43,121 primarily due to a lower accrual for participant refunds at the end of the current year. Total long-term liabilities increased by \$1,221,366 primarily due to increase in the Department's net pension liability. Deferred inflows of resources for the Department decreased by \$312,645 when compared to the prior year. This decrease is attributable to pension actuarial losses, which was classified as a deferred inflow in the prior year and is a deferred outflow in the current year.

**Memorial Villages Police Department**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**December 31, 2019**

**Statement of Activities:**

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

	<b>Governmental Activities</b>		
	<b>2019</b>	<b>2018</b>	
	<b>Governmental</b>	<b>Governmental</b>	<b>\$</b>
	<b>Activities</b>	<b>Activities</b>	<b>Variance</b>
Current and			
other assets	\$ 689,720	\$ 788,488	\$ (98,768)
Capital assets, net	816,385	919,966	(103,581)
<b>Total Assets</b>	<b>1,506,105</b>	<b>1,708,454</b>	<b>(202,349)</b>
 <b>Deferred Outflows of</b>			
<b>Resources</b>	<b>1,302,489</b>	<b>808,250</b>	<b>494,239</b>
 Other liabilities	595,516	638,637	(43,121)
Long-term liabilities	3,599,079	2,377,713	1,221,366
<b>Total Liabilities</b>	<b>4,194,595</b>	<b>3,016,350</b>	<b>1,178,245</b>
 <b>Deferred Inflows of</b>			
<b>Resources</b>	<b>3,460</b>	<b>316,105</b>	<b>(312,645)</b>
 Net Position:			
Net investment			
in capital assets	816,385	919,966	(103,581)
Unrestricted	(2,205,846)	(1,735,717)	(470,129)
<b>Total Net Position</b>	<b>\$ (1,389,461)</b>	<b>\$ (815,751)</b>	<b>\$ (573,710)</b>

# **Memorial Villages Police Department**

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued***

### **December 31, 2019**

For the year ended December 31, 2019, revenues from governmental activities totaled \$5,216,661. Charges for services increased by \$330,490 or 6% to account for the assessments needed to fund the department's operational costs. All other revenues remained relatively stable when compared to the previous year.

For the year ended December 31, 2019, expenses for governmental activities totaled \$5,790,371. This represents an increase of \$437,579 or 8% from the prior year. The primary reason for the increase was related to increased salary and related benefit expenses and an increase in the net pension liability. The Department's only functional expense is public safety which accounts for the total operations of the police department.

There was an overall decrease in net position of \$573,710 for the year.

### **FINANCIAL ANALYSIS OF THE DEPARTMENT'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 Department's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Department's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Department's net resources available for spending at the end of the year.

As of the end of the year the general fund reflected a total fund balance of \$97,683. Of this, \$37,683 is considered nonspendable due to prepaid assets. Each participating entity has contributed \$20,000 in working capital which remains as unassigned fund balance at the end of the year totaling \$60,000. The general fund balance increased \$5,467 from the prior year. The increase is primarily related to investment income and other revenue exceeding operational expenditures in the current year.

The vehicle replacement fund reflected a fund balance of \$26,582. This is a decrease of \$59,128 compared to the prior year, as current year capital outlay expenditures exceeded revenues.

There was an overall decrease in governmental fund balance of \$57,493 from the prior year.

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

# **Memorial Villages Police Department**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***

**December 31, 2019**

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

There was a total negative revenue variance of \$244,166 and a positive expenditure variance of \$249,833 for the year. This negative revenue variance was the result of participant refunds totaling \$253,774 for excess assessments received over final operating expenditures. There was a total positive expenditure variance of \$249,633 due to less than anticipated expenditures for all expenditure categories. Several supplemental budget amendments were made during the year.

### **CAPITAL ASSETS**

As of the end of the year, the Department's governmental activities funds had invested \$816,385 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34.

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

- Purchase of three new Dodge Durango police vehicles and equipment totaling for \$131,844.

More detailed information about the Department's capital assets is presented in note IV.C to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Board of Police Commissioners are committed to maintaining and improving the overall wellbeing of the Department and improving services provided to their public citizens. The Department is budgeting for growth in the upcoming year.

### **CONTACTING THE DEPARTMENT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Department's finances for all those with an interest in the Department's finances. Questions concerning this report or requests for additional financial information should be directed to the Chief of Police, Memorial Villages Police Department, 11981 Memorial Drive, Houston, Texas 77024; telephone (713) 365-3700.

(This page intentionally left blank.)

## ***FINANCIAL STATEMENTS***

(This page intentionally left blank.)

# Memorial Villages Police Department

## STATEMENT OF NET POSITION

December 31, 2019

	Primary Government Governmental Activities
<b><u>Assets</u></b>	
Current assets:	
Cash and cash equivalents	\$ 598,597
Prepays	91,123
<b>Total Current Assets</b>	<b>689,720</b>
Capital assets:	
Net depreciable capital assets	816,385
<b>Total Noncurrent Assets</b>	<b>816,385</b>
<b>Total Assets</b>	<b>1,506,105</b>
<b><u>Deferred Outflows of Resources</u></b>	
Deferred outflows-pensions	1,300,455
Deferred outflows-OPEB	2,034
<b>Total Deferred Outflows of Resources</b>	<b>1,302,489</b>
<b><u>Liabilities</u></b>	
Current liabilities:	
Accounts payable and accrued liabilities	154,940
Due to other governments	253,774
Compensated absences, current	186,802
<b>Total Current Liabilities</b>	<b>595,516</b>
Noncurrent liabilities:	
Net pension liability	3,305,765
OPEB liability-SDBF	191,397
OPEB liability-Health benefits	81,161
Compensated absences, noncurrent	20,756
<b>Total Noncurrent Liabilities</b>	<b>3,599,079</b>
<b>Total Liabilities</b>	<b>4,194,595</b>
<b><u>Deferred Inflows of Resources</u></b>	
Deferred inflows-OPEB	3,460
<b>Total Deferred Inflows of Resources</b>	<b>3,460</b>
<b><u>Net Position</u></b>	
Net investment in capital assets	816,385
Unrestricted	(2,205,846)
<b>Total Net Position</b>	<b>\$ (1,389,461)</b>

See Notes to Financial Statements.

(This page intentionally left blank.)

# Memorial Villages Police Department

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Grants and Contributions	Primary Government Governmental Activities
<b>Primary Government</b>				
<b>Governmental Activities</b>				
Public safety	\$ 5,790,371	\$ 5,191,952	\$ -	\$ (598,419)
<b>Total Governmental Activities</b>	<u>5,790,371</u>	<u>5,191,952</u>	<u>-</u>	<u>(598,419)</u>
<b>General Revenues:</b>				
				5,145
				8,584
				10,980
			<b>Total General Revenues</b>	<u>24,709</u>
			<b>Change in Net Position</b>	(573,710)
			<b>Beginning Net Position</b>	(815,751)
			<b>Ending Net Position</b>	<u><u>\$ (1,389,461)</u></u>

See Notes to Financial Statements.

# Memorial Villages Police Department

## BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2019

	General	Vehicle Replacement	Youth Services	Special Capital Assets
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 467,872	\$ 26,582	\$ 17,675	\$ 83,668
Prepays	37,683	-	-	-
<b>Total Assets</b>	<b>\$ 505,555</b>	<b>\$ 26,582</b>	<b>\$ 17,675</b>	<b>\$ 83,668</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 154,098	\$ -	\$ 729	\$ 2
Due to other governments	253,774	-	-	-
<b>Total Liabilities</b>	<b>407,872</b>	<b>-</b>	<b>729</b>	<b>2</b>
<b><u>Fund Balances</u></b>				
Nonspendable:				
Prepays	37,683	-	-	-
Assigned for:				
Vehicle replacement	-	26,582		
Youth services	-	-	16,946	-
Capital projects	-	-	-	83,666
Unassigned reported in:				
General fund	60,000	-	-	-
<b>Total Fund Balances</b>	<b>97,683</b>	<b>26,582</b>	<b>16,946</b>	<b>83,666</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 505,555</b>	<b>\$ 434,454</b>	<b>\$ 424,818</b>	<b>\$ 491,538</b>

See Notes to Financial Statements.

**Total  
Governmental  
Funds**

---

\$		595,797
		37,683
\$		<u>633,480</u>

\$		154,829
		253,774
		<u>408,603</u>

37,683

26,582

16,946

83,666

60,000

224,877

\$		<u>632,749</u>
----	--	----------------

**Memorial Villages Police Department**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**December 31, 2019**

**Fund Balances - Total Governmental Funds**

**Adjustments for the Statement of Net Position:**

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

Capital assets - net depreciable

Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.

Pension contributions

Pension investment earnings

Pension actuarial (gains) losses

Difference in assumption changes

OPEB contributions-SDBF

Internal service funds are used by management to charge the cost of equipment services and replacement to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Net position - governmental activities

Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

OPEB actuarial (gains) losses

OPEB changes in assumptions

Some liabilities, including bonds payable and capital leases, are not reported as liabilities in the governmental funds.

Compensated absences

Net pension liability

OPEB liability-SDBF

OPEB liability-Health benefits

**Net Position of Governmental Activities**

See Notes to Financial Statements.

\$ 224,877

816,385

373,906

659,545

206,426

60,578

2,034

56,129

(1,712)

(1,748)

(207,558)

(3,305,765)

(191,397)

(81,161)

\$ (1,389,461)

# Memorial Villages Police Department

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	General	Vehicle Replacement	Youth Services	Special Capital Assets
<b><u>Revenues</u></b>				
Participant assessments, net	\$ 5,103,952	\$ 88,000	\$ -	\$ -
Investment income	4,468	224	85	368
Other revenue	5,140	-	3,444	-
<b>Total Revenues</b>	<b>5,113,560</b>	<b>88,224</b>	<b>3,529</b>	<b>368</b>
<b><u>Expenditures</u></b>				
Current:				
Public safety	5,108,093	153	7,209	520
Capital outlay	-	158,179	-	-
<b>Total Expenditures</b>	<b>5,108,093</b>	<b>158,332</b>	<b>7,209</b>	<b>520</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>5,467</b>	<b>(70,108)</b>	<b>(3,680)</b>	<b>(152)</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Proceeds from sale of capital assets	-	10,980	-	-
<b>Total</b>	<b>-</b>	<b>10,980</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>5,467</b>	<b>(59,128)</b>	<b>(3,680)</b>	<b>(152)</b>
Beginning fund balances	92,216	85,710	20,626	83,818
<b>Ending Fund Balances</b>	<b>\$ 97,683</b>	<b>\$ 26,582</b>	<b>\$ 16,946</b>	<b>\$ 83,666</b>

See Notes to Financial Statements.

**Total  
Governmental  
Funds**

---

\$	5,191,952	
	5,145	
	8,584	
	<u>5,205,681</u>	

	5,115,975	
	158,179	
	<u>5,274,154</u>	

(68,473)

	<u>10,980</u>	
	<u>10,980</u>	
	(57,493)	
	282,370	
\$	<u><u>224,877</u></u>	

(This page intentionally left blank.)

# Memorial Villages Police Department

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

For the Year Ended December 31, 2019

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

Net changes in fund balances - total governmental funds	\$	(57,493)
---	----	----------

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		131,844
Depreciation expense		(235,425)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		(20,647)
Pension expense		(462,331)
OPEB expense-SDBF		(10,363)
OPEB expense-Health benefits		60,277

Internal service funds are used by management to charge the cost of health benefits to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

20,428

<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>(573,710)</b>
--	-----------	------------------

See Notes to Financial Statements.

# Memorial Villages Police Department

## STATEMENT OF NET POSITION

### PROPRIETARY FUND

December 31, 2019

		<b>Governmental Activities</b>
		<b>Internal Service Fund</b>
		<b>Health Benefits</b>
<b><u>Assets</u></b>		
<b><u>Current Assets</u></b>		
Cash and cash equivalents	\$	2,800
Prepays		53,440
<b>Total Current Assets</b>		<b>56,240</b>
<b><u>Liabilities</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts payable and accrued liabilities		111
<b>Total Current Liabilities</b>		<b>111</b>
<b><u>Net Position</u></b>		
Unrestricted		56,129
<b>Total Net Position</b>	<b>\$</b>	<b>56,129</b>

See Notes to Financial Statements.

# Memorial Villages Police Department

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND

For the Year Ended December 31, 2019

		Governmental Activities
		Internal Service Fund
		Health Benefits
<b><u>Operating Revenues</u></b>		
Charges for services		\$ 897,969
Total Operating Revenues		<u>897,969</u>
<b><u>Operating Expenses</u></b>		
Cost of services		877,440
Materials and supplies		101
Total Operating Expenses		<u>877,541</u>
Change in Net Position		20,428
Beginning net position		35,701
Ending Net Position		<u><u>\$ 56,129</u></u>

See Notes to Financial Statements.

# Memorial Villages Police Department

## STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 1 of 2) For the Year Ended December 31, 2019

	<b>Governmental Activities</b>
	<b>Internal</b>
	<b>Service Fund</b>
	<b>Health Benefits</b>
<b><u>Cash Flows from Operating Activities</u></b>	
Receipts from customers	\$ 897,969
Payments to suppliers	(934,146)
<b>Net Cash Provided by Operating Activities</b>	<b>(36,177)</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(36,177)</b>
Beginning cash and cash equivalents	38,977
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 2,800</b>

See Notes to Financial Statements.

# Memorial Villages Police Department

## STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 2 of 2) For the Year Ended December 31, 2019

	<u>Governmental Activities Internal Service Fund Health Benefits</u>
<b><u>Reconciliation of Operating Income (Loss)</u></b>	
<b><u>to Net Cash Provided by Operating Activities</u></b>	
Operating Income (Loss)	\$ 20,428
<b>Changes in Operating Assets and Liabilities:</b>	
<b>(Increase) Decrease in:</b>	
Prepaid expenses	(53,440)
<b>Increase (Decrease) in:</b>	
Accounts payable and accrued liabilities	(3,165)
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ (36,177)</u></u>

See Notes to Financial Statements.

(This page intentionally left blank.)

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all 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. The Department has no business-type activities.

#### B. Reporting Entity

The Memorial Villages Police Department (the "Department") was created in 1977 through an interlocal agreement ("the Agreement") between the cities of Bunker Hill Village, Texas, Hunters Creek Village, Texas, and Piney Point Village, Texas (the "Participating Cities") pursuant to the terms of the Interlocal Cooperation Act of the 62<sup>nd</sup> legislature of the State of Texas, as amended. The Agreement provides for the Department to furnish all police and law enforcement activities to the Participating Cities.

The Department is an independent political subdivision of the State of Texas, governed by a board of six commissioners, and is considered a primary government. Each contracting city appoints a police commissioner and an alternate police commissioner to the Board of Police Commissioners (the "Board"). The Board governs all budgeting and financing operations as well as the affairs off the agency. 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 Department's financial reporting entity. There are no other organizations that meet the criteria for inclusion herein as part of the financial reporting entity.

The financial objective of the Department is to cover annual operating costs and actual and anticipated capital expenditure outlays.

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 Department's financial reporting entity. The Department has adopted Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity*. No other entities have been included in the Department's reporting entity. Additionally, as the Department is considered a primary government for financial reporting purposes.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the Department's financial reporting entity are based on criteria prescribed by generally

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2019

accepted accounting principles. These same criteria are evaluated in considering whether the Department 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 Department'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 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. The Department is not considered a component unit of the participating Cities, but is reported as a joint venture.

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

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds and the 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 various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

The government reports the following major governmental funds:

#### **General Fund**

The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal source of revenue is contributions from the Participating Cities. Expenditures include public safety. The general fund is always considered a major fund for reporting purposes.

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2019

### Youth Services Fund

The *youth services fund* is a special revenue fund used to account for the receipt and disbursement of legally restricted funds toward Drug Abuse and Resistance Education (DARE) and Gang Resistance Education and Training programs. The youth services fund did not meet the criteria to be presented as a major fund; however, the Department has elected to present it as a major fund for reporting purposes.

### Special Capital Assets Fund

The special *capital assets fund* is used to account for the expenditures of resources accumulated from participant assessments and other sources, for capital purchases and improvements. The special capital assets fund is considered a major fund for reporting purposes.

### Vehicle Replacement Fund

The *vehicle replacement fund* is used to account for the purchase of new vehicles and the sale of retired vehicles every year. Due to regular use, it is necessary for the Department to retire and replace a certain number of vehicles every year in order to maintain a fleet in working order. The vehicle replacement fund is considered a major fund for reporting purposes.

Additionally, the Department reports the following fund type:

### Internal Services Fund

The *health benefits fund* accounts for services provided to other departments or agencies of the primary government, or to other governments, on a cost reimbursement basis. The Department's internal service fund is used to account for health benefit services provided to the Department's employees, as well as those of the cities of Bunker Hill Village, Texas and Piney Point Village, Texas.

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

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

# Memorial Villages Police Department

## *NOTES TO FINANCIAL STATEMENTS, Continued*

December 31, 2019

activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

### **D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Measurement focus refers to what is being measured and basis of accounting refers to when transactions are recorded in the financial records and reported on the financial statements and relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses in the accounting period in which they are incurred and become measurable. Proprietary fund equity consists of net position. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

All governmental funds and component units are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Department considers revenues available if they are collected within 60 days of the end of the current period. Charges for services, other revenues, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts become measurable and available when cash is received by the government and are recognized as revenue at that time.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

### **E. Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2019

the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

#### **1. Deposits and Investments**

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

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

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

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

#### **2. Fair Value**

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

#### **3. Receivables and Interfund Transactions**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2019

reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

#### **4. Inventories and Prepaid Items**

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

#### **5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

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

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

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2019

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Vehicles	3 to 5 years
Machinery and equipment	5 to 10 years
Buildings and improvements	20 years
Computer equipment	5 to 7 years

### 6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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.

An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding 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.

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

### 7. Net Position Flow Assumption

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

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

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2019

### 8. Fund Balance Flow Assumptions

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

### 9. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Department council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance.

Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

Each of the three participating entities is required to maintain \$20,000 each in working capital within in fund balance. This equates to a total unassigned fund balance of \$60,000.

# Memorial Villages Police Department

## *NOTES TO FINANCIAL STATEMENTS, Continued*

December 31, 2019

### **10. Compensated Absences**

The Department provides sick, holiday, and vacation leave based on length of employment. An amount equal to one year's authorized vacation may be carried over from one anniversary date to another. Sick leave may be carried over from one year to the next, but is not payable upon termination of employment. Holiday pay up to ten days may be carried over to the next year. Unused vacation leave, personal leave time, or holiday time will be compensated for the unused time at their current hourly rate at the time of separation.

The estimated amounts of vacation and personal time 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 upon maturity. Amounts of accrued vacation and personal time 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.

### **11. Long-Term Obligations**

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

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

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

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

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2019

general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

### 12. Participant Contributions

The Department collects operating revenues from the Participating Cities based on the approved operating budget, of which each Participating Department contributes 33 percent.

### 13. Pensions

For purposes of measuring the net pension liability (asset), 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.

### 14. Other Postemployment Benefits ("OPEB")

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

The Department also provides medical benefits to eligible retirees through a single-employer defined benefit plan (the "Plan"). This Plan is an unfunded, pay-as-you-go plan. Information about the Department's OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by the Department's consulting actuary.

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2019

### 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.

### II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. Reconciling items have been presented on the balance sheet of governmental funds in the basic financial statements.

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

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

### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, vehicle replacement, and capital asset funds. The original budget is adopted by the Board of Police Commissioners prior to the beginning of the year. Intrabudget transfers over \$25,000 and all nonbudgeted expenditures must be approved by the Participating Cities. Appropriations lapse at the end of the year.

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2019

### IV. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

*Custodial credit risk – deposits* In the case of deposits, this is the risk that in the event of a bank failure, the Department's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The Department's investment policy requires funds on bank deposit at the depository bank to be collateralized by securities with a collective market value (market value of the principal and accrued interest) of at least 102%. As of December 31, 2019, the market values of pledged securities and FDIC exceeded bank balances.

#### B. Fair Value Measurement

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

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Department's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Department's financial instruments consist of cash and cash equivalents, accounts receivable, accrued payables and long-term liabilities. The estimated fair value of cash and cash equivalents, accounts receivable, and accrued payables approximate their carrying amounts due to the short-term nature of these instruments.

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2019

### C. Capital Assets

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

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, being depreciated:				
Buildings and improvements	\$ 2,143,102	\$ -	\$ -	\$ 2,143,102
Furniture and equipment	672,957	-	-	672,957
Vehicles	522,407	131,844	(41,419)	612,832
Total capital assets being depreciated	<u>3,338,466</u>	<u>131,844</u>	<u>(41,419)</u>	<u>3,428,891</u>
Less accumulated depreciation				
Buildings and improvements	(1,610,913)	(107,155)	-	(1,718,068)
Furniture and equipment	(516,776)	(42,699)	-	(559,475)
Vehicles	(290,811)	(85,571)	41,419	(334,963)
Total accumulated depreciation	<u>(2,418,500)</u>	<u>(235,425)</u>	<u>41,419</u>	<u>(2,612,506)</u>
Net capital assets being depreciated	919,966	(103,581)	-	816,385
<b>Total Net Capital Assets</b>	<u><u>\$ 919,966</u></u>	<u><u>\$ (103,581)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 816,385</u></u>

All depreciation was charged to the public safety function.

### E. Other Long-term Liabilities

The following is a summary of changes in the Department's total other long-term liabilities for the year ended. In general, the Department uses the general fund to liquidate governmental compensated absences. A summary of changes in other long-term liabilities for the year end was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 186,911	\$ 207,558	\$ (186,911)	\$ 207,558	\$ 186,802
<b>Total Governmental Activities</b>	<u><u>\$ 186,911</u></u>	<u><u>\$ 207,558</u></u>	<u><u>\$ (186,911)</u></u>	<u><u>\$ 207,558</u></u>	<u><u>\$ 186,802</u></u>

# **Memorial Villages Police Department**

## ***NOTES TO FINANCIAL STATEMENTS, Continued***

**December 31, 2019**

### **IV. OTHER INFORMATION**

#### **A. Risk Management**

The Department 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 Department participates along with more than 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The Department has no additional risk or responsibility to the Pool outside of the payment of insurance premiums.

The Department has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

The Department uses a number of approaches to decrease risks and protect against losses to the Department, including internal practices, employee training, and a code of ethics, which all employees are required to acknowledge

The Department owns and operates motor vehicles and may provide such vehicle to employees for business use during the course and scope of their employment. The Department is insured as to its own property losses, and the liability of loss to others.

#### **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 which may be disallowed by the grantor cannot be determined at this time although the Department 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.

The Department participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Department had not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the Department, there are no significant contingent liabilities relating to compliance with the

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2019

rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

### C. Defined Benefit Pension Plans

#### Texas Municipal Retirement System

##### 1. Plan Description

The Memorial Villages Police Department participates as 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.tmrs.com](http://www.tmrs.com).

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

##### 2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Department, 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 Department -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.

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2019

The plan provisions are adopted by the governing body of the Department, within the options available in the state statutes governing TMRS. Plan provisions for the Department were as follows:

	<u>Plan Year 2018</u>	<u>Plan Year 2017</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/25	60/5, 0/25
Updated service credit	0% Repeating Transfers	0% Repeating Transfers
Annuity increase (to retirees)	0% of CPI	0% of CPI
Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

### 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	41
Inactive employees entitled to but not yet receiving benefits	24
Active employees	<u>43</u>
<b>Total</b>	<b><u>108</u></b>

### 3. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Department matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Department. 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 Memorial Villages Police Department were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Memorial Villages Police Department were 11.08% and 11.03% in calendar years 2018 and 2019, respectively. The Department's contributions to TMRS for the year ended December 31, 2019, were \$373,906, and were equal to the required contributions.

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2019

### 4. Net Pension Liability

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

#### **Actuarial assumptions**

The Total Pension Liability in the December 31, 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 Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. 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.

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 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

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2019

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

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
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	<u>5.0%</u>	7.75%
<b>Total</b>	<b>100.0%</b>	

### Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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

The following presents the net pension liability of the Department, calculated using the discount rate of 6.75%, as well as what the Department'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:

<u>1% Decrease</u>	<u>Current Single Rate</u>	<u>1% Increase</u>
<u>5.75%</u>	<u>Assumption 6.75%</u>	<u>7.75%</u>
<u>\$ 5,019,855</u>	<u>\$ 3,305,765</u>	<u>\$ 1,868,171</u>

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2019

### Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
<b>Balance at 12/31/17</b>	<b>\$ 14,724,989</b>	<b>\$ 12,702,575</b>	<b>\$ 2,022,414</b>
Changes for the year:			
Service cost	419,425	-	419,425
Interest	973,033	-	973,033
Difference between expected and actual experience	64,280	-	64,280
Contributions – employer	-	343,838	(343,838)
Contributions – employee	-	217,319	(217,319)
Net investment income	-	(380,032)	380,032
Change of assumptions	-	-	-
Benefit payments, including refunds of emp. contributions	(1,038,784)	(1,038,784)	-
Administrative expense	-	(7,354)	7,354
Other changes	-	(384)	384
Net changes	417,954	(865,397)	1,283,351
<b>Balance at 12/31/18</b>	<b>\$ 15,142,943</b>	<b>\$ 11,837,178</b>	<b>\$ 3,305,765</b>

### Pension Plan Fiduciary Net Position

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

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

For the year ended December 31, 2019, the Department recognized pension expense of \$839,094.

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2019

At December 31, 2019, the Department 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
Difference between projected and investment earnings	\$ 659,545	\$ -
Differences between expected and actual economic experience	206,426	-
Differences in assumptions changes	60,578	-
Contributions subsequent to the measurement date	373,906	-
<b>Total</b>	<b>\$ 1,300,455</b>	<b>\$ -</b>

The Department reported \$373,906 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending 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 ended December 31:

2020	\$ 456,245
2021	119,861
2022	102,788
2023	247,655
2024	-
Thereafter	-
	<b>\$ 926,549</b>

## D. Postemployment Benefits Other Than Pensions

### Supplemental Death Benefits Fund (SDBF)

The Department also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The Department elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The Department may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2019

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

### Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	10
Active employees	43
Total	89

The Department's contributions to the TMRS SDBF for the fiscal years ended 2019 and 2018 were \$2,034 and \$1,552, which equaled the required contributions each year.

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

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2017	0.05%	0.05%	100.00%
2018	0.05%	0.05%	100.00%
2019	0.06%	0.06%	100.00%

### Total OPEB Liability

The Department's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2018, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

### Actuarial assumptions:

The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2019

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5%, including inflation per year
Discount rate	3.71%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. 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.

### Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.71%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

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

The following presents the total OPEB liability of the Department, calculated using the discount rate of 3.71%, as well as what the Department's net pension liability (asset) 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 (2.71%)	Current Single Rate Assumption 3.71%	1% Increase (4.71%)
<u>\$ 227,172</u>	<u>\$ 191,397</u>	<u>\$ 163,541</u>

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2019

### Changes in the Total OPEB Liability:

	Total OPEB Liability
<b>Balance at 12/31/17</b>	<b>\$ 195,925</b>
Changes for the year:	
Service Cost	5,899
Interest	6,557
Difference between expected and actual experience	(2,179)
Changes of assumptions	(13,253)
Benefit payments	(1,552)
Net changes	(4,528)
<b>Balance at 12/31/18</b>	<b>\$ 191,397</b>

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

For the year ended December 31, 2018, the Department recognized OPEB expense of \$12,397.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	(1,712)
Change in assumptions	-	(1,748)
Contributions subsequent to measurement date	2,034	-
<b>Total</b>	<b>\$ 2,034</b>	<b>\$ (3,460)</b>

The Department reported \$2,034 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending December 31, 2020.

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2019

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

Year ended December 31:		
2020	\$	(59)
2021		(59)
2022		(1,130)
2023		(2,212)
2024		-
Thereafter		-
	\$	<u>(3,460)</u>

### OPEB for Health Care Benefit Provided by Plan

#### Plan Description

The Memorial Villages Police Department Retiree Health Care Plan (the "Plan") is a single employer defined benefit healthcare plan administered by the Department. The Plan provides medical benefits to eligible retirees and their spouses.

#### Benefits

As of January 1, 2016, the Department will contribute \$430 towards the retiree only monthly premium and \$860 towards the retiree plus spouse monthly premium. Retiring employees, hired before January 1, 2015, who are 55 years of age or older with at least 20 years of service with the Department are eligible for this health/medical benefit. Coverage will continue until Medicare eligibility is reached. If the retiree turns 65 prior to the spouse turning 65, the spouse will be allowed to stay on the Plan until the spouse reaches age 65. There is no post-65 coverage offered to retirees.

#### **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	3
Inactive employees entitled to but not yet receiving benefits	0
Active employees	42
Total	45

#### Funding Policy

The contribution requirements of Plan members and the Department are established and may be amended by the Department's Board. Funding is provided on a pay-as-you-go basis. No current active employees may retain Police Department coverage in retirement. Active members are included for count purposes only and are creating no liability for the Employer. There is no

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, *Continued*

December 31, 2019

formal or informal funding policy that exists for the postretirement plan at this time, as the Total OPEB Liability is currently an unfunded obligation.

### **Actuarial assumptions:**

The Total OPEB Liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Method Individual Entry Age Normal Cost Method – Level Percentage of Projected Salary

Service Cost Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year

Discount Rate: 2.74%; (.49% real rate of return + 2.25% inflation)

The Total Payroll Increase assumption of 3.00% was based on a review of the TMRS December 31, 2014 Experience Study.

Health Care Cost Trend Level 5.00%

Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment.

The adoption date for the new GASB 75 OPEB Accounting Standard was for the fiscal year beginning October 1, 2017. The disclosures shows the development of the Net OPEB Liability (NOL), the Total OPEB expense, the Schedule of Deferred Inflows/Outflows and the Trend and Discount Rate Sensitivity Analysis.

### **Discount Rate:**

The discount rate used to measure the Total OPEB Liability was 2.74%. The discount rate was based on the Bond Buyer 20-year Bond GO Index rate as of December 26, 2019.

### **Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate**

The following presents the OPEB liability of the Department, calculated using the discount rate of 2.74%, as well as what the Department's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74%) or 1-percentage-point higher (3.71%) than the current rate:

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2019

1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
\$ 81,265	\$ 81,161	\$ 81,085

Below is a table illustrating the sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rates assumption. The healthcare cost trend rate varies with age and gender.

Healthcare costs trend		
	Current Rate (varies)	
1% Decrease		1% Increase
\$ 78,744	\$ 81,161	\$ 83,637

### Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/18	\$ 140,683
Changes for the year:	
Interest	4,883
Changes of assumptions	429
Plan changes	(21,950)
Benefit payments	(42,884)
Net changes	(59,522)
Balance at 12/31/19	\$ 81,161

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

For the year ended December 31, 2018, the Department recognized OPEB expense(gain) of (\$17,393).

At December 31, 2019, the Department reported no deferred outflows of resources and deferred inflows of resources related to the OPEB liability.

### E. Deferred Compensation Plan

The Department offers its employees a deferred compensation plan (the "Plan") created in accordance with the Internal Revenue Code Section 457. The Plan, available to all Department employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. For the year ended December 31, 2019, the employees contributed \$78,426 to the Plan.

# Memorial Villages Police Department

## NOTES TO FINANCIAL STATEMENTS, Continued

December 31, 2019

### F. Restatement

The Department restated beginning net position within governmental activities due to an accounting error concerning unearned revenue and capital assets in the prior year. The restatement of beginning fund balance/net position is as follows:

	<b>Governmental Activities</b>	<b>General Fund</b>
Prior year ending net position, as reported	\$ (858,058)	\$ 60,000
Correction to unearned revenue	32,216	32,216
Correction to capital assets	10,091	-
Restated beginning net position	<u>\$ (815,751)</u>	<u>\$ 92,216</u>

### G. Subsequent Events

There were no material subsequent events through May 8, 2020, the date the financial statements were issued.

(This page intentionally left blank.)

## ***REQUIRED SUPPLEMENTARY INFORMATION***

(This page intentionally left blank.)

**Memorial Villages Police Department**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Participant assessments	\$ 5,357,726	\$ 5,357,726	\$ 5,357,726	\$ -
Participant assessments refund (1)	-	-	(253,774)	(253,774)
Investment income	-	-	4,468	4,468
Other revenue	-	-	5,140	5,140
<b>Total Revenues</b>	<u>5,357,726</u>	<u>5,357,726</u>	<u>5,113,560</u>	<u>(244,166)</u>
<b>Expenditures</b>				
Current:				
Personnel	4,640,414	4,579,314	4,419,789	159,525
Insurance	65,280	66,730	59,378	7,352
Automotive	111,250	118,750	103,903	14,847
Building	48,000	49,000	32,277	16,723
Office and other expenditures	492,782	543,932	492,746	51,186
<b>Total Expenditures</b>	<u>5,357,726</u>	<u>5,357,726</u>	<u>5,108,093</u>	<u>249,633</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	5,467	<u>\$ 5,467</u>
Beginning fund balance			92,216	
<b>Ending Fund Balance</b>			<u>\$ 97,683</u>	
<b>(1) Participant Assessment Refunds</b>				
Unassigned fund balance prior to participant assessment refunds			\$ 313,774	
Amount held for Department operations			(60,000)	
Participant assessment refunds			<u>\$ 253,774</u>	
<b>Net Change in Individual City Assessments (1/3) (refund)</b>			<u>\$ 84,591</u>	

Notes to Required Supplementary Information

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

# Memorial Villages Police Department

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

December 31,

	2014	2015	2016
<b>Total pension liability</b>			
Service cost	\$ 355,622	\$ 381,175	\$ -
Interest	895,234	896,867	900,806
Differences between expected and actual experience	(74,525)	19,619	498,688
Changes of assumptions	-	379,409	-
Benefit payments, including refunds of participant contributions	(1,468,761)	(862,793)	(1,044,381)
<b>Net change in total pension liability</b>	<b>(292,430)</b>	<b>814,277</b>	<b>355,113</b>
<b>Total pension liability - beginning</b>	<b>13,345,620</b>	<b>13,053,190</b>	<b>13,867,467</b>
<b>Total pension liability - ending (a)</b>	<b>13,053,190</b>	<b>13,867,467</b>	<b>14,222,580</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 277,809	\$ 302,139	\$ 281,002
Contributions - members	199,927	213,205	211,542
Net investment income	683,888	17,176	763,199
Benefit payments, including refunds of participant contributions	(1,468,761)	(862,793)	(1,044,381)
Administrative expenses	(7,142)	(10,465)	(8,627)
Other	(587)	(517)	(465)
<b>Net change in plan fiduciary net position</b>	<b>(314,866)</b>	<b>(341,255)</b>	<b>202,270</b>
<b>Plan fiduciary net position - beginning</b>	<b>11,958,421</b>	<b>11,643,555</b>	<b>11,302,300</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 11,643,555</b>	<b>\$ 11,302,300</b>	<b>\$ 11,504,570</b>
<b>Fund's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 1,409,635</b>	<b>\$ 2,565,167</b>	<b>\$ 2,718,010</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>89%</b>	<b>82%</b>	<b>81%</b>
<b>Covered payroll</b>	<b>\$ 2,856,100</b>	<b>\$ 3,010,866</b>	<b>\$ 3,022,029</b>
<b>Fund's net position as a percentage of covered payroll</b>	<b>49%</b>	<b>85%</b>	<b>90%</b>

### Notes to schedule:

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

See Notes to Financial Statements.

	2017	2018	<sup>1</sup>
\$	437,089	\$	419,425
	942,429		973,033
	81,319		64,280
	-		-
	(658,428)		(1,038,784)
	802,409		417,954
	14,222,580		15,024,989
	15,024,989		15,442,943
\$	347,619	\$	343,838
	224,477		217,319
	1,593,018		(380,031)
	(658,428)		(1,038,784)
	(8,263)		(7,354)
	(419)		(384)
	1,498,004		(865,396)
	11,504,570		13,002,574
\$	13,002,574	\$	12,137,178
\$	2,022,415	\$	3,305,765

	87%		79%
\$	3,206,816	\$	3,104,553

	63%		106%
--	-----	--	------

# Memorial Villages Police Department

## SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>
Actuarially determined employer contributions	\$ 299,253	\$ 281,231	\$ 347,619	\$ 343,985
Contributions in relation to the actuarially determined contribution	\$ 299,253	\$ 281,231	\$ 347,619	\$ 343,985
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Annual covered payroll	\$ 3,010,866	\$ 3,022,029	\$ 3,204,823	\$ 3,104,559
Employer contributions as a percentage of covered payroll	9.94%	9.31%	10.85%	11.08%

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

### NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

#### Valuation Date:

Notes

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

#### Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	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

#### Other Information:

Notes

There were no benefit changes during the year.

See Notes to Financial Statements.

12/31/2019 <sup>1</sup>

\$ 373,906

\$ 373,906

\$ -

\$ 3,389,898

11.03%

**Memorial Villages Police Department**  
**SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN**  
**PENSIONS (OPEB) LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SUPPLEMENTAL DEATH BENEFITS PLAN**  
**December 31,**

	<u>2017</u>	<u>2018</u>	<sup>1</sup>
Total OPEB liability			
Service cost	\$ 5,131	\$ 5,899	
Interest	6,520	6,557	
Changes in benefit terms	-	-	
Differences between expected and actual experience	-	(2,179)	
Changes of assumptions	15,159	(13,253)	
Benefit payments, including refunds of participant contributions	(1,603)	(1,552)	
<b>Net change in total OPEB liability</b>	<u>25,207</u>	<u>(4,528)</u>	
<b>Total OPEB liability - beginning</b>	<u>170,718</u>	<u>195,925</u>	
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 195,925</u></u>	<u><u>\$ 191,397</u></u>	<sup>2</sup>
 <b>Covered payroll</b>	 \$ 3,206,816	 \$ 3,104,553	
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>6.11%</b>	<b>6.17%</b>	

**Notes to schedule:**

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

<sup>2</sup> No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

See Notes to Financial Statements.

**Memorial Villages Police Department**  
**SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN**  
**PENSIONS (OPEB) LIABILITY AND RELATED RATIOS**  
**RETIREE HEALTH PLAN**  
**December 31,**

	2017	2018	<sup>1</sup>
Total OPEB liability			
Service cost	\$ -	\$ -	
Interest	5,425	4,883	
Changes in benefit terms	-	(21,950)	
Differences between expected and actual experience	-	-	
Changes of assumptions	(808)	429	
Benefit payments, including refunds of participant contributions	(42,923)	(42,884)	
<b>Net change in total OPEB liability</b>	<b>(38,306)</b>	<b>(59,522)</b>	
<b>Total OPEB liability - beginning</b>	<b>178,989</b>	<b>140,683</b>	
<b>Total OPEB liability - ending (a)</b>	<b>\$ 140,683</b>	<b>\$ 81,161</b>	<sup>2</sup>
 <b>Covered payroll</b>	 <b>\$ 3,109,137</b>	 <b>\$ 3,401,015</b>	
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>4.52%</b>	<b>2.39%</b>	


**Notes to schedule:**

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

<sup>2</sup> No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

See Notes to Financial Statements.

(This page intentionally left blank.)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
 Bunker Hill Village Hedwig Village Hilshire Village Hunters Creek Village Piney Point Village Spring Valley Village Houston Totals	Total Number of Incidents 2020			Life Threatening (LT) EMS Incidents				Life Threatening (LT) Fire Incidents			% of fire type = fire alarm				
					Natl Stand. 6:30	of 90%	Natl. Stand 10:30	of 90%	# LT Fire	Natl Stand. 6:50	of 90%	% of 2019 Calls are:		Fire Alarms	% of Fire Calls
	Fire	EMS	Total	# LT EMS	1st Resp. Time		ALS Resp Time			Response Time		Fire	EMS		
	66	49	115	21	3:01	100%	5:16	100%	5	5:16	100%	57%	43%	29	44%
	69	77	146	41	3:18	100%	3:12	100%	1	4:38	100%	47%	53%	33	48%
	9	11	20	3	4:54	100%	6:07	100%	1	6:19	100%	45%	55%	3	33%
	108	53	161	19	3:28	100%	6:09	100%	5	3:43	100%	67%	33%	33	31%
	69	42	111	16	3:10	100%	5:01	100%	6	4:50	100%	62%	38%	28	41%
	57	71	128	26	2:35	100%	4:41	100%	4	3:43	100%	45%	55%	18	32%
	99	0	99												
Totals	477	303	780	126	3:24	100%	5:04	100%	22	4:57	100%	61%	39%	144	38%

Notes: ALL Response Time categories include from the receipt of the call at the Primary Dispatch to arrival on location of the responding units.

Column 1: Reflects the cities listed within the chart.

Column 2: Reflects the year to date number of "fire" type calls within each jurisdiction. Includes: fires, vehicle collisions, gas leaks, rescues, tree in roadways, and others.

Column 3: Reflects the year to date number of "EMS" calls within each jurisdiction.

Column 4: Reflects the year to date, total number of all calls within each jurisdiction.

Column 5: Reflects the year to date, number of "life threatening EMS" calls within each jurisdiction. Includes: heart attacks, strokes, seizures, cardiac arrest, seizures and others.

Column 6, Row A: Reflects the "National Standard for total response time for life threatening EMS Calls of 6 minutes 30 seconds.

Column 6: Reflects the year to date, first responder's response times for each jurisdiction.

Column 7, Row A, Reflects the National Standard of the percentage of calls which the national standard should be met: 90%

Column 7: Reflects the year to date, percentage of calls which the national standard is met during life threatening EMS calls.

Column 8 Row A: Reflects the National Standard for total response time for life threatening EMS calls for arrival of Advanced Life Support Equipment and Personnel: 10 minutes 30 seconds.

Column 8: Reflects the year to date, Advanced Life Support equipment and personnel response time for life threatening calls within each jurisdiction.

Column 9 Row A, Reflects the National Standard of the percentage of calls which the ALS standard should be met: 90%

Column 9: Reflects the year to date, percentage of calls, which the national standards is met of ALS response for each jurisdiction.

Column 10: Reflects the year to date, number of life threatening "Fire Type" calls within each jurisdiction.

Column 11: Reflects the year to date, average total response time to fire type calls within each jurisdiction.

Column 12: Reflects the year to date, percentage of life threatening fire type calls which meet or exceed the National Standard.

Column 13: Reflects the year to date, percentage of calls which our "fire type" calls.

Column 14: Reflects the year to date, percentage of call which our "EMS" calls.

Column 15: Reflects the year to date number of Fire Alarms within each jurisdiction.

Column 16: Reflects the percentage of fire type calls which are fire alarms.

MEMORANDUM

CITY OF PINEY POINT VILLAGE

TO: The Honorable Mayor and Members of the City Council

FROM: Roger Nelson, City Administrator

MEETING DATE: May 18, 2020

SUBJECT: Annual Financial Report

Agenda Item: 5

This agenda item calls for the City Council to consider a presentation by Louis Breedlove of BrooksWatson & Company regarding the City's 2019 Financial Report.

# 2019

## ANNUAL FINANCIAL REPORT

*For the Year Ended December 31, 2019*

THE CITY  
**PINEY POINT VILLAGE, TEXAS**

7676 Woodway, Ste 300 | Houston, TX 77063  
713.782.0271 | [www.cityofpineypoint.com](http://www.cityofpineypoint.com)

(This page intentionally left blank.)

***ANNUAL FINANCIAL REPORT***

**of the**

**City of Piney Point Village, Texas**

**For the Year Ended  
December 31, 2019**

(This page intentionally left blank.)

# City of Piney Point Village, Texas

## TABLE OF CONTENTS

December 31, 2019

### **FINANCIAL SECTION**

Independent Auditor's Report	1
Management's Discussion and Analysis	5

### **Basic Financial Statements**

#### **Government-Wide Financial Statements**

Statement of Net Position	18
Statement of Activities	20

#### **Fund Financial Statements**

Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet to the Statement of Net Position- Governmental Funds	25
Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29

Notes to the Financial Statements	31
-----------------------------------	----

### **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual - General Fund	65
Schedule of Changes in Net Pension Liability and Related Ratios	66
Schedule of Employer Contributions to Pension Plan	68
Schedule of OPEB Liability and Related Ratios	71

(This page intentionally left blank.)



## ***INDEPENDENT AUDITOR'S REPORT***

To the Honorable Mayor and  
Members of the City Council  
City of Piney Point Village, Texas:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Piney Point Village, 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 as listed in the table of contents.

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

The City's 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. 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 opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note V.F. to the financial statements, the City restated its beginning net position within governmental activities to properly reflect the total related deferred inflows for franchise taxes. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the general fund budgetary comparison information, the schedule of changes in net pension liability and related ratios, the schedule of employer contributions to pension plan, and schedule of changes in the other postemployment benefits liability and related ratios, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co., PLLC  
Certified Public Accountants  
Houston, Texas  
May 11, 2020

(This page intentionally left blank.)

***MANAGEMENT'S DISCUSSION  
AND ANALYSIS***

(This page intentionally left blank.)

# **City of Piney Point Village, Texas**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

**December 31, 2019**

As management of the City of Piney Point Village, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019.

### **Financial Highlights**

- The City's total combined net position is \$32,014,457 at December 31, 2019. Of this, \$6,857,531 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$6,595,205, an increase of \$288,708.
- As of the end of the year, the unassigned fund balance of the general fund was \$6,220,133 or 90% of total general fund expenditures.
- The City had an overall increase in net position of \$876,563, which is primarily due to revenues exceeding expenditures.

### **Overview of the Financial Statements**

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

### **Government-Wide Statements**

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

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows 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 non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses

**City of Piney Point Village, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**December 31, 2019**

are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

## **FUND FINANCIAL STATEMENTS**

Funds may be considered as operating companies of the parent corporation, which is the City of Piney Point Village. 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 only category of City funds is governmental.

### **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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Piney Point Village, Texas maintains five 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. Funds consist of major funds general fund, debt service fund and capital projects fund as well as nonmajor funds METRO projects fund and special revenue fund.

The City adopts an annual appropriated budget for its general fund and debt service fund. A budgetary comparison schedule has been provided to demonstrate compliance with the general fund budget.

**City of Piney Point Village, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**December 31, 2019**

**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 the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI that GASB Statement No. 34 requires includes a budgetary comparison schedule for the general fund and schedule of funding progress for Texas Municipal Retirement System. The RSI can be found after the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City, assets exceeded liabilities by \$32,014,457 as of December 31, 2019, in the primary government.

The largest portion of the City's net position, \$24,826,846, reflects its investments in capital assets (e.g., land, infrastructure, and streets), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

**City of Piney Point Village, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**December 31, 2019**

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Current and		
other assets	\$ 14,831,403	\$ 14,161,682
Long-term assets	32,450,388	33,157,737
<b>Total Assets</b>	<b>47,281,791</b>	<b>47,319,419</b>
<b>Deferred Outflows</b>		
<b>of Resources</b>	<b>70,191</b>	<b>49,728</b>
Other liabilities	2,364,870	2,110,348
Long-term liabilities	5,879,019	7,224,544
<b>Total Liabilities</b>	<b>8,243,889</b>	<b>9,334,892</b>
<b>Deferred Inflows</b>		
<b>of Resources</b>	<b>7,093,636</b>	<b>6,896,361</b>
Net Position:		
Net investment in		
capital assets	24,826,846	24,226,035
Restricted	330,080	328,091
Unrestricted	6,857,531	6,583,768
<b>Total Net Position</b>	<b>\$ 32,014,457</b>	<b>\$ 31,137,894</b>

**City of Piney Point Village, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**December 31, 2019**

**Statement of Activities:**

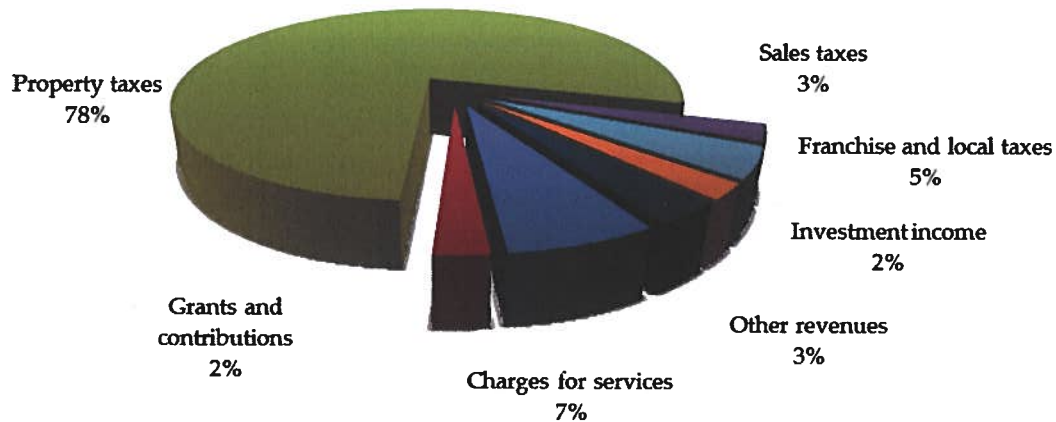
The following table provides a summary of the City's changes in net position:

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 593,497	\$ 491,912
Grants and contributions	213,358	136,002
General revenues:		
Property taxes	6,802,062	6,685,810
Sales taxes	228,761	202,613
Franchise and local taxes	390,942	399,374
Investment income	198,019	168,475
Other revenues	163,630	73,363
<b>Total Revenues</b>	<b>8,590,269</b>	<b>8,157,549</b>
<b>Expenses</b>		
General government	1,286,387	1,182,116
Public safety	4,383,780	3,500,290
Municipal court	93,483	42,213
Public works	1,804,708	1,918,747
Interest and fiscal charges	145,348	183,419
<b>Total Expenses</b>	<b>7,713,706</b>	<b>6,826,785</b>
<b>Change in Net Position</b>	<b>876,563</b>	<b>1,330,764</b>
Beginning Net Position	31,137,894	29,807,130
<b>Ending Net Position</b>	<b>\$ 32,014,457</b>	<b>\$ 31,137,894</b>

**City of Piney Point Village, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**December 31, 2019**

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

**Governmental Activities - Revenues**

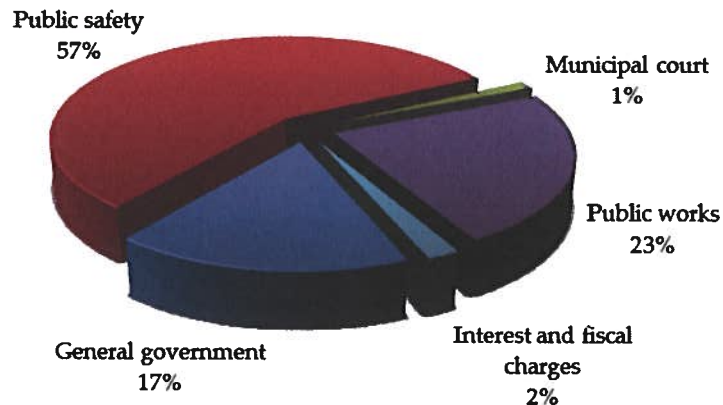


For the year ended December 31, 2019, revenues from governmental activities totaled \$8,590,269. Property tax is the City's largest revenue source at \$6,802,062, an increase of \$116,252 or 2% due to an increase in assessed property value. Charges for services increased \$101,585 or 21%, which is primarily a result of an increase in permit fees. In addition, investment income increased \$29,544 or 18% primarily due to a higher utilization of interest bearing accounts. Other revenues increased by \$90,267 primarily due to nonrecurring reimbursements received for the cost of repairs made to a privately owned street, as well as nonrecurring settlement recoveries. All other revenues remained relatively stable when compared to the previous year.

**City of Piney Point Village, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**December 31, 2019**

This graph shows the governmental function expenses of the City:

**Governmental Activities - Expenses**



For the year ended December 31, 2019, expenses for governmental activities totaled \$7,713,706. This represents an increase of \$886,921 or 13% from the prior year. The City's largest functional expense is public safety of \$4,383,780, which increased by \$883,490 or 25% from the previous year. The increase is primarily due to the added budgeted costs of the Village Fire Department development costs. General government expenses increased \$104,271 or 9% due to increased engineering services during the year. Municipal court expenses increased \$51,270 due to additional personnel costs, as well as the utilization of available municipal court child safety funds. Public works expenses decreased by \$114,039 or 6% primarily due to a reduction in repairs and maintenance costs in the current year. Interest and fiscal charges decreased \$38,071 or 21%, which is consistent with debt service schedules for long-term debt. All other expenses remained relatively stable when compared to the previous year.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

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

As of the end of the year the general fund reflected a total unassigned fund balance of \$6,220,133. The general fund increased by \$226,807 primarily due to there being higher than anticipated property tax revenue, in addition to lower than planned capital expenditures.

The debt service fund reflected a total balance of \$173,083, an increase of \$33,766. The change was due to there being more funds available to service the debt than needed.

**City of Piney Point Village, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**December 31, 2019**

The capital projects fund reflected a fund balance of \$44,992, an increase of \$44,992. The change is due to the City tracking the funds necessary for capital projects throughout the year. Other sources were received during the year for settlement recoveries, which exceeded the capital expenditures for the year, resulting in an overall increase in the fund for the current year.

There was an increase in governmental fund balance of \$288,708 from the prior year. The change is primarily attributable to a reduction in capital expenditures compared to the previous year. The total of all governmental funds reflected a total fund balance of \$6,595,205. Of this, \$88,325 is restricted for municipal court, \$68,672 is restricted for capital improvements, and \$173,083 is restricted for debt service.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

There was a total positive budget variance of \$1,388,202 in the general fund. This is a combination of positive revenue and expenditure variances of \$605,369 and \$845,015, respectively. In addition, there were unbudgeted transfers out of \$62,182. All revenue sources received more revenue than anticipated. Expenditures exceeded appropriations for general government by \$2,756, municipal court by \$25,225, public works by \$161,255, and transfers out by \$62,182.

**CAPITAL ASSETS**

As of the end of the year, the City's governmental activities funds had invested \$32,450,388 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34.

Major capital asset events during the current year include the additions of construction in progress over road and drainage construction totaling \$354,048. More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

**LONG-TERM DEBT**

At the end of the current year, the City had total bonds outstanding of \$6,760,000. During the year, the City experienced a net decrease in the long-term debt of \$1,285,000. More detailed information about the City's long-term liabilities is presented in note IV. D. to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

While the City is an entirely residential community, it has continued to maintain new growth as an attractive destination for Houston-based families. The City's appraised values continue to grow and this has allowed the City to retain its 2019 tax rate for 2020.

**City of Piney Point Village, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**December 31, 2019**

The City adopted a budget similar to last year's budget for 2020, retaining the same tax rate with no increases. Since the City's largest revenue source is property taxes, it is important to note that the City's collection rate is near 100%. The City's 2020 budget will continue to provide necessary services. Long-term funds, including new debt funds that will be used to continue improving drainage and maintaining streets while holding tax rates level. Due to the impact of COVID19, the City expects a decrease in revenues for 2020.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Administrator, City of Piney Point Village, 7676 Woodway, Suite 300, Houston, Texas 77063.

(This page intentionally left blank.)

## ***FINANCIAL STATEMENTS***

# City of Piney Point Village, Texas

## STATEMENT OF NET POSITION (Page 1 of 2)

December 31, 2019

	Primary Government Governmental Activities
<b><u>Assets</u></b>	
Current assets:	
Cash and cash equivalents	\$ 10,519,452
Receivables, net	4,311,951
<b>Total Current Assets</b>	<b>14,831,403</b>
Capital assets:	
Non-depreciable	329,786
Net depreciable capital assets	32,120,602
<b>Total Noncurrent Assets</b>	<b>32,450,388</b>
<b>Total Assets</b>	<b>47,281,791</b>
<b><u>Deferred Outflows of Resources</u></b>	
Deferred charge on refunding	7,798
Pension contributions	32,475
Pension difference in earnings	29,667
OPEB contributions	141
OPEB difference in experience	110
<b>Total Deferred Outflows of Resources</b>	<b>\$ 70,191</b>

# City of Piney Point Village, Texas

## STATEMENT OF NET POSITION (Page 2 of 2)

December 31, 2019

### Liabilities

#### Current liabilities:

Accounts payable and accrued liabilities	\$ 774,162
Customer deposits	155,485
Accrued interest payable	76,264
Unearned revenue - alarm fees	22,500
Compensated absences due within one year	16,459
Long-term debt due within one year	1,320,000
<b>Total Current Liabilities</b>	<b>2,364,870</b>

#### Noncurrent liabilities:

Compensated absences due in more than one year	1,829
Long-term debt due in more than one year	5,810,318
Net pension liability	40,813
OPEB liability	26,059
<b>Total Noncurrent Liabilities</b>	<b>5,879,019</b>
<b>Total Liabilities</b>	<b>8,243,889</b>

### Deferred Inflows of Resources

Pension difference in experience	7,655
OPEB difference in assumptions	431
Unavailable revenue - property taxes	7,085,550
<b>Total Deferred Inflows of Resources</b>	<b>7,093,636</b>

### Net Position

Net investment in capital assets	24,826,846
Restricted	330,080
Unrestricted	6,857,531
<b>Total Net Position</b>	<b>\$ 32,014,457</b>

See Notes to Financial Statements.

# City of Piney Point Village, Texas

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government</b>			
<b>Governmental Activities</b>			
General government	\$ 1,286,387	\$ -	\$ -
Public safety	4,383,780	-	-
Municipal court	93,483	184,435	-
Public works	1,804,708	409,062	213,358
Interest and fiscal charges	145,348	-	-
<b>Total Governmental Activities</b>	<b>7,713,706</b>	<b>593,497</b>	<b>213,358</b>

### General Revenues:

Taxes

Property taxes

Sales taxes

Franchise and local taxes

Investment income

Other revenues

**Total General Revenues**

**Change in Net Position**

Beginning Net Position

**Ending Net Position**

See Notes to Financial Statements.

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

---

**Primary  
Government  
Governmental  
Activities**

---

\$ (1,286,387)  
(4,383,780)  
90,952  
(1,182,288)  
(145,348)  

---

(6,906,851)  

---

6,802,062  
228,761  
390,942  
198,019  
163,630  

---

7,783,414  

---

876,563  
31,137,894  

---

\$ 32,014,457  

---

# City of Piney Point Village, Texas

## BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2019

	General	Debt Service	Nonmajor Capital Projects	Nonmajor METRO Projects
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 7,772,736	\$ 985,310	\$ 330,991	\$ 68,672
Cash with fiscal agent	1,005,648	267,770	-	-
Receivables, net	3,419,841	892,110	-	-
Due from other funds	447,972	-	-	-
<b>Total Assets</b>	<b>\$ 12,646,197</b>	<b>\$ 2,145,190</b>	<b>\$ 330,991</b>	<b>\$ 68,672</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 486,663	\$ 1,500	\$ 285,999	\$ -
Customer deposits	155,485	-	-	-
Due to other funds	-	447,972	-	-
Unearned revenue - alarm fees	22,500	-	-	-
<b>Total Liabilities</b>	<b>664,648</b>	<b>449,472</b>	<b>285,999</b>	<b>-</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	5,761,416	1,522,635	-	-
<b>Total Deferred Inflows of Resources</b>	<b>5,761,416</b>	<b>1,522,635</b>	<b>-</b>	<b>-</b>
<b><u>Fund Balances</u></b>				
Restricted:				
Municipal court	-	-	-	-
Debt service	-	173,083	-	-
Capital improvements	-	-	-	68,672
Unassigned:	6,220,133	-	44,992	-
<b>Total Fund Balances</b>	<b>6,220,133</b>	<b>173,083</b>	<b>44,992</b>	<b>68,672</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 12,646,197</b>	<b>\$ 2,145,190</b>	<b>\$ 330,991</b>	<b>\$ 68,672</b>

See Notes to Financial Statements.

<b>Nonmajor Special Revenue</b>	<b>Total Governmental Funds</b>
\$ 88,325	\$ 9,246,034
-	1,273,418
-	4,311,951
-	447,972
<u>\$ 88,325</u>	<u>\$ 15,279,375</u>

\$ -	\$ 774,162
-	155,485
-	447,972
-	22,500
<u>-</u>	<u>1,400,119</u>

-	7,284,051
<u>-</u>	<u>7,284,051</u>

88,325	88,325
-	173,083
-	68,672
-	6,265,125
<u>88,325</u>	<u>6,595,205</u>
<u>\$ 88,325</u>	<u>\$ 15,279,375</u>

(This page intentionally left blank.)

**City of Piney Point Village, Texas**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**December 31, 2019**

<b>Fund Balances - Total Governmental Funds</b>	<b>\$ 6,595,205</b>
---	---------------------

**Adjustments for the Statement of Net Position:**

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

Capital assets - non-depreciable	329,786
Capital assets - net depreciable	32,120,602

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

Property tax receivables	198,501
--------------------------	---------

Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/ expenditure) until then.

Deferred charge on refunding	7,798
Pension contributions	32,475
Pension difference in earnings	29,667
Pension difference in experience	(7,655)
OPEB contributions	141
OPEB difference in experience	110
OPEB change in assumptions	(431)

Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.

Accrued interest	(76,264)
Compensated absences	(18,288)
Bond premium	(370,318)
Long-term debt	(6,760,000)
Net pension liability	(40,813)
OPEB liability	(26,059)

<b>Net Position of Governmental Activities</b>	<b>\$ 32,014,457</b>
--	----------------------

See Notes to Financial Statements.

# City of Piney Point Village, Texas

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	General	Debt Service	Nonmajor Capital Projects	Nonmajor METRO Projects
<b><u>Revenues</u></b>				
Property tax	\$ 5,329,446	\$ 1,465,591	\$ -	\$ -
Sales tax	228,761	-	-	-
Franchise and local taxes	469,084	-	-	-
License and permits	409,062	-	-	-
Intergovernmental	213,358	-	-	-
Fines and forfeitures	170,245	-	-	-
Investment income	183,638	14,193	177	-
Other revenue	163,630	-	-	-
<b>Total Revenues</b>	<b>7,167,224</b>	<b>1,479,784</b>	<b>177</b>	<b>-</b>
<b><u>Expenditures</u></b>				
Current:				
General government	1,284,907	-	-	-
Public safety	4,383,780	-	-	-
Municipal court	62,425	-	-	-
Public works	624,255	-	-	-
Capital outlay	522,868	-	75,259	-
Debt Service:				
Principal	-	1,285,000	-	-
Interest and fiscal charges	-	223,200	-	-
<b>Total Expenditures</b>	<b>6,878,235</b>	<b>1,508,200</b>	<b>75,259</b>	<b>-</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	288,989	(28,416)	(75,082)	-
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	-	62,182	-	-
Transfers (out)	(62,182)	-	-	-
Settlement recoveries	-	-	120,074	-
<b>Total Other Financing Sources (Uses)</b>	<b>(62,182)</b>	<b>62,182</b>	<b>120,074</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>226,807</b>	<b>33,766</b>	<b>44,992</b>	<b>-</b>
Beginning fund balances	5,993,326	139,317	-	68,672
<b>Ending Fund Balances</b>	<b>\$ 6,220,133</b>	<b>\$ 173,083</b>	<b>\$ 44,992</b>	<b>\$ 68,672</b>

See Notes to Financial Statements.

<u>Nonmajor Special Revenue</u>	<u>Total Governmental Funds</u>
\$ -	\$ 6,795,037
-	228,761
-	469,084
-	409,062
-	213,358
14,190	184,435
11	198,019
-	163,630
<u>14,201</u>	<u>8,661,386</u>
-	1,284,907
-	4,383,780
31,058	93,483
-	624,255
-	598,127
-	1,285,000
-	223,200
<u>31,058</u>	<u>8,492,752</u>
(16,857)	168,634
-	62,182
-	(62,182)
-	120,074
<u>-</u>	<u>120,074</u>
(16,857)	288,708
105,182	6,306,497
<u>\$ 88,325</u>	<u>\$ 6,595,205</u>

(This page intentionally left blank.)

**City of Piney Point Village, Texas**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2019**

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

Net changes in fund balances - total governmental funds	\$	288,708
---	----	---------

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		354,048
Asset disposal		(120,074)
Depreciation expense		(936,374)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(71,117)
--	--	----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		2,682
Accrued interest		14,566

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of deferred charges on refunding		(3,901)
Amortization of premium		67,187
Principal payments		1,285,000
Pension expense		(1,246)
OPEB expense		(2,916)

<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>876,563</b>
--	-----------	----------------

See Notes to Financial Statements.

(This page intentionally left blank.)

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Government-Wide Financial Statements**

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

**B. Reporting Entity**

The City of Piney Point Village, Texas (the "City") was organized in 1954 to provide municipal services such as police; fire; code enforcement; public works; street repair and maintenance; and general administrative services.

The City is an independent political subdivision of the State of Texas governed by an elected five member 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. 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 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.

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**Joint Venture**

Joint Ventures are legal entities or other organizations that result from a contractual arrangement that are owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control. The participants retain either an ongoing financial interest or an ongoing financial responsibility. The City's two joint ventures are described as follows:

Village Fire Department

Village Fire Department ("VFD") was created in 1978 as part of an agreement between multiple contracting cities joined into an interlocal cooperation agreement to establish a common municipal fire department, chartered as the Village Fire Department. The City has no significant influence over VFD's administration or operation.

Memorial Villages Police Department

The Memorial Villages Police Department ("MVPD") was created in 1977 as part of an agreement between multiple contracting cities joined into an interlocal cooperation agreement to furnish all police services and law enforcement activities to the participating cities. The City has no significant influence over MVPD's administration or operation.

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

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental 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 various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds. Separate statements for each fund category, governmental are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

The government reports the following governmental funds:

**Governmental Funds**

Governmental funds are those funds through which most governmental functions are typically financed.

**General Fund**

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, municipal court, public safety, public works, and code enforcement. The general service fund is considered a major fund for reporting purposes.

**Debt Service Fund**

The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt 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.

**Capital Projects Funds**

The capital project funds are used to account for the expenditures of resources accumulated from general obligation bonds, tax notes, related interest earnings, and other sources for capital improvement projects.

The METRO project fund is used for the resources granted to the City from the Metropolitan Transit Authority (METRO). These funds are spent only on projects approved by METRO. If the funds are not spent, then they must be returned to METRO with accrued interest. The capital projects fund is a City fund reserved for the use of capital projects within the City. These projects are approved by City Council. The METRO project fund and the capital projects fund are considered major funds for reporting purposes.

**Special Revenue Fund**

The special revenue fund is used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted, committed, or assigned for specified activities. The special revenue fund is a nonmajor fund for reporting purposes.

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

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

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.

**D. Measurement Focus and Basis of Accounting**

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

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

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

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

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

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

**1. Deposits and Investments**

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

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

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

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

**2. Fair Value Measurement**

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, *Continued***  
**For the Year Ended December 31, 2019**

determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

**3. Receivables and Interfund Transactions**

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

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

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

**4. Property Taxes**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

**5. Inventories and Prepaid Items**

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to the future accounting period (prepaid expenditures) are recognized as expenditures when utilized.

**6. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental

# City of Piney Point Village, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### For the Year Ended December 31, 2019

activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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.

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

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Furniture and equipment	5 to 10 years
Infrastructure	20 to 65 years

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows 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. An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

#### 8. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, *Continued***  
**For the Year Ended December 31, 2019**

government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

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

**9. Fund Balance Flow Assumptions**

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

**10. Fund Balance Policies**

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, *Continued***  
**For the Year Ended December 31, 2019**

**11. Pensions**

For purposes of measuring the net pension liability (asset), 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.

**12. Other Postemployment Benefits ("OPEB")**

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

**13. Compensated Absences**

It is the City's policy to permit regular full-time employees to accumulate earned but unused vacation up to a maximum of 20 days. Vacation amounts accumulated may be paid to employees upon termination of employment or at retirement. New employees are ineligible for vacation benefits during the first six months of employment and vacation amounts will not be paid upon separation during this period. 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 becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, *Continued***  
**For the Year Ended December 31, 2019**

separately and represent a reconciling item between the fund and government-wide presentations.

**14. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

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.

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

**15. Estimates**

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

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

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

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

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except for the capital projects funds, which appropriated on a project-length basis.

The legal level of control as defined by the City Charter is the function level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. No supplemental budget appropriations were made during the year. For the year ended December 31, 2019, expenditures exceeded appropriations at the legal level of control within the general fund for general government by \$2,756, municipal court by \$25,225, public works by \$161,255, and transfers out by \$62,182.

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of December 31, 2019, the primary government had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Weighted Average Maturity (Years)</u>
External investment pools	\$ 6,516,064	0.07
Total carrying value	<u>\$ 6,516,064</u>	
Portfolio weighted average maturity		0.07

*Interest rate risk* – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

*Credit risk* – The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service.

*Custodial credit risk – deposits:* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of December 31, 2019, the bank balance exceeded the market values of pledged securities and FDIC coverage by \$764,979.

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

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**TexPool**

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

TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. There were no limitations or restrictions on withdrawals.

**Texas CLASS**

Texas CLASS (Texas Cooperative Liquid Assets Securities System Trust) was established in 1996, and was created as an investment pool for its Participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. According to State Code, entities may pool any of their funds, or funds under their control, in order to preserve principal, to maintain the liquidity of the funds, and to maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the "Participants"), Public Trust Advisors LLC (PTA) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian. Texas CLASS invests only in securities allowed by the Texas Public Funds Investment Act. The pool is governed by a board of trustees, elected annually by its participants. Texas CLASS is rated 'AAAm' by Standard and Poor's Ratings Services. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**B. Receivables**

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

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
Property taxes	\$ 3,368,825	\$ 892,110	\$ 4,260,935
Sales tax	21,374	-	21,374
Franchise & local taxes	26,828	-	26,828
Other	2,814	-	2,814
	<u>\$ 3,419,841</u>	<u>\$ 892,110</u>	<u>\$ 4,311,951</u>

**C. Capital Assets**

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 3,580,044	\$ 354,048	\$ (3,604,306)	\$ 329,786
Total capital assets not being depreciated	<u>3,580,044</u>	<u>354,048</u>	<u>(3,604,306)</u>	<u>329,786</u>
Capital assets, being depreciated:				
Infrastructure	35,804,595	-	3,484,232	39,288,827
Equipment	78,924	-	-	78,924
Total capital assets being depreciated	<u>35,883,519</u>	<u>-</u>	<u>3,484,232</u>	<u>39,367,751</u>
Less accumulated depreciation				
Infrastructure	6,231,851	936,374	-	7,168,225
Equipment	78,924	-	-	78,924
Total accumulated depreciation	<u>6,310,775</u>	<u>936,374</u>	<u>-</u>	<u>7,247,149</u>
Net capital assets being depreciated	29,572,744	(936,374)	3,484,232	32,120,602
<b>Total Capital Assets</b>	<u><u>\$ 33,152,788</u></u>	<u><u>\$ (582,326)</u></u>	<u><u>\$ (120,074)</u></u>	<u><u>\$ 32,450,388</u></u>

Depreciation was charged to governmental functions as follows:

Public works	\$ 936,374
<b>Total Governmental Activities Depreciation Expense</b>	<u><u>\$ 936,374</u></u>

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**D. Long-term Debt**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
<b>Governmental Activities:</b>					
Bonds, notes and other payables:					
General Obligation Bonds	\$ 8,045,000	\$ -	\$ (1,285,000)	\$ 6,760,000	\$ 1,320,000
Premium	437,505	-	(67,187)	370,318	-
<b>Total Governmental Activities</b>	<u>\$ 8,482,505</u>	<u>\$ -</u>	<u>\$ (1,352,187)</u>	<u>\$ 7,130,318</u>	<u>\$ 1,320,000</u>
 Long-term liabilities due in more than one year				<u>\$ 5,810,318</u>	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

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

**General Obligation Bonds:**

\$5,450,000 General Obligation Refunding Bond, Series 2011, due in installments through 2021, interest at 2-3%	\$ 1,210,000
\$3,910,000 General Obligation Bond, Series 2015, due in installments through 2025, interest at 2-2.5%	2,440,000
\$3,735,000 General Obligation Bond, Series 2017, due in installments through 2027, interest 2-4%	3,110,000
<b>Total General Obligation bonds</b>	<u>\$ 6,760,000</u>
 Premiums	<u>\$ 370,318</u>
<b>Total Deferred Amounts</b>	<u>\$ 370,318</u>
 <b>Total Debt</b>	<u>\$ 7,130,318</u>

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

The annual requirements to amortize debt issues outstanding at year ending were as follows:

Year ending December 31,	General Obligation Bonds	
	Principal	Interest
2020	\$ 1,320,000	\$ 179,375
2021	1,365,000	139,525
2022	765,000	107,950
2023	790,000	84,950
2024	820,000	61,050
2025	840,000	37,325
2026	425,000	19,425
2027	435,000	6,525
<b>Total</b>	<b>\$ 6,760,000</b>	<b>\$ 636,125</b>

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds are from taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt.

**E. Other Long-term Liabilities**

The following summarizes the changes in the compensated absences balances of the primary government during the year. In general, the City uses the general fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 20,970	\$ 18,276	\$ (20,958)	\$ 18,288	\$ 16,459
<b>Total Governmental Activities</b>	<b>\$ 20,970</b>	<b>\$ 18,276</b>	<b>\$ (20,958)</b>	<b>\$ 18,288</b>	<b>\$ 16,459</b>
<b>Other long-term liabilities due in more than one year</b>				<b>\$ 1,829</b>	

**F. Deferred Charges on Refunding**

Deferred charges resulting from the issuance of the series 2011 general obligation refunding bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding bonds. Current year balances for governmental activities totaled \$7,798. Current year amortization expense for governmental activities totaled \$3,901.

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**G. Customer Deposits**

The City had customer deposits of \$155,485 in the general fund as of yearend. The City requires a \$25,000 refundable gas meter deposit for all new home building permits. This amount will be refunded upon completion of the project and by meeting certain criteria set by the City.

**H. Interfund Transactions**

The composition of internal balances as of the year ended December 31, 2019 is as follows:

<u>Due to:</u>	<u>Due from:</u>	
	Debt	
	Service	Total
General Fund	\$ 447,972	\$ 447,972
<b>Total</b>	<b>\$ 447,972</b>	<b>\$ 447,972</b>

The composition of transfers for the year ended December 31, 2019 is as follows:

<u>Transfer in:</u>	<u>Transfer out:</u>	
	General	Total
Debt Service	\$ 62,182	\$ 62,182
<b>Total</b>	<b>\$ 62,182</b>	<b>\$ 62,182</b>

Transfers were used to reclassify capital assets and to transfer funds from the debt service fund to the general fund for property tax allocation.

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**I. Fund Equity**

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balances restricted/committed by the City:

	<b>Restricted Fund Balance</b>
Municipal court	* \$ 88,325
Debt service	173,083
Capital improvements	68,672
<b>Total</b>	<b>\$ 330,080</b>

\*Restricted by enabling legislation.

**J. Leases**

The City's operating lease obligation is for the rental of office space to house City Hall. Basic rent shall be payable monthly in advance commencing on the commencement date of August 1, 2007 and continuing throughout the term and shall be accompanied by all applicable state and local sales or use taxes. The first monthly installment of basic rent shall be payable contemporaneously with the execution of the lease; thereafter, basic rent shall be payable on the first day of each month beginning on the first day of the second full calendar month of the term. The monthly basic rent for any partial month at the beginning of the term shall equal the product of 1/365 of the annual basic rent in effect during the partial month and the number of days in the partial month from and after the commencement date. The contract expired August 1, 2017. The contract has been renewed to November 30, 2024. The City paid \$115,253 in rental expense during the year. The City's lease obligations are as follows:

<b>Period ending:</b>	<b>Operating Leases</b>
December 31, 2020	\$ 117,759
December 31, 2021	120,264
December 31, 2022	122,769
December 31, 2023	125,275
December 31, 2024	117,132
<b>Total Minimum Lease Payments</b>	<b>\$ 603,199</b>

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, *Continued***  
**For the Year Ended December 31, 2019**

**V. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,800 other entities in the Texas Municipal League Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

**B. Contingent Liabilities**

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

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

**C. Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage 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 at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does anticipate that it will have an arbitrage liability and performs annual calculations to estimate this potential liability. The City will also engage an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations if indicated.

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**D. Pension Plans**

Texas Municipal Retirement System

**1. Plan Description**

The City of Piney Point Village, Texas participates as 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.tmrs.com](http://www.tmrs.com).

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

**2. 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.

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2018</u>	<u>Plan Year 2017</u>
Employee deposit rate	5%	5%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/25	60/5, 0/25
Updated service credit	0% Repeating Transfers	0% Repeating Transfers
Annuity increase (to retirees)	0% of CPI	0% of CPI

**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	5
Inactive employees entitled to but not yet receiving benefits	8
Active employees	<u>5</u>
<b>Total</b>	<b><u>18</u></b>

**3. Contributions**

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

Employees for the City of Piney Point Village, Texas were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City of Piney Point Village, Texas was 7.14% in calendar year 2018. The City's contributions to TMRS for the year ended December 31, 2019, were \$32,778, and were equal to the required contributions.

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**4. Net Pension Liability (Asset)**

The City's Net Pension Liability (Asset) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) 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 Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. 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.

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 dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the 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

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
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>100.0%</b>	

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) 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:

<b>1% Decrease 5.75%</b>	<b>Current Single Rate Assumption 6.75%</b>	<b>1% Increase 7.75%</b>
<b>\$ 119,640</b>	<b>\$ 40,813</b>	<b>\$ (25,196)</b>

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
For the Year Ended December 31, 2019

**Changes in the Net Pension (Asset) Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) – (b)
<b>Balance at 12/31/17</b>	\$ 555,776	\$ 560,724	\$ (4,948)
Changes for the year:			
Service cost	58,644	-	58,644
Interest	38,860	-	38,860
Difference between expected and actual experience	(6,997)	-	(6,997)
Changes of assumptions	-	-	-
Contributions – employer	-	36,410	(36,410)
Contributions – employee	-	25,497	(25,497)
Net investment income	-	(16,820)	16,820
Benefit payments, including refunds of emp. contributions	(18,787)	(18,787)	-
Administrative expense	-	(325)	325
Other changes	-	(16)	16
Net changes	71,720	25,959	45,761
<b>Balance at 12/31/18</b>	<b>\$ 627,496</b>	<b>\$ 586,683</b>	<b>\$ 40,813</b>

**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 Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**5. 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 \$33,724.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>
Difference between projected and actual earnings	\$ 29,667	\$ -
Differences between expected and actual economic experience	-	(7,655)
Contributions subsequent to the measurement date	32,475	-
<b>Total</b>	<b>\$ 62,142</b>	<b>\$ (7,655)</b>

The City reported \$32,475 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	
2019	\$ 4,396
2020	2,251
2021	4,430
2022	10,935
2023	-
Thereafter	-
<b>Total</b>	<b>\$ 22,012</b>

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**6. Other Postemployment Benefits**

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

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

**Employees covered by benefit terms**

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

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	1
Active employees	7
Total	12

The City's contributions to the TMRS SDBF for the years ended 2019, 2018, and 2017 were \$111, \$116, and \$121 respectively, which equaled the required contributions each year.

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2017	0.10%	0.10%	100.0%
2018	0.03%	0.03%	100.0%
2019	0.03%	0.03%	100.0%

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**Total OPEB Liability**

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2018, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

**Actuarial assumptions:**

The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5%, including inflation per year
Discount rate	3.71%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. 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.

**Discount Rate:**

The discount rate used to measure the Total OPEB Liability was 3.71%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 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 2.71%	Current Single Rate Assumption 3.71%	1% Increase 4.71%
\$ 31,139	\$ 26,059	\$ 22,064

**Changes in the Total OPEB Liability:**

	<b>Total OPEB Liability</b>
<b>Balance at 12/31/17</b>	\$ 24,942
Changes for the year:	
Service Cost	2,142
Interest	858
Change in benefit terms	-
Difference between expected and actual experience	147
Changes of assumptions	(1,877)
Benefit payments	(153)
Net changes	1,117
<b>Balance at 12/31/18</b>	<b>\$ 26,059</b>

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**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 \$3,057.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>
Difference between expected and actual experience	\$ 110	\$ -
Change in assumption	-	(431)
Contributions subsequent to measurement date	141	-
<b>Total</b>	<b>\$ 251</b>	<b>\$ (431)</b>

The City reported \$141 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending December 31, 2020.

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

<b>Year ended December 31:</b>	
2019	\$ 57
2020	48
2021	(426)
2022	-
2023	-
Thereafter	-
	<b>\$ (321)</b>

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

**E. Related Organizations and Joint Ventures**

The City has entered into an interlocal agreement with the cities of Hunters Creek Village, Hedwig Village, Hilshire Village, Bunker Hill Village, and Spring Valley Village to create the Village Fire Department (VFD). The agreement automatically renews for a period of five years unless terminated by at least one of the contracting cities. Under the terms of the agreement, the City is liable for 21 percent of VFD's budget. For the year ended December 31, 2019, the City paid \$2,037,264 to the VFD.

Consolidated financial information of the VFD extracted from the audited financial statements for the year ended December 31, 2018, on which VFD's auditors expressed an unmodified opinion, are as follows:

	<u><b>Net Position</b></u>
Total assets	\$ 2,507,633
Total deferred outflows of resources	1,082,013
Total liabilities	589,289
Total Deferred inflows - pension	1,183,787
<b>Total Net Position</b>	<u><u>\$ 1,816,570</u></u>
	<u><b>Change in Net Position</b></u>
Total revenues	\$ 6,336,038
Total expenses	6,069,323
<b>Change in Net Position</b>	266,715
Beginning net position	1,549,855
<b>Ending Net Position</b>	<u><u>\$ 1,816,570</u></u>

**City of Piney Point Village, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**For the Year Ended December 31, 2019**

The City has also entered into an interlocal agreement with the cities of Bunker Hill Village and Hunters Creek Village to create the Memorial Village Police Department (MVPD). Under the terms of the agreement, the City is liable for 33 1/3 percent of MVPD's budget. Separate financial statements may be obtained directly from MVPD. For the year ended December 31, 2019 the City paid \$1,683,221 to the MVPD.

Consolidated financial information of the MVPD extracted from the MVPD's audited financial statements for the year ended December 31, 2018, on which the MVPD's auditors expressed an unmodified opinion, are as follows:

	<b>Net Position</b>
Total assets	\$ 1,698,363
Total deferred outflows of resources	808,250
Total liabilities	3,048,566
Total deferred inflows - pensions	316,105
<b>Total Net Position</b>	<b>\$ (858,058)</b>
	<b>Change in Net Position</b>
Total revenues	\$ 4,928,867
Total expenditures/expenses	5,352,792
<b>Change in Net Position</b>	<b>(423,925)</b>
Beginning net position	(434,133)
<b>Ending Net Position</b>	<b>\$ (858,058)</b>

**F. Restatement**

The City restated its beginning net position within governmental activities to properly reflect the impact of deferred inflows of franchise tax revenue. This adjustment was recorded at the government-wide level for governmental activities. The restatement of beginning net position is as follows:

	<b>Governmental Activities</b>
Prior year ending net position as reported	\$ 31,059,752
Correction of deferred franchise tax revenue	78,142
<b>Restated beginning net position</b>	<b>\$ 31,137,894</b>

**G. Subsequent Events**

There are no material subsequent events through May 11, 2020, the date the financial statements were issued.

(This page intentionally left blank.)

## ***REQUIRED SUPPLEMENTARY INFORMATION***

(This page intentionally left blank.)

**City of Piney Point Village, Texas**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

**For the Year Ended December 31, 2019**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Property tax	\$ 5,035,455	\$ 5,329,446	\$ 293,991
Sales tax	200,000	228,761	28,761
Franchise and local taxes	398,000	469,084	71,084
License and permits	366,400	409,062	42,662
Intergovernmental	136,000	213,358	77,358
Fines and forfeitures	143,500	170,245	26,745
Investment income	150,000	183,638	33,638
Other revenue	132,500	163,630	31,130
<b>Total Revenues</b>	<u>6,561,855</u>	<u>7,167,224</u>	<u>605,369</u>
<b><u>Expenditures</u></b>			
Current:			
General government	1,282,151	1,284,907	(2,756) *
Public safety	4,443,885	4,383,780	60,105
Municipal court	37,200	62,425	(25,225) *
Public works	463,000	624,255	(161,255) *
Capital outlay	1,497,014	522,868	974,146
<b>Total Expenditures</b>	<u>7,723,250</u>	<u>6,878,235</u>	<u>845,015</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(1,161,395)</u>	<u>288,989</u>	<u>1,450,384</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers (out)	-	(62,182)	(62,182) *
<b>Total Other Financing (Uses)</b>	<u>-</u>	<u>(62,182)</u>	<u>(62,182)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,161,395)</u>	<u>226,807</u>	<u>\$ 1,388,202</u>
Beginning fund balance		5,993,326	
<b>Ending Fund Balance</b>		<u>\$ 6,220,133</u>	

Notes to Required Supplementary Information

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

\* Expenditures exceeded appropriations at legal level of control.

# City of Piney Point Village, Texas

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

Years Ended:

	12/31/2019	12/31/2018	12/31/2017	12/31/2016
<b>Total pension liability</b>				
Service cost	\$ 58,644	53,851	\$ 44,402	\$ 44,331
Interest	38,860	34,623	32,502	29,095
Differences between expected and actual experience	(6,997)	(8,987)	(21,689)	8,742
Changes of assumptions	-	-	-	13,192
Benefit payments, including refunds of participant contributions	(18,787)	(19,429)	(37,623)	(21,424)
<b>Net change in total pension liability</b>	<u>71,720</u>	<u>60,058</u>	<u>17,592</u>	<u>73,936</u>
<b>Total pension liability - beginning</b>	<u>555,776</u>	<u>495,718</u>	<u>478,126</u>	<u>404,190</u>
<b>Total pension liability - ending (a)</b>	<u>627,496</u>	<u>555,776</u>	<u>495,718</u>	<u>478,126</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 36,410	36,304	\$ 25,738	\$ 24,090
Contributions - members	25,497	23,977	19,238	20,041
Net investment income	(16,820)	63,354	28,490	588
Benefit payments, including refunds of participant contributions	(18,787)	(19,429)	(37,623)	(21,424)
Administrative expenses	(325)	(328)	(322)	(358)
Other	(16)	(17)	(17)	(18)
<b>Net change in plan fiduciary net position</b>	<u>25,959</u>	<u>103,861</u>	<u>35,504</u>	<u>22,919</u>
<b>Plan fiduciary net position - beginning</b>	<u>560,724</u>	<u>456,863</u>	<u>421,359</u>	<u>398,440</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 586,683</u>	<u>560,724</u>	<u>\$ 456,863</u>	<u>\$ 421,359</u>
<b>Fund's net pension liability (asset) - ending (a) - (b)</b>	<u>\$ 40,813</u>	<u>(4,948)</u>	<u>\$ 38,855</u>	<u>\$ 56,767</u>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	 93.50%	 100.89%	 92.16%	 88.13%
<b>Covered payroll</b>	\$ 509,946	479,531	\$ 384,769	\$ 400,824
<b>Fund's net position as a percentage of covered payroll</b>	8.00%	-1.03%	10.10%	14.16%

**Notes to schedule:**

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

12/31/2015 <sup>1</sup>

\$ 38,858  
25,044

20,456

-

(37,007)

47,351

356,839

404,190

\$ 17,566  
19,183  
21,588

(37,007)

(225)

(19)

21,086

377,354

\$ 398,440

\$ 5,750

98.58%

\$ 383,660

1.50%

# City of Piney Point Village, Texas

**Years Ended:**

Actuarially determined employer contributions	\$ 32,778	\$ 36,328	\$ 36,300	\$ 25,738
Contributions in relation to the actuarially determined contribution	<u>\$ 32,778</u>	<u>\$ 36,328</u>	<u>\$ 36,300</u>	<u>\$ 25,738</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 471,149	\$ 509,947	\$ 479,531	\$ 384,770
Employer contributions as a percentage of covered payroll	6.96%	7.12%	7.57%	6.69%

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

## NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

**Valuation Date:**

## Notes

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

### Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014

## Mortality

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

**Other Information:**

## Notes

There were no benefit changes during the year.

<u>12/31/2015</u> <sup>1</sup>	
\$	24,090
\$	24,090
\$	-
\$	400,823
	6.01%

(This page intentionally left blank.)

**City of Piney Point Village, Texas**  
**SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN**  
**PENSIONS (OPEB) LIABILITY AND RELATED RATIOS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SUPPLEMENTAL DEATH BENEFITS PLAN**

**Years Ended:**

	<u>12/31/2018</u>	<u>12/31/2017</u>	<sup>1</sup>
Total OPEB liability			
Service cost	\$ 2,142	\$ 1,774	
Interest	858	814	
Changes in benefit terms	-	-	
Differences between expected and actual experience	147	-	
Changes of assumptions	(1,877)	1,959	
Benefit payments, including refunds of participant contributions	(153)	(480)	
<b>Net change in total OPEB liability</b>	<u>1,117</u>	<u>4,067</u>	
<b>Total OPEB liability - beginning</b>	<u>\$ 24,942</u>	<u>\$ 20,875</u>	
<b>Total OPEB liability - ending</b>	<u><u>\$ 26,059</u></u>	<u><u>\$ 24,942</u></u>	<sup>2</sup>
 <b>Covered payroll</b>	 \$ 509,946	 \$ 479,531	
<b>City's total OPEB liability as a percentage of covered payroll</b>	5.11%	5.20%	

**Notes to schedule:**

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

<sup>2</sup> No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

(This page intentionally left blank.)

MEMORANDUM

CITY OF PINEY POINT VILLAGE

TO: The Honorable Mayor and Members of the City Council

FROM: Roger Nelson, City Administrator



MEETING DATE: May 18, 2020

SUBJECT: Little Free Library

Agenda Item: 6

This agenda item calls for the City Council to consider a request from a resident, Jennifer McDonald, to allow her and her daughter to install a small, free library in Carol Tree Park. It is Ms. McDonald's intent is to install and stock the "Little Free Library".

There are four Little Free Libraries in the Villages at this time. There are three in Hedwig and one in Bunker Hill.

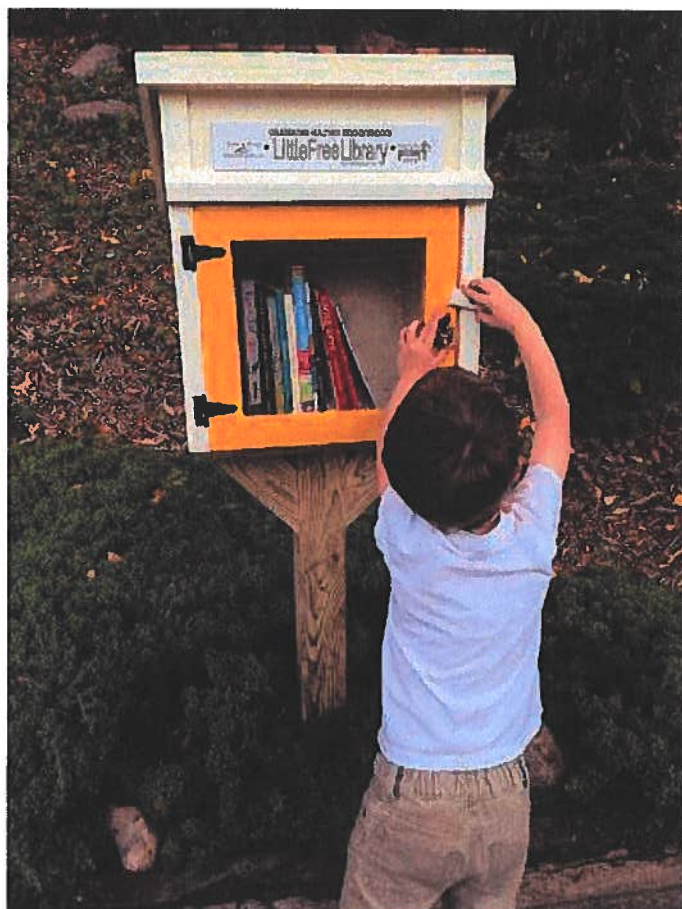


LITTLE FREE LIBRARY.ORG®  
TAKE A BOOK • SHARE A BOOK



Save

Celebrating **100,000** Little Free Library  
Book-Sharing Boxes Worldwide!



# Little Free Library

Welcome to the world's largest book-sharing movement! Join us in:

Building Community  
Sparking Creativity  
Inspiring Readers

Start Here

## Donate

Help spread the joy and power of sharing books.



## Shop

Choose from a variety of handcrafted Library models and accessories.



## Map

Visit our world map to find registered Libraries near you.



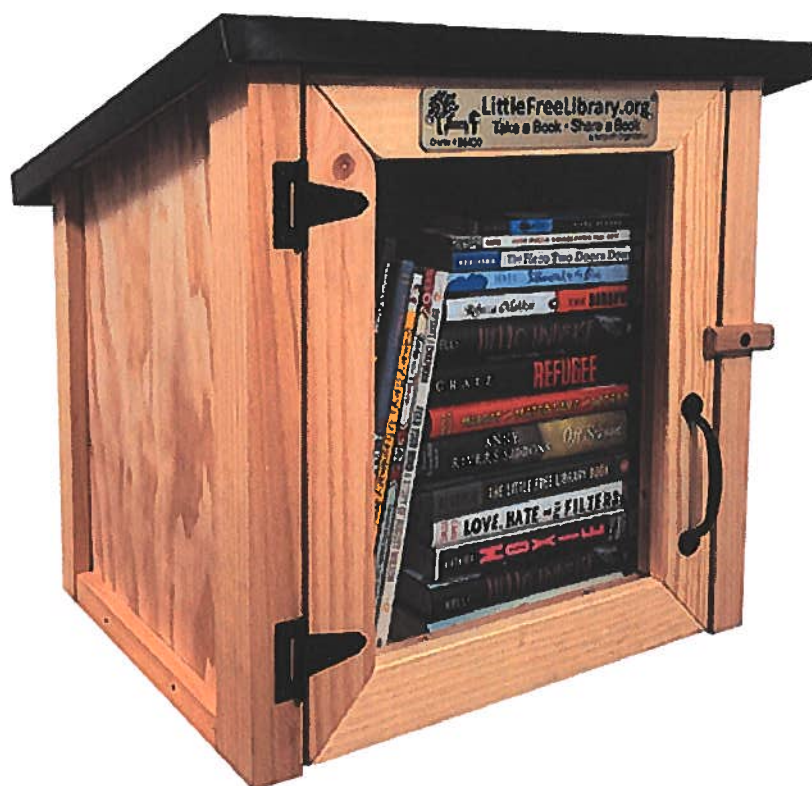
## Get Books

Deeply discounted books and giveaways for stewards and fans!



News and Updates from Little Free Library

# Design Your Charter Sign For Free!



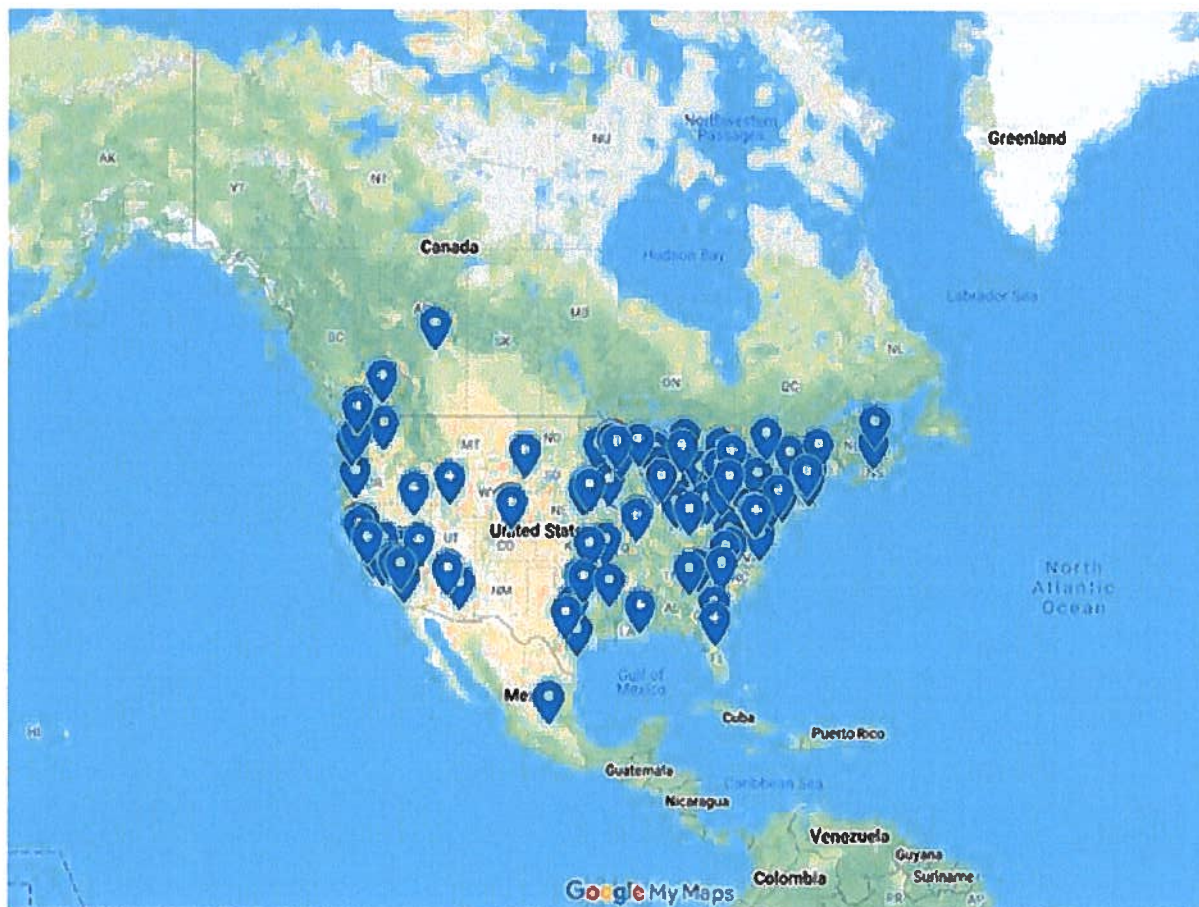
Want to customize your little library AND your official charter sign? Right now you can design your own Custom Charter Sign and [get it included with select unfinished libraries for FREE \(\\$50 value\)](#)! A Custom Charter Sign is the perfect option for honoring a loved one, sharing a favorite quote, or displaying your family's name.

## LFL Receives World Literacy Award



We are honored to [receive the 2020 World Literacy Award](#) for Little Free Library's significant contribution to global literacy. Our executive director, Greig Metzger, says, "Without our wonderful volunteer stewards supporting our network here at home and across the globe, none of this would be possible." [Learn more.](#)

## COVID-19 and Our Sharing-Box Map



During the COVID-19 pandemic, please remember that the health of those in your community is what's most important. Please follow [these best practices](#) at your Little Free Library. If you are one of the hundreds of stewards who have converted their libraries into sharing boxes full of food and household supplies, please add your sharing box's location to [our new map](#)!

## Stay Connected!





Sign up for special offers and the latest news from Little Free Library! >

## Partners, Friends and Recognition

We appreciate those who help bring our mission to life and we're grateful for the recognition that inspires us. [View all.](#)



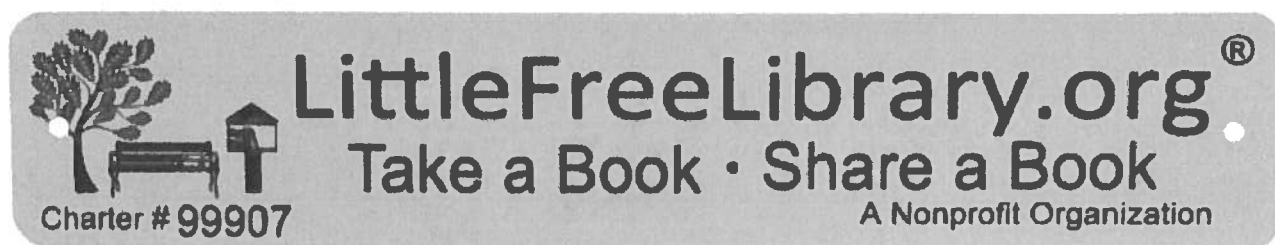
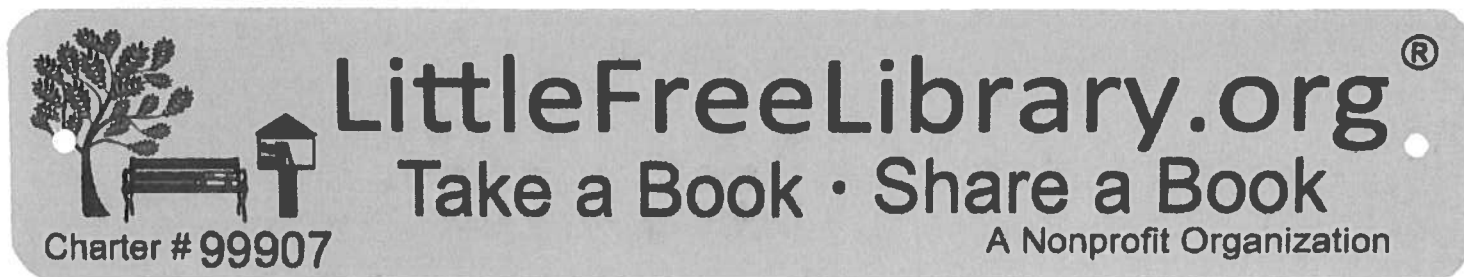


Reading Is  
Fundamental



Copyright © 2009 - 2020 Little Free Library | View Little Free Library's Privacy Policy | Developed by Moonlight Designs Studio







## White Aluminum Charter Sign

\$ 39.95

Quantity

1



ADD TO CART

♡ ADD TO WISHLIST (422)

Welcome to the Little Free Library family! This White Aluminum Charter Sign is your key to becoming an official Little Free Library Steward. It is also lightweight, simple to install, and easy to maintain over the years.

### **Steward Benefits:**

- Unique charter number
- Option to add your Library to the world map, which will help people find and visit your Library
- Access to a private Facebook group for registered stewards, where you can swap stories and connect with other stewards
- Steward's Guide of proven tips to make your Library a vital part of your community
- Subscription to our regular e-newsletter with inspiring stories, ideas, and special deals
- Access to brand new, deeply discounted books through First Book for stewards in low-income areas; plus special book offers from publishers via our e-newsletter
- "How Does this Library Work?" flier for your Library

### **Details:**

- 8" wide x 1.5" tall
- Made from high-quality aluminum
- Features unique charter number
- Custom text options available with Custom Charter Signs
- View our Returns Policy

If you are considering ordering ten or more signs, please contact us at [customerservice@littlefreelibrary.org](mailto:customerservice@littlefreelibrary.org).

You do not need to purchase a charter sign if you are buying a Little Free Library book exchange from our online catalog. Charter signs are automatically included with Little Free Libraries.

Share this Product

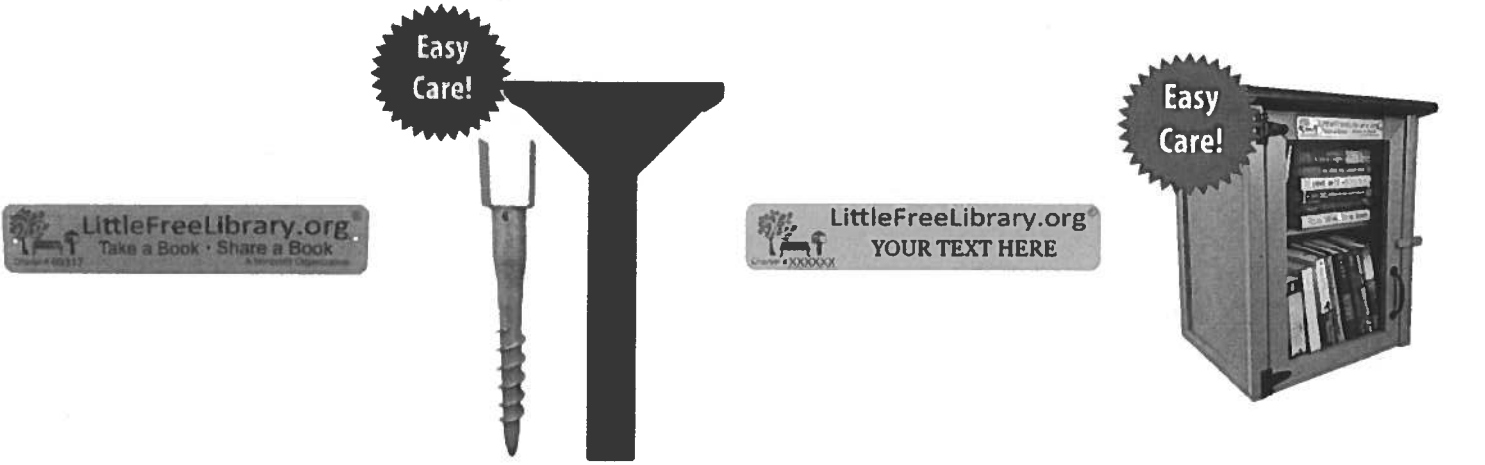
Share

Tweet

Pin it

+1

You Might Also Like



Silver Aluminum Charter Sign	Composite Screw In Library Post and Topper Black	Custom Aluminum Charter Sign	Composite Two Story Red Little Free Library
\$ 39.95	\$ 169.95	\$ 79.95	\$ 369.95

Quick Links

- Search
- Store Home Page
- Website Home Page


Follow Us



MEMORANDUM

CITY OF PINEY POINT VILLAGE

TO: The Honorable Mayor and Members of the City Council

FROM: Roger Nelson, City Administrator 

MEETING DATE: May 18, 2020

SUBJECT: Municipal Court Modifications

**Agenda Item: 7**

This agenda item calls for the City Council to consider changes to the way that Municipal Court operates when it re-opens. If you have been in City Hall during a pre-corona-virous Court Docket you have seen approximately 50 or more people sitting or standing as they wait for the Judge to review their case. Maria Garcia-Ruiz and Henry Kollenberg have met several times regarding our options and we will be discussing these options that we believe will improve Court operations for us during the meeting Monday night.

Mayor and Council--

you will see on the agenda an item regarding Court.

It has been my thought for some time that it would be helpful if we could figure a way to get more people to pay their fine online or otherwise take care of their traffic citation without physically coming to court. Reducing the physical presence at Court dockets has a number of benefits. I will elaborate more on that topic at the meeting.

With the pandemic situation, this has become even more of an issue. After talking to the Mayor, I have been working with Maria and Roger to facilitate that goal and otherwise deal with some Court issues.

This agenda item is an opportunity to brief everyone on the general topic and get input.

The first thing we have done is to look at the initial interaction. Currently, the officer hands the cited person a brochure. A copy of that is enclosed in your packet. I believe this is something we encouraged the police to do, rather than something that is actually required by law. It goes along with the actual citation, created by the handheld Ticketwriter.

I think we could replace that brochure with a shorter item. Maria has produced the current draft of the new item, which is in your packet. The idea is that this would be on heavy paper, about the thickness of a business card or other handout. Something like 4" x 8" or so. The primary purpose would be to let people know how they can take care of this problem without coming to Court and encourage them to do so.

It is short. It gives some info about payment online and directs people to the website, where we can provide more info. English on one side, Spanish on the other. The current draft is subject to some tweaking. For example, we plan to add a ScanQR code for PPV. But it will give you the general idea of what we are working on.

In the meeting, we will also cover some information about how the City is currently dealing with Court and additional ways to advance this online effort.

Henry

### **Defensive Driving Course (continued)**

Defensive driving is a driving safety course offered to defendants with moving traffic violations. To be eligible to take the course, you must not have taken it within 12 months prior to the citation. If eligible, you must present a valid Texas driver's license, present valid insurance with your name on it, and must pay both the cost of the ticket and the cost of the class yourself. You are not eligible if alleged moving violation has occurred in a construction zone with workers present, if alleged speed violation is 25 mph or more over the posted speed limit, if alleged violation is passing a school bus while loading or unloading students, or if the driver holds a commercial driver's license.

**PLEASE NOTE:** You lose your mandatory right to request the driving safety course, if eligible, by not making the request on or before the original assigned court date shown on the citation.

However, you can still request it from the Prosecutor on your new (reset) court date.

### **Case Setting Reset Request**

The Judge will allow only ONE RESET. RESET requests must be made at least 24 hours prior to your scheduled court date. Allow **7 to 10 days** to get a response with your new court date. If you provide an email, the reset letter will be sent to you by email. If you do not provide an email, the reset letter will be mailed to you to the mailing address that you provided.

Minors and Adults, if you have any questions regarding the resets, please contact the court via phone. Phone numbers are listed in this brochure.



### **Introduction:**

This is an informational brochure about traffic violations issued in the Memorial Villages Jurisdiction. This brochure is not intended to provide any legal advice. If you want legal advice, consult with a lawyer.

Your ticket will state the **date and time** when you are to be in court. **YOU WILL NOT RECEIVE ANOTHER NOTICE ABOUT YOUR COURT DATE.**

### **Where do I start?**

Determine in which city the ticket was administered. Your ticket will indicate which city.

### **City of Bunker Hill Village**

#### **City Hall/Municipal Court**

11977 Memorial Drive  
Houston, TX 77024

(713) 467-9762

**Office Hours:** M-F: 7:30am - 4:00

**Website:** [bunkerhilltx.gov](http://bunkerhilltx.gov)

### **City of Piney Point Village**

#### **City Hall/Municipal Court**

7676 Woodway Dr. # 300

Houston, TX 77063

(713) 782-0275

**Office Hours:** M-TH: 7:30-4:00, F: 7:30-noon

**Website:** [cityofpineypoint.com](http://cityofpineypoint.com)

### **City of Hunters Creek Village**

#### **City Hall/Municipal Court**

1 Hunters Creek Place

Houston, TX 77024

(713) 564-2150

**Office Hours:** M-F: 8:30-4:30

**Website:** [cityofhunterscreek.com](http://cityofhunterscreek.com)



**Please View Website(s) for Courtroom  
Dress Code, Demeanor and Rules.**

## **Traffic Citations Issued by:**



## **Your Rights Your Options Your Responsibilities**



**2018/2019**

**Are there Options? Can I just pay the Citation?**  
Yes

**Payment options:**

You have three options: pay the penalty, appear in court, or take defensive driving.

- If you choose to pay the penalty, you must pay the fine before your assigned court date. The fine amount plus costs can be found at the Website for the Village in which the Citation was issued. You can either mail a check/money order to the city you received the ticket in, go online and pay, or go in person to the city hall and pay there. By paying, you are pleading *guilty*, and you give up your right to contest the ticket. Payments are NON-REFUNDABLE.
- If you have not paid your ticket by the appearance date on the ticket, you must appear in court and either (1) plead *guilty* and pay costs OR (2) plead *not-guilty* and set your case for a final hearing.
- If you want to plead not guilty and keep the ticket off your driving record, you may complete a defensive driving course or opt for deferred disposition. This is a plea of no contest. (See the appropriate Court Website for details)

**What your plea means:**

A Plea of **GUILTY** means that you admit that the act is prohibited by law, that you committed the act charged, and that you have no legal defense for your act. You should understand the following: You are innocent until proven guilty.

A Plea of **NO CONTEST** means that you do not contest the charge against you. You will almost certainly be found guilty, unless you are eligible and successfully complete a driving safety course and/or deferred disposition.

A plea of **NOT GUILTY**. You must appear in Court on your court date and plead Not Guilty in front of the Prosecutor.

**JUVENILES:** All juveniles are required to appear in open court for all proceedings in their case(s). The parent/guardian of any juvenile charged in municipal court is required to be present in court with his or her child.

**What happens if I cannot pay my ticket?**

Go to the city clerk's office, usually located in the city's town hall, and set up a payment plan OR ask for an extension.

**What happens if I do not pay my ticket?**

You must attend the court date displayed on the citation or A warrant will be issued for your arrest.

Police Officers do not set the fine/dollar amount on the citation. The amount is determined by the judge or by state law.

More information on specific fines can be located on each City's website.

**Court Procedures**

You have legal responsibilities, which by law, require you to make an appearance on your case. Your appearance date is noted on your citation. You must appear in person in open court to enter your plea.

Your first appearance is to determine your plea. If you enter a plea of guilty or no contest (*nolo contendere*), you are waiving your right to a trial. You may then speak with the judge about extenuating circumstances that you want the judge to consider when setting your fine. The judge is not required to reduce the fine amount. If you plead not guilty, the court requires you to return to a pretrial conference with the prosecutor prior to setting your case for a jury trial or non-jury trial. You have to appear in open court to enter a not guilty plea during your initial arraignment or reset the court date.

If you require legal advice or have questions about your best course of action, how you should plea, your rights, or the consequences of a conviction of the violation, you should contact a licensed attorney.

**Neither the clerk, bailiff, judge nor prosecutor can give you legal advice.**

**CHILDREN ARE NOT ALLOWED IN COURT**

Due to limited space in the courtroom, children and persons not directly involved in the case should remain outside.

**Dismissals**

Some violations may be dismissed in the clerk's office without having to appear in court as scheduled. The list of dismissed cases are listed on each city's website. Please visit the city's website in which you received the violation to view the dismissals. Find the Village's websites listed above. If your violation is not listed, it cannot be dismissed in the clerk's office.

**What is a deferred disposition?**

If you decide to plead guilty or no contest to your citation, you may opt to use this option to remove the citation from your driving record. You will be placed on a 90-day probation period during which you cannot receive any new citations. You must be at least 17 years of age to qualify, and if under 25 with a moving violation, you must also complete a Driving Safety Course. In order to qualify you must possess a valid driver's license, and must not have been deferred disposition for any violation during the past 12 months in the state of Texas. The request for this option must be made before your court date, and the fee must be paid in full.

**Can I take a defensive driving course?**

If you decide to plead guilty or no contest to your citation, you may opt to use this option to remove the citation from your driving record.

# TRAFFIC CITATIONS



## **DISCLAIMER**

This is an informational brochure about traffic violations issued in the Memorial Villages Jurisdiction. This brochure is not intended to provide any legal advice. If you want legal advice, consult with a lawyer.

**Your Citation Has The Date & Time For A Court Hearing**

***DON'T WANT TO GO TO COURT??***

***DON'T HAVE TIME TO GO TO COURT??***

***YOU CAN TAKE CARE OF THIS ONLINE....***

***SAVE TIME AND MONEY!!***

Visit our webpage [www.cityofpineypoint.com](http://www.cityofpineypoint.com) or scan the barcode below for more information on your options, resets, court appearance, pleas (guilty, no contest, not guilty)

You do not have to wait until your court date to know your options, below are some options if you plea *GUILTY OR NO CONTEST*.

## **Available Options**

- **Compliance Dismissals** - Pay a small admin fee instead of paying the citation in full with proof of compliance.
  - \$10 – No Driver's License (have one but you forgot your wallet)
  - \$10 – Defective lights (Not working and now fixed)
  - \$10 – Obscured/Unclean License Plate (Corrected/ Cleaned)
  - \$20 – Expired Driver's License (Renewed before court date)
  - \$20 – Failed to report a Change of Address or Name Change (corrected at least 3 days before court date)

*If in doubt call the court clerk at least 3 business days before your scheduled court date.*

**The following are also available however Juveniles (17 yrs. Old or below) must appear in court with a parent or guardian.**

- **Driving Safety Course (also known as Defensive Driving)**
  - Can only be taken once every 12 months by LAW.
- If you have a valid Texas Driver's License and Automobile Liability Insurance. *You qualify!!*
- Choose online for only \$143.90 (Must pay **Before** you take the class.) You will then pay for the class and driving record
- **Deferred Disposition (a probational period)**
  - If you have a valid Texas Driver's License and Automobile Liability Insurance. *You qualify!!*
  - Choose Deferred Disposition online, Pay the fine in full and be on a probational period for 90 days same as 3 months.
  - Cannot get another Moving Violation Citation plus Keep your TXDL and Insurance valid (no lapse/ will verify).

***NO SHOW equals FAILURE TO APPEAR equals  
WARRANTS equals SUSPENDED DL***

# MULTAS E INFRACCIONES DE TRANSITO



## **Aviso Legal**

Este es un folleto informativo sobre infracciones de tránsito emitido en la jurisdicción de Memorial Villages. Este folleto no está destinado a proporcionar asesoramiento legal. Si desea asesoramiento legal, consulte con un abogado.

Su Multa tiene la fecha y hora para una audiencia en la corte.

***NO QUIERE IR A CORTE??***

***NO TIENE TIEMPO PARA IR A CORTE??***

***PUEDE RESOLVER EN NUESTRA PAGINA WEB....***

***AHORRAS TIEMPO Y DINERO!!***

Visite nuestra página [www.cityofpineypoint.com](http://www.cityofpineypoint.com) o escanee el cuadro QR para obtener más información sobre sus opciones, comparecencia ante el tribunal, declaraciones de culpabilidad (culpable, no me opongo, no culpable) o cambios de fecha.

No tiene que esperar hasta el día de su cita en corte para conocer sus opciones, si se declara CULPABLE o NO ME OPONGO.

## **Opciones Disponibles**

- **Multas que pueden ser Desechadas**

Pagando una pequeña cuota administrativa en lugar de pagar la multa en su totalidad, con comprobante de cumplimiento.

\$10 – No Licencia de Conducir (tiene una pero olvido su billetera)

\$10 – Luces Defectuosas (No funcionaba y ahora esta reparado)

\$10 – Placa del auto oculta/ Sucia (Corregida/ Limpiada)

\$20 – Licencia de Conducir Vencida (Renovada antes de corte)

\$20 – Falta de Corregir e Informar Cambio de Domicilio/ Nombre (corregido al menos 3 días antes de la fecha de corte)

*Si tiene dudas, llame a la secretaria(o) de la corte al menos 3 días hábiles antes de la fecha programada para corte.*

***Lo siguiente también está disponible sin embargo los jóvenes 17 años o menos deben comparecer ante el tribunal con un padre o tutor.***

- **Driving Safety Course conocido como Defensive Driving (Seguridad al Conducir)** Por ley solo se puede tomar una vez cada 12 meses.

- Si tiene una licencia de conducir de Texas y Seguro de Responsabilidad Civil Automotriz Validos ***Califica!!***

- Elija en línea por \$143.90 (debe pagar ***antes*** de tomar la clase) Luego pague por la clase y el registro de manejo

- **Deferred Disposition (Disposición Diferida, un periodo de prueba)**

- Si tiene una licencia de conducir de Texas y Seguro de Responsabilidad Civil Automotriz Validos ***Califica!!***

- Elija ***Deferred Disposition*** en línea, pague la multa y tendrá un periodo de prueba durante 90 días. Prohibido otra multa/ infracción en movimiento y mantener su licencia y seguro válidos. (Verificados)

***NO SE PRESENTA igual a FALTA DE PRESENCIA igual a ORDEN DE ARRESTO igual a SUSPENSIÓN DE LICENCIA***

MEMORANDUM

CITY OF PINEY POINT VILLAGE

TO: Members of the City Council

FROM: Mark Kobelan, Mayor

MEETING DATE: May 18, 2020

SUBJECT: Mayor's Report

Agenda Item: 8

- Piney Point Road Flags
- Echo Lane and Taylorcrest Landscaping

MEMORANDUM

CITY OF PINEY POINT VILLAGE

TO: The Honorable Mayor and Members of the City Council

FROM: Roger Nelson, City Administrator



MEETING DATE: May 18, 2020

SUBJECT: City Administrator's Report

Agenda Item: 9

- January 2020 Financials

## BALANCE SHEET

AS OF: APRIL 30TH, 2020

## 10 -GENERAL FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
<b>ASSETS</b>		
=====		
10-1100	Claim on Cash	2,214,695.07
10-1101	Cash- GF Texpool	5,815,657.20
10-1105	Cash with Amegy	0.00
10-1108	Cash with Agent	877,487.77
10-1120	Cash-Texas Class	1,086,492.34
10-1200	Accounts Receivable	0.00
10-1201	Sales Tax Receivable	16,820.98
10-1202	FEMA Reimbursement Receivable	0.00
10-1203	Property Tax receivable-PY	159,705.80
10-1204	Property Tax Receivable-CY	2,903,198.72
10-1205	Other Receivables	81,728.99
10-1209	A/R Willet	2,813.36
10-1301	Accrued Interest	0.00
10-1400	Prepaid Expenses	0.00
10-1507	Due from Debt Service Fund	0.00
10-1508	Due from Capital Projects Fund	0.00
10-1509	Due from Non-Major Fund	0.00
10-1510	Due from Metro Fund	0.00
10-1550	Due from Other Governments	8,353.83
10-1802	Street and Drainage System	0.00
		<u>13,166,954.06</u>
TOTAL ASSETS		13,166,954.06
=====		
<b>LIABILITIES</b>		
=====		
10-2001	Accounts Payable	0.00
10-2002	Other Accrued Liabilities	0.00
10-2005	Misc Payables	0.00
10-2051	Payroll Tax Payable	0.00
10-2052	Employee Insurance Payable	( 2,940.24)
10-2062	TMRS Payable	431.69
10-2101	Property Tax Overpayments	0.00
10-2102	MC-Child Safety Fees Due	( 28.50)
10-2103	MC-Bonds Due	0.00
10-2104	Due To - MC Technology	0.36
10-2105	Due To-MC Security	0.00
10-2106	Due To-State Comptroller	123,879.02
10-2107	Due To OMNI Base	3,597.81
10-2108	RESTITUTION	( 270.00)
10-2110	Bond Payable - FAST	7,023.05
10-2111	Other Accrued Liabilities	0.00
10-2130	Deferred Revenue-Property Tax	159,705.80
10-2131	Other Deferred Revenue	78,142.42
10-2302	Due to State-CJ Fee	326.85
10-2303	Due To-Debt Service Fund	0.00
10-2402	Permit Deposits	0.00
10-2403	Drainage Deposit Payable	0.00
10-2404	Gas Meter Deposit	161,485.00

## BALANCE SHEET

AS OF: APRIL 30TH, 2020

## 10 -GENERAL FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
10-2405	P&Z Deposit	0.00
10-2500	Accrued Wages	10,386.88
10-2501	Gordon Estate Bond	0.00
10-2601	Construction Retainage Payable	0.00
10-2701	Deferred Taxes	0.00
10-2702	Deferred Revenue-Alarm Fees	22,500.00
10-2703	Deferred Franchise Taxes	0.00
10-2704	Unearned Revenue-CY Prop Taxes	5,306,482.85
10-2801	General LT Debt-N/P	0.00
10-2802	GO Bonds Payable	0.00
	TOTAL LIABILITIES	<u>5,870,722.99</u>
EQUITY		
=====		
10-3000	Fund Balance	726,631.20
10-3003	Fund Balance	3,556,946.77
10-3900	Earnings	0.00
	TOTAL BEGINNING EQUITY	<u>4,283,577.97</u>
	TOTAL REVENUE	5,785,891.39
	TOTAL EXPENSES	<u>2,773,238.29</u>
	TOTAL REVENUE OVER/(UNDER) EXPENSES	3,012,653.10
	TOTAL EQUITY & REV. OVER/(UNDER) EXP.	<u>7,296,231.07</u>
	TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP.	<u>13,166,954.06</u> =====

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

10 -GENERAL FUND  
FINANCIAL SUMMARY

33.33% OF FISCAL YEAR

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
TAXES	0.00	66,560.62	5,477,651.54	0.00 (	5,477,651.54)
PERMITS & INSPECTIONS	0.00	19,022.90	101,187.80	0.00 (	101,187.80)
COURT	0.00	1,451.42	34,399.18	0.00 (	34,399.18)
INVESTMENT INCOME	0.00	984.23	24,210.41	0.00 (	24,210.41)
AGENCIES & ALARMS	0.00	398.44	26,648.44	0.00 (	26,648.44)
FRANCHISE REVENUE	0.00	23,708.75	121,794.02	0.00 (	121,794.02)
DONATIONS & IN LIEU	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	0.00	112,126.36	5,785,891.39	0.00 (	5,785,891.39)
=====					
<u>EXPENDITURE SUMMARY</u>					
<u>PUBLIC SERVICE</u>					
COMMUNITY	0.00	0.00	0.00	0.00	0.00
POLICE	0.00	162,498.00	812,501.00	0.00 (	812,501.00)
MISCELLANEOUS	0.00	0.00	1,800.00	0.00 (	1,800.00)
SANITATION COLLECTION	0.00	0.00	146,113.32	0.00 (	146,113.32)
LIBRARY	0.00	0.00	0.00	0.00	0.00
STREET LIGHTING	0.00	0.00	2,954.54	0.00 (	2,954.54)
FIRE	0.00	140,445.73	632,005.78	0.00 (	632,005.78)
TOTAL PUBLIC SERVICE	0.00	302,943.73	1,595,374.64	0.00 (	1,595,374.64)
<u>CONTRACT SERVICES</u>					
CONTRACT SERVICES	0.00 (	300.00)	97,048.96	0.00 (	97,048.96)
TOTAL CONTRACT SERVICES	0.00 (	300.00)	97,048.96	0.00 (	97,048.96)
<u>BUILDING</u>					
CONTRACT SERVICES	0.00	0.00	0.00	0.00	0.00
BUILDING SERVICES	0.00	0.00	62,068.62	0.00 (	62,068.62)
ADMIN EXPENSE	0.00	0.00	390.53	0.00 (	390.53)
OFFICE EXPENSE	0.00	0.00	39.99	0.00 (	39.99)
WAGES & BENEFITS	0.00	0.00	0.00	0.00	0.00
INSURANCE	0.00	0.00	1,563.42	0.00 (	1,563.42)
TOTAL BUILDING	0.00	0.00	64,062.56	0.00 (	64,062.56)
<u>GENERAL GOVERNMENT</u>					
CONTRACT SERVICES	0.00	0.00	0.00	0.00	0.00
ADMIN EXPENSE	0.00	451.42	7,529.46	0.00 (	7,529.46)
OFFICE EXPENSE	0.00	9,913.21	48,743.21	0.00 (	48,743.21)
WAGES & BENEFITS	0.00	42,903.53	200,069.37	0.00 (	200,069.37)
INSURANCE	0.00	0.00	5,687.70	0.00 (	5,687.70)
TOTAL GENERAL GOVERNMENT	0.00	53,268.16	262,029.74	0.00 (	262,029.74)

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

10 -GENERAL FUND  
FINANCIAL SUMMARY

33.33% OF FISCAL YEAR

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>MUNICIPAL COURT</u>					
CONTRACT SERVICES	0.00	0.00	0.00	0.00	0.00
ADMIN EXPENSE	0.00	0.00	393.25	0.00 (	393.25)
OFFICE EXPENSE	0.00	0.00	560.44	0.00 (	560.44)
WAGES & BENEFITS	0.00	0.00	0.00	0.00	0.00
INSURANCE	0.00 (	234.11)	2,775.82	0.00 (	2,775.82)
COURT OPERATIONS	0.00	252.25	7,217.84	0.00 (	7,217.84)
TOTAL MUNICIPAL COURT	0.00	18.14	10,947.35	0.00 (	10,947.35)
<u>PUBLIC WORKS MAINTENANCE</u>					
CONTRACT SERVICES	0.00	0.00	0.00	0.00	0.00
ADMIN EXPENSE	0.00	0.00	6,853.49	0.00 (	6,853.49)
OFFICE EXPENSE	0.00	0.00	528.79	0.00 (	528.79)
WAGES & BENEFITS	0.00	0.00	0.00	0.00	0.00
INSURANCE	0.00	0.00	2,618.45	0.00 (	2,618.45)
PUBLIC WORKS OPERATIONS	0.00 (	29,038.49)	59,292.18	0.00 (	59,292.18)
TOTAL PUBLIC WORKS MAINTENANCE	0.00 (	29,038.49)	69,292.91	0.00 (	69,292.91)
<u>GOF CAPITAL OUTLAYS</u>					
OTHER EXPENSES	0.00 (	145,597.45)	674,482.13	0.00 (	674,482.13)
TOTAL GOF CAPITAL OUTLAYS	0.00 (	145,597.45)	674,482.13	0.00 (	674,482.13)
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00
=====					
REVENUES OVER/(UNDER) EXPENDITURES	0.00 (	69,167.73)	3,012,653.10	(	3,012,653.10)

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

## 10 -GENERAL FUND

33.33% OF FISCAL YEAR

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>TAXES</u>					
10-4101 Property Tax Revenue	0.00	51,315.93	5,377,988.39	0.00 (	5,377,988.39)
10-4150 Sales Tax	0.00	15,244.69	99,663.15	0.00 (	99,663.15)
TOTAL TAXES	0.00	66,560.62	5,477,651.54	0.00 (	5,477,651.54)
<u>PERMITS &amp; INSPECTIONS</u>					
10-4203 Plat Reviews	0.00	0.00	3,500.00	0.00 (	3,500.00)
10-4204 Code Enforcement Citations	0.00	0.00	0.00	0.00	0.00
10-4205 Contractor Registration	0.00	120.00	4,140.00	0.00 (	4,140.00)
10-4206 Drainage Reviews	0.00	4,900.00	11,950.00	0.00 (	11,950.00)
10-4207 Permits	0.00	14,002.90	81,347.80	0.00 (	81,347.80)
10-4208 Board of Adjustment Fees	0.00	0.00	250.00	0.00 (	250.00)
TOTAL PERMITS & INSPECTIONS	0.00	19,022.90	101,187.80	0.00 (	101,187.80)
<u>COURT</u>					
10-4300 Court Fines	0.00	1,451.42	34,399.18	0.00 (	34,399.18)
TOTAL COURT	0.00	1,451.42	34,399.18	0.00 (	34,399.18)
<u>INVESTMENT INCOME</u>					
10-4400 Interest Income	0.00	984.23	24,210.41	0.00 (	24,210.41)
TOTAL INVESTMENT INCOME	0.00	984.23	24,210.41	0.00 (	24,210.41)
<u>AGENCIES &amp; ALARMS</u>					
10-4501 Agencies	0.00	398.44	398.44	0.00 (	398.44)
10-4507 Sec-False Alarm	0.00	0.00	0.00	0.00	0.00
10-4508 SEC-Registration	0.00	0.00	26,250.00	0.00 (	26,250.00)
10-4520 FEMA - State Reimbursement	0.00	0.00	0.00	0.00	0.00
TOTAL AGENCIES & ALARMS	0.00	398.44	26,648.44	0.00 (	26,648.44)
<u>FRANCHISE REVENUE</u>					
10-4602 Cable	0.00	0.00	19,102.40	0.00 (	19,102.40)
10-4605 Power/Electric	0.00	22,698.11	93,193.69	0.00 (	93,193.69)
10-4606 Franchise Fees-Gas	0.00	0.00	0.00	0.00	0.00
10-4607 Telephone	0.00	1,010.64	9,371.66	0.00 (	9,371.66)
10-4608 Wireless Communication	0.00	0.00	126.27	0.00 (	126.27)
TOTAL FRANCHISE REVENUE	0.00	23,708.75	121,794.02	0.00 (	121,794.02)
<u>DONATIONS &amp; IN LIEU</u>					
10-4702 Kinkaid School	0.00	0.00	0.00	0.00	0.00
10-4703 Metro Congested Mitigation	0.00	0.00	0.00	0.00	0.00
10-4704 Intergovernmental Revenues	0.00	0.00	0.00	0.00	0.00
10-4705 Ambulance	0.00	0.00	0.00	0.00	0.00
10-4706 Donation to Historical Preserv	0.00	0.00	0.00	0.00	0.00
10-4800 Miscellaneous Income	0.00	0.00	0.00	0.00	0.00
10-4850 Transfer In	0.00	0.00	0.00	0.00	0.00
10-4900 Prior Period Adjustments	0.00	0.00	0.00	0.00	0.00
10-4907 Unearned Revenue	0.00	0.00	0.00	0.00	0.00
TOTAL DONATIONS & IN LIEU	0.00	0.00	0.00	0.00	0.00

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

10 -GENERAL FUND

33.33% OF FISCAL YEAR

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
TOTAL REVENUES	0.00	112,126.36	5,785,891.39	0.00 (	5,785,891.39)

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

## 10 -GENERAL FUND

33.33% OF FISCAL YEAR

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>PUBLIC SERVICE</u> =====					
<u>COMMUNITY</u>					
10-510-5001 Community Celebrations	0.00	0.00	0.00	0.00	0.00
TOTAL COMMUNITY	0.00	0.00	0.00	0.00	0.00
<u>POLICE</u>					
10-510-5010 MEMORIAL VILLAGE POLICE DEPT	0.00	158,665.00	793,332.00	0.00 (	793,332.00)
10-510-5011 MVPD - AUTO REPLACEMENT	0.00	3,833.00	19,169.00	0.00 (	19,169.00)
TOTAL POLICE	0.00	162,498.00	812,501.00	0.00 (	812,501.00)
<u>MISCELLANEOUS</u>					
10-510-5020 Miscellaneous	0.00	0.00	1,800.00	0.00 (	1,800.00)
TOTAL MISCELLANEOUS	0.00	0.00	1,800.00	0.00 (	1,800.00)
<u>SANITATION COLLECTION</u>					
10-510-5030 SANITATION COLLECTION	0.00	0.00	143,248.35	0.00 (	143,248.35)
10-510-5031 SANITATION FUEL CHARGE	0.00	0.00	2,864.97	0.00 (	2,864.97)
TOTAL SANITATION COLLECTION	0.00	0.00	146,113.32	0.00 (	146,113.32)
<u>LIBRARY</u>					
10-510-5040 Spring Branch Library	0.00	0.00	0.00	0.00	0.00
TOTAL LIBRARY	0.00	0.00	0.00	0.00	0.00
<u>STREET LIGHTING</u>					
10-510-5050 Street Lighting	0.00	0.00	2,954.54	0.00 (	2,954.54)
TOTAL STREET LIGHTING	0.00	0.00	2,954.54	0.00 (	2,954.54)
<u>FIRE</u>					
10-510-5060 Villages Fire Department	0.00	140,445.73	632,005.78	0.00 (	632,005.78)
10-510-5070 Contribution to Fire Dept	0.00	0.00	0.00	0.00	0.00
TOTAL FIRE	0.00	140,445.73	632,005.78	0.00 (	632,005.78)
TOTAL PUBLIC SERVICE	0.00	302,943.73	1,595,374.64	0.00 (	1,595,374.64)
<u>CONTRACT SERVICES</u> =====					
<u>CONTRACT SERVICES</u>					
10-520-5102 Accounting/Audit	0.00	0.00	6,962.00	0.00 (	6,962.00)
10-520-5103 Engineering	0.00	0.00	37,710.56	0.00 (	37,710.56)
10-520-5104 Legal	0.00	0.00	13,560.00	0.00 (	13,560.00)
10-520-5105 Tax Appraisal-HCAD	0.00	0.00	19,628.00	0.00 (	19,628.00)
10-520-5107 Animal Control	0.00 (	300.00)	117.60	0.00 (	117.60)
10-520-5108 IT Hardware/Software & Support	0.00	0.00	19,070.80	0.00 (	19,070.80)
10-520-5110 Mosquito Control	0.00	0.00	0.00	0.00	0.00
TOTAL CONTRACT SERVICES	0.00 (	300.00)	97,048.96	0.00 (	97,048.96)

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

## 10 -GENERAL FUND

33.33% OF FISCAL YEAR

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
TOTAL CONTRACT SERVICES	0.00 (	300.00)	97,048.96	0.00 (	97,048.96)
BUILDING =====					
CONTRACT SERVICES					
10-530-5108 Information Technology	0.00	0.00	0.00	0.00	0.00
TOTAL CONTRACT SERVICES	0.00	0.00	0.00	0.00	0.00
BUILDING SERVICES					
10-530-5152 Drainage Reviews	0.00	0.00	25,213.62	0.00 (	25,213.62)
10-530-5153 Electrical Inspections	0.00	0.00	3,690.00	0.00 (	3,690.00)
10-530-5154 Plat Reviews	0.00	0.00	0.00	0.00	0.00
10-530-5155 Plan Reviews	0.00	0.00	12,000.00	0.00 (	12,000.00)
10-530-5156 Plumbing Inspections	0.00	0.00	2,880.00	0.00 (	2,880.00)
10-530-5157 Structural Inspections	0.00	0.00	7,740.00	0.00 (	7,740.00)
10-530-5158 Urban Forester	0.00	0.00	9,240.00	0.00 (	9,240.00)
10-530-5160 Mechanical Inspections	0.00	0.00	1,305.00	0.00 (	1,305.00)
TOTAL BUILDING SERVICES	0.00	0.00	62,068.62	0.00 (	62,068.62)
ADMIN EXPENSE					
10-530-5204 Dues & Subscriptions	0.00	0.00	0.00	0.00	0.00
10-530-5206 Legal Notices	0.00	0.00	0.00	0.00	0.00
10-530-5207 Misc Supplies	0.00	0.00	390.53	0.00 (	390.53)
10-530-5209 Office Equipment & Maintenance	0.00	0.00	0.00	0.00	0.00
TOTAL ADMIN EXPENSE	0.00	0.00	390.53	0.00 (	390.53)
OFFICE EXPENSE					
10-530-5210 Postage	0.00	0.00	0.00	0.00	0.00
10-530-5211 Meeting Supplies	0.00	0.00	0.00	0.00	0.00
10-530-5213 Office Supplies	0.00	0.00	39.99	0.00 (	39.99)
10-530-5214 Telecommunications	0.00	0.00	0.00	0.00	0.00
10-530-5215 Travel & Training	0.00	0.00	0.00	0.00	0.00
TOTAL OFFICE EXPENSE	0.00	0.00	39.99	0.00 (	39.99)
WAGES & BENEFITS					
10-530-5301 Gross Wages	0.00	0.00	0.00	0.00	0.00
10-530-5311 Payroll Processing	0.00	0.00	0.00	0.00	0.00
10-530-5313 Fringe Benefits	0.00	0.00	0.00	0.00	0.00
TOTAL WAGES & BENEFITS	0.00	0.00	0.00	0.00	0.00
INSURANCE					
10-530-5353 Employee Insurance	0.00	0.00	1,563.42	0.00 (	1,563.42)
TOTAL INSURANCE	0.00	0.00	1,563.42	0.00 (	1,563.42)
TOTAL BUILDING	0.00	0.00	64,062.56	0.00 (	64,062.56)

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

## 10 -GENERAL FUND

33.33% OF FISCAL YEAR

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>GENERAL GOVERNMENT</u>					
=====					
<u>CONTRACT SERVICES</u>					
10-540-5108 Information Technology	0.00	0.00	0.00	0.00	0.00
TOTAL CONTRACT SERVICES	0.00	0.00	0.00	0.00	0.00
<u>ADMIN EXPENSE</u>					
10-540-5201 Administrative	0.00	0.00	0.00	0.00	0.00
10-540-5202 Auto Allowance/Mileage	0.00	100.00	3,400.00	0.00 (	3,400.00)
10-540-5203 Bank Fees	0.00	351.42	710.22	0.00 (	710.22)
10-540-5204 Dues & Subscriptions	0.00	0.00	275.00	0.00 (	275.00)
10-540-5205 Elections	0.00	0.00	0.00	0.00	0.00
10-540-5206 Legal Notices	0.00	0.00	0.00	0.00	0.00
10-540-5207 Miscellaneous	0.00	0.00	896.89	0.00 (	896.89)
10-540-5208 Citizen Communication	0.00	0.00	0.00	0.00	0.00
10-540-5209 Office Equipment & Maintenance	0.00	0.00	2,247.35	0.00 (	2,247.35)
TOTAL ADMIN EXPENSE	0.00	451.42	7,529.46	0.00 (	7,529.46)
<u>OFFICE EXPENSE</u>					
10-540-5210 Postage	0.00	0.00	520.99	0.00 (	520.99)
10-540-5211 Meeting Supplies	0.00	0.00	1,651.00	0.00 (	1,651.00)
10-540-5212 Rent/Leasehold/Furniture	0.00	9,913.21	41,131.84	0.00 (	41,131.84)
10-540-5213 Office Supplies	0.00	0.00	1,097.20	0.00 (	1,097.20)
10-540-5214 Telecommunications	0.00	0.00	3,942.18	0.00 (	3,942.18)
10-540-5215 Travel & Training	0.00	0.00	400.00	0.00 (	400.00)
10-540-5216 Statutory Legal Notices	0.00	0.00	0.00	0.00	0.00
TOTAL OFFICE EXPENSE	0.00	9,913.21	48,743.21	0.00 (	48,743.21)
<u>WAGES &amp; BENEFITS</u>					
10-540-5301 Gross Wages	0.00	36,507.08	165,319.77	0.00 (	165,319.77)
10-540-5302 Overtime/Severance	0.00	0.00	4,851.72	0.00 (	4,851.72)
10-540-5303 Temporary/Part-time Personnel	0.00	0.00	1,661.52	0.00 (	1,661.52)
10-540-5304 Salary Adjustment(Bonus)	0.00	0.00	0.00	0.00	0.00
10-540-5306 Payroll Tax Expense	0.00	2,732.05	13,023.48	0.00 (	13,023.48)
10-540-5310 TMRS(retirement)	0.00	3,466.37	14,185.65	0.00 (	14,185.65)
10-540-5311 Payroll Processing	0.00	198.03	1,027.23	0.00 (	1,027.23)
10-540-5312 TWC-Unemployment	0.00	0.00	0.00	0.00	0.00
10-540-5313 Fringe Benefits	0.00	0.00	0.00	0.00	0.00
TOTAL WAGES & BENEFITS	0.00	42,903.53	200,069.37	0.00 (	200,069.37)
<u>INSURANCE</u>					
10-540-5353 Employee Insurance	0.00	0.00	6,253.70	0.00 (	6,253.70)
10-540-5354 General Liability	0.00	0.00	0.00	0.00	0.00
10-540-5355 Bonds for City Staff	0.00	0.00	0.00	0.00	0.00
10-540-5356 Workman's Compensation	0.00	0.00 (	566.00)	0.00	566.00
10-540-5357 Drainage Study	0.00	0.00	0.00	0.00	0.00
TOTAL INSURANCE	0.00	0.00	5,687.70	0.00 (	5,687.70)
TOTAL GENERAL GOVERNMENT	0.00	53,268.16	262,029.74	0.00 (	262,029.74)

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

## 10 -GENERAL FUND

33.33% OF FISCAL YEAR

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>MUNICIPAL COURT</u> =====					
<u>CONTRACT SERVICES</u>					
10-550-5108 Information Technology	0.00	0.00	0.00	0.00	0.00
TOTAL CONTRACT SERVICES	0.00	0.00	0.00	0.00	0.00
<u>ADMIN EXPENSE</u>					
10-550-5204 Dues & Subscriptions	0.00	0.00	0.00	0.00	0.00
10-550-5207 Misc Supplies	0.00	0.00	393.25	0.00 (	393.25)
10-550-5209 Office Equipment & Maintenance	0.00	0.00	0.00	0.00	0.00
TOTAL ADMIN EXPENSE	0.00	0.00	393.25	0.00 (	393.25)
<u>OFFICE EXPENSE</u>					
10-550-5210 Postage	0.00	0.00	0.00	0.00	0.00
10-550-5211 Meeting Supplies	0.00	0.00	0.00	0.00	0.00
10-550-5213 Office Supplies	0.00	0.00	255.44	0.00 (	255.44)
10-550-5214 Telecommunications	0.00	0.00	0.00	0.00	0.00
10-550-5215 Travel & Training	0.00	0.00	305.00	0.00 (	305.00)
TOTAL OFFICE EXPENSE	0.00	0.00	560.44	0.00 (	560.44)
<u>WAGES &amp; BENEFITS</u>					
10-550-5301 Gross Wages	0.00	0.00	0.00	0.00	0.00
10-550-5311 Payroll Processing	0.00	0.00	0.00	0.00	0.00
10-550-5313 Fringe Benefits	0.00	0.00	0.00	0.00	0.00
TOTAL WAGES & BENEFITS	0.00	0.00	0.00	0.00	0.00
<u>INSURANCE</u>					
10-550-5353 Employee Insurance	0.00 (	234.11)	2,775.82	0.00 (	2,775.82)
TOTAL INSURANCE	0.00 (	234.11)	2,775.82	0.00 (	2,775.82)
<u>COURT OPERATIONS</u>					
10-550-5402 MC Facilities	0.00	0.00	0.00	0.00	0.00
10-550-5403 Credit Card Charges	0.00	314.41	1,748.29	0.00 (	1,748.29)
10-550-5404 Judge/Prosecutor/Interpreter	0.00	0.00	6,525.00	0.00 (	6,525.00)
10-550-5405 Jury Pay	0.00	0.00	0.00	0.00	0.00
10-550-5406 State Comptroller/OMNI/Linebar	0.00	0.00	0.00	0.00	0.00
10-550-5407 SETCIC	0.00	0.00	0.00	0.00	0.00
10-550-5408 Supplies/Miscellaneous	0.00	0.00	0.00	0.00	0.00
10-550-5409 Collection Agency	0.00	0.00	0.00	0.00	0.00
10-550-5410 OmniBase Services of Texas	0.00	0.00	132.00	0.00 (	132.00)
10-550-5412	0.00	0.00	0.00	0.00	0.00
10-550-5413 Building Security Fund	0.00 (	21.76) (	415.61)	0.00	415.61
10-550-5414 Truancy Prevention	0.00 (	22.20) (	424.09)	0.00	424.09
10-550-5415 Local Municipal Tech Fund	0.00 (	17.76) (	339.27)	0.00	339.27
10-550-5416 Local Municipal Jury Fund	0.00 (	0.44) (	8.48)	0.00	8.48
10-550-5417 Time Payment Reimbursement Fee	0.00	0.00	0.00	0.00	0.00
TOTAL COURT OPERATIONS	0.00	252.25	7,217.84	0.00 (	7,217.84)
TOTAL MUNICIPAL COURT	0.00	18.14	10,947.35	0.00 (	10,947.35)

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

## 10 -GENERAL FUND

33.33% OF FISCAL YEAR

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>PUBLIC WORKS MAINTENANCE</u> =====					
<u>CONTRACT SERVICES</u>					
10-560-5108 Information Technology	0.00	0.00	0.00	0.00	0.00
TOTAL CONTRACT SERVICES	0.00	0.00	0.00	0.00	0.00
<u>ADMIN EXPENSE</u>					
10-560-5207 Misc Supplies	0.00	0.00	6,853.49	0.00 (	6,853.49)
10-560-5209 Office Equipment & Maintenance	0.00	0.00	0.00	0.00	0.00
TOTAL ADMIN EXPENSE	0.00	0.00	6,853.49	0.00 (	6,853.49)
<u>OFFICE EXPENSE</u>					
10-560-5213 Office Supplies	0.00	0.00	28.79	0.00 (	28.79)
10-560-5214 Telecommunications	0.00	0.00	0.00	0.00	0.00
10-560-5215 Travel & Training	0.00	0.00	500.00	0.00 (	500.00)
TOTAL OFFICE EXPENSE	0.00	0.00	528.79	0.00 (	528.79)
<u>WAGES &amp; BENEFITS</u>					
10-560-5301 Gross Wages	0.00	0.00	0.00	0.00	0.00
10-560-5311 Payroll Processing	0.00	0.00	0.00	0.00	0.00
10-560-5313 Fringe Benefits	0.00	0.00	0.00	0.00	0.00
TOTAL WAGES & BENEFITS	0.00	0.00	0.00	0.00	0.00
<u>INSURANCE</u>					
10-560-5353 Employee Insurance	0.00	0.00	2,618.45	0.00 (	2,618.45)
TOTAL INSURANCE	0.00	0.00	2,618.45	0.00 (	2,618.45)
<u>PUBLIC WORKS OPERATIONS</u>					
10-560-5500 Public Works Maintenance	0.00	0.00	2,500.00	0.00 (	2,500.00)
10-560-5501 TCEQ & Harris CO Permits	0.00	0.00	1,656.25	0.00 (	1,656.25)
10-560-5504 Landscaping Maintenance	0.00	1,447.42	4,342.26	0.00 (	4,342.26)
10-560-5505 Gator Fuel	0.00	0.00	185.69	0.00 (	185.69)
10-560-5506 Right of Way Mowing	0.00	0.00	22,719.00	0.00 (	22,719.00)
10-560-5507 Road & Sign Repair	0.00 (	8,555.00) (	7,398.37)	0.00	7,398.37
10-560-5508 ROW Water/Planting	0.00	0.00	264.05	0.00 (	264.05)
10-560-5509 Tree Care/Removal	0.00	0.00	0.00	0.00	0.00
10-560-5510 Road/Drainage Maintenance	0.00	0.00	0.00	0.00	0.00
10-560-5515 Landscape Improvements	0.00 (	21,930.91)	35,023.30	0.00 (	35,023.30)
10-560-5516 Gator Maintenance	0.00	0.00	0.00	0.00	0.00
TOTAL PUBLIC WORKS OPERATIONS	0.00 (	29,038.49)	59,292.18	0.00 (	59,292.18)
TOTAL PUBLIC WORKS MAINTENANCE	0.00 (	29,038.49)	69,292.91	0.00 (	69,292.91)

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

## 10 -GENERAL FUND

33.33% OF FISCAL YEAR

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>GOF CAPITAL OUTLAYS</u>					
=====					
<u>OTHER EXPENSES</u>					
10-570-5601 Capital Improvements	0.00	0.00	0.00	0.00	0.00
10-570-5602 Drainage Ditch Maintenance	0.00	0.00	80.00	0.00 (	80.00)
10-570-5606 Road/Drainage Projects	0.00	0.00	47,940.16	0.00 (	47,940.16)
10-570-5607 2014 Paving Project	0.00	0.00	0.00	0.00	0.00
10-570-5608 MDE Drainage	0.00	0.00	0.00	0.00	0.00
10-570-5609 Windermere Drainage	0.00	0.00	0.00	0.00	0.00
10-570-5610 Fire Station Remodel	0.00	0.00	0.00	0.00	0.00
10-570-5616 S. Piney Pt/Blalock Rd	0.00	0.00	0.00	0.00	0.00
10-570-5640 Surrey Oaks	0.00 (	145,597.45)	270,399.24	0.00 (	270,399.24)
10-570-5660 Smithdale Estates Bypass	0.00	0.00	0.00	0.00	0.00
10-570-5665 Woods Edge Erosion Project	0.00	0.00	0.00	0.00	0.00
10-570-5700 2015 Maintenance Project	0.00	0.00	0.00	0.00	0.00
10-570-5701 2019 Maintenance Projects	0.00	0.00	238,932.39	0.00 (	238,932.39)
10-570-5705 Tynewood Ditch Washout Project	0.00	0.00	0.00	0.00	0.00
10-570-5800 Lanecrest Improvements Project	0.00	0.00	0.00	0.00	0.00
10-570-5805 Beinhorn Paving Project	0.00	0.00	0.00	0.00	0.00
10-570-5806 Drainage and Sidewalks	0.00	0.00	87,953.34	0.00 (	87,953.34)
10-570-5808 Wilding Lane	0.00	0.00	29,177.00	0.00 (	29,177.00)
TOTAL OTHER EXPENSES	0.00 (	145,597.45)	674,482.13	0.00 (	674,482.13)
<hr/>					
TOTAL GOF CAPITAL OUTLAYS	0.00 (	145,597.45)	674,482.13	0.00 (	674,482.13)
<hr/>					
TOTAL EXPENDITURES	0.00	181,294.09	2,773,238.29	0.00 (	2,773,238.29)
=====					
REVENUES OVER/(UNDER) EXPENDITURES	0.00 (	69,167.73)	3,012,653.10	(	3,012,653.10)

## BALANCE SHEET

AS OF: APRIL 30TH, 2020

## 20 -DEBT SERVICE

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
<b>ASSETS</b>		
=====		
20-1100	Claim on Cash	( 1,503,889.53)
20-1105	Cash - Amegy Bank	0.00
20-1108	Cash with Agent	241,922.52
20-1109	Texpool-DS	1,934,148.63
20-1110	Texas Class-DS	123,129.69
20-1200	Property Tax Receivable-PY	31,770.35
20-1201	Property Tax Receivable-CY	803,411.89
20-1300	Due to/From General Fund	0.00
20-1301	Accrued Interest Receivable	0.00
		<u>1,630,493.55</u>
TOTAL ASSETS		1,630,493.55
=====		
<b>LIABILITIES</b>		
=====		
20-2001	Accounts Payable	0.00
20-2002	Other Accrued Liabilities	0.00
20-2130	Deferred Revenue-Property Tax	31,770.35
20-2200	Deferred Property Tax Rec	0.00
20-2300	Other Accrued Liabilities	0.00
20-2701	Unearned Revenue-Property Tax	1,462,997.32
	TOTAL LIABILITIES	<u>1,494,767.67</u>
<b>EQUITY</b>		
=====		
20-3000	Fund Balance	( 1,301,299.67)
	TOTAL BEGINNING EQUITY	( 1,301,299.67)
TOTAL REVENUE		1,437,025.55
TOTAL EXPENSES		0.00
TOTAL REVENUE OVER/(UNDER) EXPENSES		<u>1,437,025.55</u>
TOTAL EQUITY & REV. OVER/(UNDER) EXP.		<u>135,725.88</u>
TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP.		1,630,493.55
=====		

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

20 -DEBT SERVICE  
FINANCIAL SUMMARY

33.33% OF FISCAL YEAR

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
TAXES	0.00	13,082.45	1,430,072.81	0.00 (	1,430,072.81)
INVESTMENT INCOME	0.00	833.22	6,952.74	0.00 (	6,952.74)
TOTAL REVENUES	0.00	13,915.67	1,437,025.55	0.00 (	1,437,025.55)
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
<u>NON-DEPARTMENTAL</u>					
ADMIN EXPENSE	0.00	0.00	0.00	0.00	0.00
OTHER EXPENSES	0.00	0.00	0.00	0.00	0.00
TRANSFERS	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	0.00	13,915.67	1,437,025.55	(	1,437,025.55)

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

20 -DEBT SERVICE

33.33% OF FISCAL YEAR					
REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<hr/>					
<u>TAXES</u>					
20-4101 Property Tax Revenue	0.00	13,082.45	1,430,072.81	0.00 (	1,430,072.81)
TOTAL TAXES	0.00	13,082.45	1,430,072.81	0.00 (	1,430,072.81)
<hr/>					
<u>INVESTMENT INCOME</u>					
20-4400 Bank Interest	0.00	833.22	6,952.74	0.00 (	6,952.74)
20-4410 Bond Premium	0.00	0.00	0.00	0.00	0.00
TOTAL INVESTMENT INCOME	0.00	833.22	6,952.74	0.00 (	6,952.74)
<hr/>					
TOTAL REVENUES	0.00	13,915.67	1,437,025.55	0.00 (	1,437,025.55)
	=====	=====	=====	=====	=====

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

20 -DEBT SERVICE

33.33% OF FISCAL YEAR

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<hr/>					
NON-DEPARTMENTAL =====					
<u>ADMIN EXPENSE</u>					
20-500-5204     Paying Agent Fees	0.00	0.00	0.00	0.00	0.00
TOTAL ADMIN EXPENSE	0.00	0.00	0.00	0.00	0.00
<u>OTHER EXPENSES</u>					
20-500-5820     Interest Expense-Bonds	0.00	0.00	0.00	0.00	0.00
20-500-5821     Bond Principal Payments	0.00	0.00	0.00	0.00	0.00
20-500-5822     Amortization of Bonds	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER EXPENSES	0.00	0.00	0.00	0.00	0.00
<u>TRANSFERS</u>					
20-500-5902     Transfers Out	0.00	0.00	0.00	0.00	0.00
TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00
<hr/>					
TOTAL NON-DEPARTMENTAL	0.00	0.00	0.00	0.00	0.00
<hr/>					
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00
=====					
REVENUES OVER/(UNDER) EXPENDITURES	0.00	13,915.67	1,437,025.55	( 1,437,025.55)	

## BALANCE SHEET

AS OF: APRIL 30TH, 2020

## 30 -SPECIAL REVENUE FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE	
<b>ASSETS</b>			
=====			
30-1100	Claim on Cash	65,449.11	
30-1102	Donation	0.02	
30-1103	MC Security	0.36	
30-1104	MC Technology	0.05	
30-1106	Child Safety	25,404.48	
30-1200	Due To/From General Fund	0.00	
30-1301	Accrued Interest Receivable	0.00	
			<u>90,854.02</u>
TOTAL ASSETS			90,854.02
			=====
<b>LIABILITIES</b>			
=====			
30-2001	Accounts Payable	0.00	
30-2100	Grants Payable	0.00	
30-2200	Due To General Fund	0.00	
	TOTAL LIABILITIES		<u>0.00</u>
<b>EQUITY</b>			
=====			
30-3000	Fund Balance	17,709.38	
30-3001	Fund Balance-Child Safety	55,694.92	
30-3002	Fund Balance-MC Security	11,838.88	
30-3003	Fund Balance-MC Technology	3,081.69	
30-3010	Unrestricted Retained Earnings	0.00	
30-3300	Fund Balance-MC Security	0.00	
30-3400	Fund Balance- MC Technology	0.00	
30-3904	Earnings-MC Technology	0.00	
	TOTAL BEGINNING EQUITY	88,324.87	
TOTAL REVENUE		2,694.00	
TOTAL EXPENSES		<u>164.85</u>	
TOTAL REVENUE OVER/(UNDER) EXPENSES		2,529.15	
TOTAL EQUITY & REV. OVER/(UNDER) EXP.		<u>90,854.02</u>	
TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP.			90,854.02
			=====

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

30 -SPECIAL REVENUE FUND  
FINANCIAL SUMMARY

33.33% OF FISCAL YEAR

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
COURT	0.00	376.90	2,691.28	0.00 (	2,691.28)
INVESTMENT INCOME	0.00	0.00	2.72	0.00 (	2.72)
DONATIONS & IN LIEU	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	0.00	376.90	2,694.00	0.00 (	2,694.00)
<u>EXPENDITURE SUMMARY</u>					
<u>NON-DEPARTMENTAL</u>					
MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	0.00	0.00	0.00	0.00	0.00
<u>QUALIFIED EXPENSES</u>					
COURT	0.00	0.00	164.85	0.00 (	164.85)
TOTAL QUALIFIED EXPENSES	0.00	0.00	164.85	0.00 (	164.85)
<u>ADMINISTRATION</u>					
ADMIN EXPENSE	0.00	0.00	0.00	0.00	0.00
OTHER EXPENSES	0.00	0.00	0.00	0.00	0.00
TRANSFERS	0.00	0.00	0.00	0.00	0.00
TOTAL ADMINISTRATION	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00
REVENUES OVER/(UNDER) EXPENDITURES	0.00	376.90	2,529.15	(	2,529.15)

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

## 30 -SPECIAL REVENUE FUND

33.33% OF FISCAL YEAR

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>COURT</u>					
30-4305 MC Security Revenue	0.00	32.31	593.39	0.00 (	593.39)
30-4310 MC Technology Revenue	0.00	43.07	791.21	0.00 (	791.21)
30-4315 Child Safety Revenues	0.00	301.52	1,306.68	0.00 (	1,306.68)
TOTAL COURT	0.00	376.90	2,691.28	0.00 (	2,691.28)
<u>INVESTMENT INCOME</u>					
30-4405 MC Security-Interest	0.00	0.00	0.00	0.00	0.00
30-4410 MC Technology-Interest	0.00	0.00	0.00	0.00	0.00
30-4415 Child Safety-Interest	0.00	0.00	2.72	0.00 (	2.72)
30-4420 Donations-Interest	0.00	0.00	0.00	0.00	0.00
TOTAL INVESTMENT INCOME	0.00	0.00	2.72	0.00 (	2.72)
<u>DONATIONS &amp; IN LIEU</u>					
30-4720 Donations	0.00	0.00	0.00	0.00	0.00
30-4800 Other Income	0.00	0.00	0.00	0.00	0.00
TOTAL DONATIONS & IN LIEU	0.00	0.00	0.00	0.00	0.00
<hr/>					
TOTAL REVENUES	0.00	376.90	2,694.00	0.00 (	2,694.00)
	=====	=====	=====	=====	=====

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

30 -SPECIAL REVENUE FUND

33.33% OF FISCAL YEAR

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<b>NON-DEPARTMENTAL</b>					
<b>MISCELLANEOUS</b>					
30-500-5029 Gen Govt Qualified Expenses	0.00	0.00	0.00	0.00	0.00
TOTAL MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00
<b>TOTAL NON-DEPARTMENTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>QUALIFIED EXPENSES</b>					
<b>COURT</b>					
30-510-5121 Child Safety	0.00	0.00	0.00	0.00	0.00
30-510-5122 MC Security	0.00	0.00	164.85	0.00 (	164.85)
30-510-5123 MC Technology	0.00	0.00	0.00	0.00	0.00
30-510-5129 Donation	0.00	0.00	0.00	0.00	0.00
TOTAL COURT	0.00	0.00	164.85	0.00 (	164.85)
<b>TOTAL QUALIFIED EXPENSES</b>	<b>0.00</b>	<b>0.00</b>	<b>164.85</b>	<b>0.00 (</b>	<b>164.85)</b>
<b>ADMINISTRATION</b>					
<b>ADMIN EXPENSE</b>					
30-520-5203 Bank Fees	0.00	0.00	0.00	0.00	0.00
TOTAL ADMIN EXPENSE	0.00	0.00	0.00	0.00	0.00
<b>OTHER EXPENSES</b>					
30-520-5702 Other Expenses	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER EXPENSES	0.00	0.00	0.00	0.00	0.00
<b>TRANSFERS</b>					
30-520-5902 Transfers Out	0.00	0.00	0.00	0.00	0.00
TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ADMINISTRATION</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL EXPENDITURES</b>	<b>0.00</b>	<b>0.00</b>	<b>164.85</b>	<b>0.00 (</b>	<b>164.85)</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>0.00</b>	<b>376.90</b>	<b>2,529.15</b>	<b>(</b>	<b>2,529.15)</b>

## BALANCE SHEET

AS OF: APRIL 30TH, 2020

## 40 -CAPITAL PROJECTS FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE	
<b>ASSETS</b>			
=====			
40-1100	Claim on Cash	33,562.46	
40-1101	Texpool	0.00	
40-1105	Cash - Amegy Checking	0.00	
40-1120	Texas Class	7,612.61	
40-1200	Accounts Receivable	0.00	
40-1220	A/R - General Fund	0.00	
40-1250	Due To Metro	0.00	
40-1300	Accrued Interest Receivable	0.00	
		<u>41,175.07</u>	
TOTAL ASSETS			41,175.07
=====			
<b>LIABILITIES</b>			
=====			
40-2001	Accounts Payable	0.00	
40-2002	Other Accrued Liabilities	0.00	
40-2200	Deferred Revenue	293,595.54	
40-2300	Construction Retainage Payable	152,145.79	
40-2400	Accrued Liabilities	0.00	
	TOTAL LIABILITIES	<u>445,741.33</u>	
<b>EQUITY</b>			
=====			
40-3000	Fund Balance	( 114,750.13)	
	TOTAL BEGINNING EQUITY	( 114,750.13)	
TOTAL REVENUE		38.87	
TOTAL EXPENSES		<u>289,855.00</u>	
TOTAL REVENUE OVER/(UNDER) EXPENSES		( 289,816.13)	
TOTAL EQUITY & REV. OVER/(UNDER) EXP.		( 404,566.26)	
TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP.			41,175.07
=====			

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

40 -CAPITAL PROJECTS FUND  
FINANCIAL SUMMARY

33.33% OF FISCAL YEAR

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
INVESTMENT INCOME	0.00	6.86	38.87	0.00 (	38.87)
DONATIONS & IN LIEU	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL REVENUES	0.00	6.86	38.87	0.00 (	38.87)
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
<u>NON-DEPARTMENTAL</u>					
ADMIN EXPENSE	0.00	0.00	0.00	0.00	0.00
OTHER EXPENSES	0.00	0.00	289,855.00	0.00 (	289,855.00)
TRANSFERS	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	<u>0.00</u>	<u>0.00</u>	<u>289,855.00</u>	<u>0.00</u> (	<u>289,855.00</u> )
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00	0.00
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	0.00	6.86 (	289,816.13)		289,816.13

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

## 40 -CAPITAL PROJECTS FUND

33.33% OF FISCAL YEAR

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<hr/>					
<u>INVESTMENT INCOME</u>					
40-4400 Interest Income	0.00	6.86	38.87	0.00 (	38.87)
TOTAL INVESTMENT INCOME	0.00	6.86	38.87	0.00 (	38.87)
<u>DONATIONS &amp; IN LIEU</u>					
40-4800 Other Income	0.00	0.00	0.00	0.00	0.00
40-4910 Debt Proceeds	0.00	0.00	0.00	0.00	0.00
40-4911 Bond Premium	0.00	0.00	0.00	0.00	0.00
40-4912 Issuance Cost	0.00	0.00	0.00	0.00	0.00
TOTAL DONATIONS & IN LIEU	0.00	0.00	0.00	0.00	0.00
<hr/>					
TOTAL REVENUES	0.00	6.86	38.87	0.00 (	38.87)
	=====	=====	=====	=====	=====

CITY OF PINEY POINT VILLAGE  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: APRIL 30TH, 2020

## 40 -CAPITAL PROJECTS FUND

33.33% OF FISCAL YEAR

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>NON-DEPARTMENTAL</u>					
=====					
<u>ADMIN EXPENSE</u>					
40-500-5203 Bank Fees	0.00	0.00	0.00	0.00	0.00
TOTAL ADMIN EXPENSE	0.00	0.00	0.00	0.00	0.00
<u>OTHER EXPENSES</u>					
40-500-5601 Capital Outlay	0.00	0.00	0.00	0.00	0.00
40-500-5616 S. Piney Pt/Blalock Rd	0.00	0.00	0.00	0.00	0.00
40-500-5617 Smithdale/Claymore	0.00	0.00	0.00	0.00	0.00
40-500-5640 Batch 1 Projects	0.00	0.00	0.00	0.00	0.00
40-500-5641 Batch 1 - Preliminary	0.00	0.00	0.00	0.00	0.00
40-500-5655 Blalock/S. Piney Point	0.00	0.00	0.00	0.00	0.00
40-500-5660 Smithdale Estates Bypass	0.00	0.00	0.00	0.00	0.00
40-500-5670 N. Piney Point Road Project	0.00	0.00	286,000.00	0.00 (	286,000.00)
40-500-5675 Lanecrest Drainage Improvement	0.00	0.00	0.00	0.00	0.00
40-500-5702 Miscellaneous Expense	0.00	0.00	3,855.00	0.00 (	3,855.00)
TOTAL OTHER EXPENSES	0.00	0.00	289,855.00	0.00 (	289,855.00)
<u>TRANSFERS</u>					
40-500-5901 Transfers In	0.00	0.00	0.00	0.00	0.00
40-500-5902 Transfers Out	0.00	0.00	0.00	0.00	0.00
TOTAL TRANSFERS	0.00	0.00	0.00	0.00	0.00
<hr/>					
TOTAL NON-DEPARTMENTAL	0.00	0.00	289,855.00	0.00 (	289,855.00)
<hr/>					
TOTAL EXPENDITURES	0.00	0.00	289,855.00	0.00 (	289,855.00)
=====					
REVENUES OVER/(UNDER) EXPENDITURES	0.00	6.86 (	289,816.13)		289,816.13

## BALANCE SHEET

AS OF: APRIL 30TH, 2020

## 99 -POOLED CASH FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE	
<b>ASSETS</b>			
=====			
99-1101	Cash	880,506.04	
99-1510	DUE FROM GENERAL FUND	0.00	
99-1520	DUE FROM DEBT SERVICE	0.00	
99-1530	DUE FROM SPECIAL REVENUE	0.00	
99-1540	DUE FROM CAPITAL PROJECTS	0.00	
99-1550	DUE FROM METRO FUND	0.00	
99-1599	Due From Other Funds	0.00	
		<u>880,506.04</u>	
			880,506.04
			=====
<b>LIABILITIES</b>			
=====			
99-2000	Accounts Payable	2,017.00	
99-2190	Due to Other Funds	878,489.04	
	TOTAL LIABILITIES	<u>880,506.04</u>	
<b>EQUITY</b>			
=====			
99-3000	Fund Balance	0.00	
	TOTAL BEGINNING EQUITY	<u>0.00</u>	
			0.00
		<u>0.00</u>	
			880,506.04
			=====



May 14, 2020

Mayor and City Council Members  
City of Piney Point Village  
7676 Woodway Drive; Suite 300  
Houston, Texas 77063

Re: Proposal for Professional Engineering Services  
Design, Bid, and Construction Phase Services for  
the 2020 Paving Improvements Project  
City of Piney Point Village

HDR Engineering, Inc. (HDR) is pleased to submit this proposal for the design, bid phase, construction management, and half-time construction phase services for the above referenced project. General overview, project understanding, scope of services, and a fee schedule are included herein.

#### **GENERAL OVERVIEW**

This proposal provides a description of the engineering services required for the paving improvements for Arrowwood Circle, Arrowwood Circle East, Maggie Lane, Grecian Way, South Piney Point Road, and Memorial Drive in the City of Piney Point Village. The following is a general overview of each location included in the project and issues that are anticipated to be addressed as part of this project:

#### **PROJECT UNDERSTANDING:**

##### **Arrowwood Circle, Arrowwood Circle East, Maggie Lane, and Grecian Way (approximately 2,100 LF)**

These streets were selected for this project using the 2018 Street Assessment Update, which identified Arrowwood Circle East and Grecian Way as a 2B and Arrowwood Circle and Maggie Lane as a 2C in the pavement conditions rating system.

The proposed paving improvements for Arrowwood Circle, Arrowwood Circle East, Maggie Lane, and Grecian Way will consist of asphalt paving reclamation. The improvements for these streets include in-place recycling and stabilization of the existing asphalt pavement base course, and installation of a new 2-inch Hot-Mix Asphalt Concrete (HMAC) overlay surface course.

As has been done in the past, the proposed asphalt pavement elevations will be set so that the finished surface is at approximately the same elevation as the existing pavement. This will be done so that existing drainage sheet flow patterns are left undisturbed.

HDR and Council have discussed alternative approaches to paving improvements on Maggie Lane and Grecian Way such as milling and removing the existing HMAC surface course and installation of a new 2-inch HMAC overlay surface course on the existing base materials or the installation of a new 2-inch HMAC overlay surface course on the existing HMAC overlay surface course. HDR will provide recommendations for various

options for paving improvements and proceed with the alternative as directed by City Council.

The City previously obtained survey of Arrowwood Circle, Arrowwood Circle East, and Maggie Lane in anticipation of this project and to identify options for potential improvements to the Arrowwood Circle “park”. The City also obtained survey of Grecian Way that is currently being used for the Beinhorn Drainage and Sidewalk Improvements Project. The survey data for all of these streets will be utilized for this project.

#### **South Piney Point Road and Memorial Drive**

The City and HDR have identified multiple locations along South Piney Point Road and Memorial Drive from San Felipe to Greenbay where existing asphalt pavement is exhibiting alligator cracking and rutting. At the City’s request, HDR has identified approximately 565 SY of asphalt pavement recommended for full depth removal and replacement of the asphalt pavement base course and surface course.

The engineer’s opinion of probable construction costs for the above described project is \$449,650.00. This cost is based on the assumption that the asphalt pavement Arrowwood Circle, Maggie Lane, and Grecian Way will all be rehabilitated utilizing asphalt base reclamation. If Council chooses to improve the asphalt pavement along any of these streets by an alternative method of construction, the engineer’s opinion of probable construction costs will be revised accordingly.

Based on previous conversations with City Council, this project only includes paving improvements as described above. Design of any drainage improvements is not included in the scope of services.

#### **SCOPE OF SERVICES**

The following Scope of Services is outlined for the design, bid, and construction phase services.

##### **I. DESIGN PHASE SERVICES**

###### **A. Basic Design Phase Services**

- Hold a “kick-off” meeting with City staff to finalize the requirements for the project.
- Review available historical information (record drawings, reports/studies, GIS data, etc.)
- Research and gather information on private utilities (i.e. gas, electrical, telephone, pipelines, etc.) along the project alignment.
- Coordinate with the geotechnical engineer for a geotechnical investigation and report.

- Examine geotechnical information to determine potential soil conditions, ground water conditions, and potential impact on construction methodology and construction costs.
- Prepare plan cover sheet, general notes, survey control, project layout, 90% plan/profile drawings, and detail sheets.
- Prepare contract documents and specifications.
- Coordinate with the Memorial Villages Water Authority (M.V.W.A.) during the design process and provide draft documents for review and comment. Incorporate appropriate comments with the final bid documents.
- Submit 90% plans to private utility companies for review and incorporate utility company markups in the final bid documents.
- Assist the City in obtaining and/or securing approvals required public and private utilities affected by this project. This assistance will involve the usual and expected coordination for the approval process. When the process involves work beyond the expected, such as; special submittals, additional designs, appearances at special meetings, coordination of utility/pipeline excavation efforts, permitting applications, etc., such work falls under the Additional Services portion of this proposal. All permit fees will be the responsibility of the City of Piney Point Village.
- Prepare an engineer's opinion of probable construction costs to reflect the 90% design.
- Provide a set of 90% plans and specifications to the City for their review and comment.
- Prepare contract documents including plans, specifications, and bidding documents associated with the design and the project addressing City comments from the 90% review for bidding.
- Provide a set of Contract Documents to the City.
- A presentation of the design plans or public meeting with residents is not included in this scope of services. If the City determines that a public meeting is warranted, HDR will perform such services under the existing on-going contract with the City

## **B. Special Services**

### **1. Geotechnical Services**

- Utilize a subconsultant geotechnical firm to perform the geotechnical investigation and provide recommendations
- Conduct eleven (11) asphalt cores to evaluate the existing pavement and subgrade conditions and provide a geotechnical investigation of the project area.
- Provide an engineering report describing soil stratigraphy, groundwater conditions, subgrade treatment and asphalt pavement design requirements.

### **2. Urban Forestry Services**

- HDR will obtain services from an urban forester to evaluate tree protection measures needed during the preliminary engineering, final design and construction phase.

### **3. Traffic Control Plan**

- Prepare traffic control plans and construction sequencing plan for the project area.

### **4. Storm Water Pollution Protection Plan**

- Due to the proposed work to be performed in this project, a storm water pollution protection plan will be produced so that the City complies with State mandated MS4 permitting.

### **5. Reimbursable Expenses**

- A budgetary amount will be allocated for typical reimbursable expenses such as reproduction, courier services, mileage, etc. The cost for plans and specifications for review sets and construction documents to be provided to the City and other review agencies will be included in this task at cost Plus 10%. Mileage will be charged at prevailing IRS rates.

## **II. BID PHASE SERVICES**

### **A. Basic Services**

The City of Piney Point Village will enter into this phase after the acceptance of the Final Design Phase documents.

- Assist the City in obtaining bids for the project. The City of Piney Point Village will advertise the project and will absorb all related advertising costs. HDR will coordinate with the City and will assist in developing the wording of the advertisement.
- HDR will post project plans and specifications on Civcast to generate interest for the project during the bidding process, provide information to and answer questions from potential bidders concerning the Project's construction documents and prepare addendums as necessary. The City will absorb costs associated to posting on Civcast.
- Conduct a pre-bid conference for potential bidders, including the preparation of the meeting agenda and preparing a meeting minutes summary.
- Evaluate the bids and the qualifications of the apparent low bidders.
- Prepare a letter of recommendation advising the City as to the acceptability of the apparent low bidder.

### **III. CONSTRUCTION PHASE SERVICES**

#### **A. Basic Services – Construction Management**

- Act as the City's Project Representative during the construction phase.
- Review and respond accordingly to submittals as required by the contract specifications.
- Respond to RFI's and prepare change orders necessitated by field conditions.
- Review the contractor's pay estimates, evaluate the completion of work, and make payment recommendations to the City.
- Visit the site periodically to observe the progress and quality of executed work and to determine in general if such work is proceeding in accordance with the contract documents. Half-time site representation (construction observation) is not included as part of the Basic Services for Construction Management. Half-time representation is included in the Construction Phase - Special Services.
- HDR will not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor(s) or the safety precautions and programs incident to the work of the Contractor(s). HDR's effort will be directed toward providing a greater

degree of confidence for the City that the completed work of Contractor(s) will conform to the Contract Documents, but HDR will not be responsible for the failure of Contractor(s) to perform the work in accordance with the Contract Documents. During site visits HDR shall keep the City informed of the progress of the work, shall endeavor to guard the City against defects and deficiencies in such work and may disapprove or reject work failing to conform to the Contract Documents.

- Conduct a final review of the Project and make a recommendation for Final Payment on the Project.
- Engineer shall provide the City one electronic copy of record plans based on the drawings provided to the Engineer by the Contractor(s).
- A public meeting with residents is not included in this scope of services. If the City determines that a public meeting is warranted, HDR will perform such services under the existing on-going contract with the City.
- HDR anticipates that construction will take approximately two and one half (2.5) months to complete and has therefore based the lump sum fee on a level of effort to complete the above tasks for this duration.

#### **B. Special Services – Construction Observation Phase Services and Material Testing**

##### **1. Material Testing**

- Construction materials testing is included in this proposal as a budgetary item only. It is anticipated that PaveTex Engineering, LLC will be utilized as a subcontractor to HDR to perform the testing services.

##### **2. Half-Time Site Representation Services**

- Provide one construction observer (on-site representative) to observe the daily progress of construction activities and to assist in the interpretation of plans and specifications. The estimated construction duration for the project will be two and one half (2.5) months. The on-site representative will be on site an average of 20 hours a week for the project.
- Provide support to the on-site representative through supervisory and administrative services.
- Provide engineering and technical office personnel support throughout construction. This is to attend project progress meetings, provide on-site support to address Contractor's questions, resident's concerns and conflict issues.

- In the event of rain days where construction may be hindered or stopped, the representative will be on-site long enough to verify that inclement weather has occurred and the associated impact on the Contractor and construction.
- The on-site representative shall maintain daily reports.
- The on-site representative will coordinate with the Contractor's representative to estimate quantities installed on the project. The on-site representative will review the Contractor's quantity measurements prior to HDR's project manager processing the Contractor's periodic monthly payment request.
- The on-site representative will aid in the coordination of activities of the testing laboratory.
- The on-site representative will coordinate with the City and the Contractor for construction scheduling, resident notification, and complaints.
- The on-site representative will assist in the performance of a final inspection, the preparation of a punch list and subsequent follow up reviews.
- The on-site representative will assemble and maintain notes, comments, sketches, and supporting data related to the project in order to assist in the preparation of record drawings.
- HDR will process daily reports and other administrative office duties.
- HDR will track and document costs associated with the work.
- The on-site representative will be provided in an effort to aid in the process of observing performance of work of the Contractor(s). Through more extensive on-site observations of the work in progress, HDR shall endeavor to provide further protection for the City against defects and deficiencies in the work of the contractor(s); but the furnishing of such on-site representative will not make HDR responsible for construction means, methods, techniques, sequences or procedures or safety precautions or programs, or for Contractor(s) failure to perform their work in accordance with the Contract Documents.

#### **ADDITIONAL SERVICES**

- "Additional Services" shall only be performed when directed by the City to HDR. These services are not considered normal or customary engineering services.

- Services resulting from significant changes in the Project or its design, including but not limited to, changes in size, complexity, the City's schedule, or character of construction or method of financing; and revising previously accepted studies, reports design documents or Contract Documents when such revisions are due to causes beyond HDR's control.
- Preparing documents for alternate bids outside of the original scope requested by the City or documents for out of sequence work.
- Preparing to serve or serving as a consultant or witness for the City in any litigation, public hearing or other legal or administrative proceeding involving the Project.
- Additional or extended services during construction made necessary by (1) work damaged by fire or other cause during construction, (2) a significant amount of defective or neglected work of Contractor(s), (3) prolongation of the construction contract time, (4) acceleration of the progress schedule involving services beyond normal working hours and (5) default of Contractor.
- HDR will endeavor to appraise the City of any potential additional or extended services that may result from the above listed items, prior to HDR's expenditure of time on such services. As previously noted, any such extended or additional services shall only be performed when directed by the City to HDR.

#### **FEE SCHEDULE**

HDR will submit monthly invoices with status reports for all engineering work completed to invoice date. Please be aware that these fees are based on performing all improvement design as a single project. The fees presented in this section reflect a combined effort to perform all proposed work at one time as a single project. If the project is reduced the proposed fees will need to be adjusted accordingly to reflect the cost of performing engineering services on a smaller project. The invoices will be based on the following schedule:

<b><u>2020 Paving Improvements Project</u></b>	<b><u>Total Fees</u></b>
Design Phase (Lump Sum)	\$ 26,450.00
Bid Phase (Lump Sum)	\$ 5,600.00
Construction Management (Lump Sum)	\$ 13,400.00
Traffic Control (Lump Sum)	\$ 1,560.00
Storm Water Pollution Protection Plan (Lump Sum)	\$ 1,100.00
Geotechnical Services (Cost + 10%)	\$ 8,700.00

Urban Forestry Services (Cost + 10%)	\$ 5,400.00
Half-Time Site Observation (Not to Exceed) -Time & Materials	\$ 33,900.00
*Construction Material Testing (Not to Exceed) -Time & Materials	<u>\$ 9,000.00</u>
*Reimbursables (Reproduction (Cost Plus 10%) or Mileage at IRS Rate)	\$ 2,500.00

**2020 Paving Improvements Project \$107,610.00**

\*At this time the magnitude of these tasks are not known. Therefore budgetary amounts are provided. These figures may increase or decrease depending upon actual work required. If an increase becomes necessary it can be accomplished by utilizing available funds from other lines items that have under run or by contract amendment.

The total engineer opinion of total project cost is as follows:

Construction	\$ 449,650.00
Engineering	\$ 50,610.00
Subconsultants	\$ 23,100.00
Observation Fees	<u>\$ 33,900.00</u>
<b>Total Project Cost</b>	<b>\$ 557,260.00</b>

Public meetings addressing the Final Engineering or Construction phases and results other than at regular council meetings to Council is not included in this scope. In the event the City should desire a public meeting, (such as a Town Hall type meeting) HDR's services associated with such a meeting or meetings will be charge under the current on-going contract.

**SCHEDULE**

It is estimated that the schedule to accomplish the Design Phase is two (2) months from the date of authorization to proceed, the bid phase will be one (1) month, execution of the contract document will be one (1) month, and construction will take approximately two and one half (2.5) months.

**INVOICES**

All hourly charges shall be based on a raw labor rate times a multiplier of 3.18. Reimbursable expenses will be charged at cost plus 10%. Time and materials charges and additional services beyond those described in the Scope of Services will be invoiced on the basis of direct labor costs times a factor of 3.18 for office personnel and for field personnel and direct cost plus 10%. No additional services will be performed or invoiced without prior authorization from the City of Piney Point Village.

HDR appreciates the opportunity to submit this proposal and we look forward to continuing our work with the City of Piney Point Village.

Sincerely

HDR ENGINEERING, INC.

Acceptance: City of Piney Point Village, Texas

David Weston  
Vice President/Department Manager

By: \_\_\_\_\_

Date: \_\_\_\_\_

**2020 Paving Improvements Project**  
**City of Piney Point Village**  
HDR Job No. 20-004

**OPINION OF PROBABLE CONSTRUCTION COSTS**

Item	Item Description	Unit	Quantity	Unit Price	Cost
<b>PAVING ITEMS</b>					
1	Flexible pavement header, complete in place, the sum of:	L.F.	135	<b>\$20.00</b>	<b>\$2,700.00</b>
2	Recycled Cement Stabilized Base Course, 8" minimum depth, including the removal of any excess material and Microcracking of stabilized base, complete in place, the sum of:	S.Y.	5,550	<b>\$14.00</b>	<b>\$77,700.00</b>
3	Cement for Base Course (8% by weight), complete in place, the sum of:	TON	162	<b>\$185.00</b>	<b>\$29,970.00</b>
4	2" Type D HMAC overlay, complete in place, the sum of:	S.Y.	5,070	<b>\$13.75</b>	<b>\$69,712.50</b>
5	Prime Coat, complete in place, the sum of:	GAL	2,150	<b>\$3.00</b>	<b>\$6,450.00</b>
6	2" Type D HMAC overlay for asphalt point repairs, complete in place, the sum of:	S.Y.	505	<b>\$30.00</b>	<b>\$15,150.00</b>
7	8" Type A HMAC Black Base, complete in place, the sum of:	S.Y.	565	<b>\$70.00</b>	<b>\$39,550.00</b>
8	Remove and dispose of existing asphalt pavement and base material, complete in place, the sum of:	S.Y.	565	<b>\$20.00</b>	<b>\$11,300.00</b>
9	Remove, reset, and restore existing wooden pedestrian bridge, complete in place, the sum of:	EA.	1	<b>\$3,000.00</b>	<b>\$3,000.00</b>
10	24" wide solid white Type I reflective pavement markers (thermoplastic), complete in place, the sum of:	L.F.	35	<b>\$20.00</b>	<b>\$700.00</b>
11	12" wide solid white Type I reflective pavement markers (thermoplastic), complete in place, the sum of:	L.F.	50	<b>\$10.00</b>	<b>\$500.00</b>
12	4" wide solid white Type I reflective pavement markers (thermoplastic), complete in place, the sum of:	L.F.	500	<b>\$8.00</b>	<b>\$4,000.00</b>
13	4" wide solid yellow Type I reflective pavement markers (thermoplastic), complete in place, the sum of:	L.F.	500	<b>\$8.00</b>	<b>\$4,000.00</b>
14	Traffic Control	L.S.	1	<b>\$30,000.00</b>	<b>\$30,000.00</b>
15	SWP3 Plan	L.S.	1	<b>\$4,000.00</b>	<b>\$4,000.00</b>
<b>Paving Items Total:</b>					<b>\$298,732.50</b>

<b>TREE PROTECTION ITEMS</b>					
16	Clearance prune, complete in place, the sum of:	EA.	30	<b>\$300.00</b>	<b>\$9,000.00</b>
17	Tree protection fence, complete in place, the sum of:	L.F.	650	<b>\$7.00</b>	<b>\$4,550.00</b>
<b>Tree Protection Items Total:</b>					<b>\$13,550.00</b>
<b>SUPPLEMENTAL ITEMS</b>					
18	8" Type A HMAC Black Base, complete in place, the sum of:	S.Y.	200	<b>\$70.00</b>	<b>\$14,000.00</b>
19	Extra Aggregate, complete in place, the sum of:	C.Y.	800	<b>\$20.00</b>	<b>\$16,000.00</b>
20	Bank sand, complete in place, the sum of:	C.Y.	40	<b>\$15.00</b>	<b>\$600.00</b>
<b>Supplemental Items Total:</b>					<b>\$30,600.00</b>
<b>Paving Items Total:</b>					<b>\$298,732.50</b>
<b>Tree Protection Items Total:</b>					<b>\$13,550.00</b>
<b>Supplemental Items Total:</b>					<b>\$30,600.00</b>
<b>Total Construction Cost:</b>					<b>\$342,882.50</b>
<b>Contingency (30%):</b>					<b>\$102,865.00</b>
<b>Opinion of Probable Construction Cost:</b>					<b>\$445,750.00</b>

*These estimates are presented for planning purposes only and are subject to change as the project progresses. The unit prices reflect our engineer's opinion of unit prices based on historical data from similar projects already bid in the area and do not include inflation costs.*

**Grecian Way Repaving**  
**City of Piney Point Village**  
HDR Job No. 20-004

**OPINION OF PROBABLE CONSTRUCTION COSTS**

**Asphalt Reclamation**

Item	Item Description	Unit	Quantity	Unit Price	Cost
<b>PAVING ITEMS</b>					
1	Flexible pavement header, complete in place, the sum of:	L.F.	25	\$20.00	\$500.00
2	Recycled Cement Stabilized Base Course, 8" minimum depth, including the removal of any excess material and Microcracking of stabilized base, complete in place, the sum of:	S.Y.	1,150	\$14.00	\$16,100.00
3	Cement for Base Course (8% by weight), complete in place, the sum of:	TON	34	\$185.00	\$6,290.00
4	2" Type D HMA overlay, complete in place, the sum of:	S.Y.	1,050	\$13.75	\$14,437.50
5	Prime Coat, complete in place, the sum of:	GAL	403	\$3.00	\$1,209.00
6	24" wide solid white Type I reflective pavement markers (thermoplastic), complete in place, the sum of:	L.F.	10	\$20.00	\$200.00
7	12" wide solid white Type I reflective pavement markers (thermoplastic), complete in place, the sum of:	L.F.	50	\$10.00	\$500.00
8	Traffic Control	L.S.	1	\$2,000.00	\$2,000.00
9	SWP3 Plan	L.S.	1	\$1,000.00	\$1,000.00
<b>Paving Items Total:</b>					<b>\$42,236.50</b>
<b>TREE PROTECTION ITEMS</b>					
10	Clearance prune, complete in place, the sum of:	EA.	5	\$300.00	\$1,500.00
11	Tree protection fence, complete in place, the sum of:	L.F.	150	\$7.00	\$1,050.00
<b>Tree Protection Items Total:</b>					<b>\$2,550.00</b>
<b>SUPPLEMENTAL ITEMS</b>					
12	8" Type A HMA Black Base, complete in place, the sum of:	S.Y.	50	\$70.00	\$3,500.00
13	Extra Aggregate, complete in place, the sum of:	C.Y.	200	\$20.00	\$4,000.00
14	Bank sand, complete in place, the sum of:	C.Y.	10	\$15.00	\$150.00
<b>Supplemental Items Total:</b>					<b>\$7,650.00</b>
<b>Paving Items Total:</b>					<b>\$42,236.50</b>
<b>Tree Protection Items Total:</b>					<b>\$2,550.00</b>
<b>Supplemental Items Total:</b>					<b>\$7,650.00</b>
<b>Total Construction Cost:</b>					<b>\$52,436.50</b>
<b>Contingency (30%):</b>					<b>\$15,731.00</b>
<b>Opinion of Probable Construction Cost:</b>					<b>\$68,170.00</b>

*These estimates are presented for planning purposes only and are subject to change as the project progresses. The unit prices reflect our engineer's opinion of unit prices based on historical data from similar projects already bid in the area and do not include inflation costs.*

**Grecian Way Repaving**  
**City of Piney Point Village**  
HDR Job No. 20-004

**OPINION OF PROBABLE CONSTRUCTION COSTS**

**Milling and Overlay Replacement**

Item	Item Description	Unit	Quantity	Unit Price	Cost
<b>PAVING ITEMS</b>					
1	2" Milling of existng asphalt pavement, including hauling and proper disposal, complete in place, the sum of:	S.Y.	1,050	\$10.00	\$10,500.00
2	2" Type D HMAc overlay, complete in place, the sum of:	S.Y.	1,050	\$13.75	\$14,437.50
3	Prime Coat, complete in place, the sum of:	GAL	403	\$3.00	\$1,209.00
4	24" wide solid white Type I reflective pavement markers (thermoplastic), complete in place, the sum of:	L.F.	10	\$20.00	\$200.00
5	12" wide solid white Type I reflective pavement markers (thermoplastic), complete in place, the sum of:	L.F.	50	\$10.00	\$500.00
6	Traffic Control	L.S.	1	\$1,000.00	\$1,000.00
7	SWP3 Plan	L.S.	1	\$500.00	\$500.00
<b>Paving Items Total:</b>					<b>\$28,346.50</b>
<b>TREE PROTECTION ITEMS</b>					
8	Clearance prune, complete in place, the sum of:	EA.	5	\$300.00	\$1,500.00
9	Tree protection fence, complete in place, the sum of:	L.F.	150	\$7.00	\$1,050.00
<b>Tree Protection Items Total:</b>					<b>\$2,550.00</b>
<b>SUPPLEMENTAL ITEMS</b>					
10	8" Type A HMAc Black Base, complete in place, the sum of:	S.Y.	100	\$70.00	\$7,000.00
11	Bank sand, complete in place, the sum of:	C.Y.	10	\$15.00	\$150.00
<b>Supplemental Items Total:</b>					<b>\$7,150.00</b>
<b>Paving Items Total:</b>					<b>\$28,346.50</b>
<b>Tree Protection Items Total:</b>					<b>\$2,550.00</b>
<b>Supplemental Items Total:</b>					<b>\$7,150.00</b>
<b>Total Construction Cost:</b>					<b>\$38,046.50</b>
<b>Contingency (30%):</b>					<b>\$11,414.00</b>
<b>Opinion of Probable Construction Cost:</b>					<b>\$49,470.00</b>

*These estimates are presented for planning purposes only and are subject to change as the project progresses. The unit prices reflect our engineer's opinion of unit prices based on historical data from similar projects already bid in the area and do not include inflation costs.*

**Grecian Way Repaving**  
**City of Piney Point Village**  
HDR Job No. 20-004

**OPINION OF PROBABLE CONSTRUCTION COSTS**

**2" HMAC Overlay**

Item	Item Description	Unit	Quantity	Unit Price	Cost
<b>PAVING ITEMS</b>					
1	2" Type D HMAC overlay, complete in place, the sum of:	S.Y.	1,050	<b>\$13.75</b>	<b>\$14,437.50</b>
2	Prime Coat, complete in place, the sum of:	GAL	403	<b>\$3.00</b>	<b>\$1,209.00</b>
3	24" wide solid white Type I reflective pavement markers (thermoplastic), complete in place, the sum of:	L.F.	10	<b>\$20.00</b>	<b>\$200.00</b>
4	12" wide solid white Type I reflective pavement markers (thermoplastic), complete in place, the sum of:	L.F.	50	<b>\$10.00</b>	<b>\$500.00</b>
5	Traffic Control	L.S.	1	<b>\$1,000.00</b>	<b>\$1,000.00</b>
6	SWP3 Plan	L.S.	1	<b>\$500.00</b>	<b>\$500.00</b>
<b>Paving Items Total:</b>					<b>\$17,846.50</b>
<b>TREE PROTECTION ITEMS</b>					
7	Clearance prune, complete in place, the sum of:	EA.	5	<b>\$300.00</b>	<b>\$1,500.00</b>
8	Tree protection fence, complete in place, the sum of:	L.F.	150	<b>\$7.00</b>	<b>\$1,050.00</b>
<b>Tree Protection Items Total:</b>					<b>\$2,550.00</b>
<b>SUPPLEMENTAL ITEMS</b>					
9	8" Type A HMAC Black Base, complete in place, the sum of:	S.Y.	100	<b>\$70.00</b>	<b>\$7,000.00</b>
10	Bank sand, complete in place, the sum of:	C.Y.	10	<b>\$15.00</b>	<b>\$150.00</b>
<b>Supplemental Items Total:</b>					<b>\$7,150.00</b>
<b>Paving Items Total:</b>					<b>\$17,846.50</b>
<b>Tree Protection Items Total:</b>					<b>\$2,550.00</b>
<b>Supplemental Items Total:</b>					<b>\$7,150.00</b>
<b>Total Construction Cost:</b>					<b>\$27,546.50</b>
<b>Contingency (30%):</b>					<b>\$8,264.00</b>
<b>Opinion of Probable Construction Cost:</b>					<b>\$35,820.00</b>

*opinion of unit prices based on historical data from similar projects already bid in the area and do not include inflation costs.*

**Maggie Lane Repaving**  
**City of Piney Point Village**  
HDR Job No. 20-004

**OPINION OF PROBABLE CONSTRUCTION COSTS**

**Asphalt Reclamation**

Item	Item Description	Unit	Quantity	Unit Price	Cost
<b>PAVING ITEMS</b>					
1	Flexible pavement header, complete in place, the sum of:	L.F.	20	\$20.00	\$400.00
2	Recycled Cement Stabilized Base Course, 8" minimum depth, including the removal of any excess material and Microcracking of stabilized base, complete in place, the sum of:	S.Y.	950	\$14.00	\$13,300.00
3	Cement for Base Course (8% by weight), complete in place, the sum of:	TON	28	\$185.00	\$5,180.00
4	2" Type D HMA overlay, complete in place, the sum of:	S.Y.	870	\$13.75	\$11,962.50
5	Prime Coat, complete in place, the sum of:	GAL	335	\$3.00	\$1,005.00
6	24" wide solid white Type I reflective pavement markers (thermoplastic), complete in place, the sum of:	L.F.	10	\$20.00	\$200.00
7	Traffic Control	L.S.	1	\$2,000.00	\$2,000.00
8	SWP3 Plan	L.S.	1	\$1,000.00	\$1,000.00
<b>Paving Items Total:</b>					<b>\$35,047.50</b>
<b>TREE PROTECTION ITEMS</b>					
9	Clearance prune, complete in place, the sum of:	EA.	5	\$300.00	\$1,500.00
10	Tree protection fence, complete in place, the sum of:	L.F.	200	\$7.00	\$1,400.00
<b>Tree Protection Items Total:</b>					<b>\$2,900.00</b>
<b>SUPPLEMENTAL ITEMS</b>					
11	8" Type A HMA Black Base, complete in place, the sum of:	S.Y.	50	\$70.00	\$3,500.00
12	Extra Aggregate, complete in place, the sum of:	C.Y.	200	\$20.00	\$4,000.00
13	Bank sand, complete in place, the sum of:	C.Y.	10	\$15.00	\$150.00
<b>Supplemental Items Total:</b>					<b>\$7,650.00</b>
<b>Paving Items Total:</b>					<b>\$35,047.50</b>
<b>Tree Protection Items Total:</b>					<b>\$2,900.00</b>
<b>Supplemental Items Total:</b>					<b>\$7,650.00</b>
<b>Total Construction Cost:</b>					<b>\$45,597.50</b>
<b>Contingency (30%):</b>					<b>\$13,680.00</b>
<b>Opinion of Probable Construction Cost:</b>					<b>\$59,280.00</b>

*These estimates are presented for planning purposes only and are subject to change as the project progresses. The unit prices reflect our engineer's opinion of unit prices based on historical data from similar projects already bid in the area and do not include inflation costs.*

**Maggie Lane Repaving**  
**City of Piney Point Village**  
HDR Job No. 20-004

**OPINION OF PROBABLE CONSTRUCTION COSTS**

**Milling and Overlay Replacement**

Item	Item Description	Unit	Quantity	Unit Price	Cost
<b>PAVING ITEMS</b>					
1	2" Milling of existng asphalt pavement, including hauling and proper disposal, complete in place, the sum of:	S.Y.	870	\$10.00	\$8,700.00
2	2" Type D HMAC overlay, complete in place, the sum of:	S.Y.	870	\$13.75	\$11,962.50
3	Prime Coat, complete in place, the sum of:	GAL	335	\$3.00	\$1,005.00
4	24" wide solid white Type I reflective pavement markers (thermoplastic), complete in place, the sum of:	L.F.	10	\$20.00	\$200.00
5	Traffic Control	L.S.	1	\$1,000.00	\$1,000.00
6	SWP3 Plan	L.S.	1	\$500.00	\$500.00
<b>Paving Items Total:</b>					<b>\$23,367.50</b>
<b>TREE PROTECTION ITEMS</b>					
7	Clearance prune, complete in place, the sum of:	EA.	5	\$300.00	\$1,500.00
8	Tree protection fence, complete in place, the sum of:	L.F.	200	\$7.00	\$1,400.00
<b>Tree Protection Items Total:</b>					<b>\$2,900.00</b>
<b>SUPPLEMENTAL ITEMS</b>					
9	8" Type A HMAC Black Base, complete in place, the sum of:	S.Y.	50	\$70.00	\$3,500.00
10	Bank sand, complete in place, the sum of:	C.Y.	10	\$15.00	\$150.00
<b>Supplemental Items Total:</b>					<b>\$3,650.00</b>
<b>Paving Items Total:</b>					<b>\$23,367.50</b>
<b>Tree Protection Items Total:</b>					<b>\$2,900.00</b>
<b>Supplemental Items Total:</b>					<b>\$3,650.00</b>
<b>Total Construction Cost:</b>					<b>\$29,917.50</b>
<b>Contingency (30%):</b>					<b>\$8,976.00</b>
<b>Opinion of Probable Construction Cost:</b>					<b>\$38,900.00</b>

*These estimates are presented for planning purposes only and are subject to change as the project progresses. The unit prices reflect our engineer's opinion of unit prices based on historical data from similar projects already bid in the area and do not include inflation costs.*

**Maggie Lane Repaving**  
**City of Piney Point Village**  
HDR Job No. 20-004

**OPINION OF PROBABLE CONSTRUCTION COSTS**

**2" HMAC Overlay**

Item	Item Description	Unit	Quantity	Unit Price	Cost
<b>PAVING ITEMS</b>					
1	2" Type D HMAC overlay, complete in place, the sum of:	S.Y.	870	<b>\$13.75</b>	<b>\$11,962.50</b>
2	Prime Coat, complete in place, the sum of:	GAL	335	<b>\$3.00</b>	<b>\$1,005.00</b>
3	24" wide solid white Type I reflective pavement markers (thermoplastic), complete in place, the sum of:	L.F.	10	<b>\$20.00</b>	<b>\$200.00</b>
4	Traffic Control	L.S.	1	<b>\$1,000.00</b>	<b>\$1,000.00</b>
5	SWP3 Plan	L.S.	1	<b>\$500.00</b>	<b>\$500.00</b>
<b>Paving Items Total:</b>					<b>\$14,667.50</b>
<b>TREE PROTECTION ITEMS</b>					
6	Clearance prune, complete in place, the sum of:	EA.	5	<b>\$300.00</b>	<b>\$1,500.00</b>
7	Tree protection fence, complete in place, the sum of:	L.F.	200	<b>\$7.00</b>	<b>\$1,400.00</b>
<b>Tree Protection Items Total:</b>					<b>\$2,900.00</b>
<b>SUPPLEMENTAL ITEMS</b>					
8	8" Type A HMAC Black Base, complete in place, the sum of:	S.Y.	50	<b>\$70.00</b>	<b>\$3,500.00</b>
9	Bank sand, complete in place, the sum of:	C.Y.	10	<b>\$15.00</b>	<b>\$150.00</b>
<b>Supplemental Items Total:</b>					<b>\$3,650.00</b>
<b>Paving Items Total:</b>					<b>\$14,667.50</b>
<b>Tree Protection Items Total:</b>					<b>\$2,900.00</b>
<b>Supplemental Items Total:</b>					<b>\$3,650.00</b>
<b>Total Construction Cost:</b>					<b>\$21,217.50</b>
<b>Contingency (30%):</b>					<b>\$6,366.00</b>
<b>Opinion of Probable Construction Cost:</b>					<b>\$27,590.00</b>

*These estimates are presented for planning purposes only and are subject to change as the project progresses. The unit prices reflect our engineer's opinion of unit prices based on historical data from similar projects already bid in the area and do not include inflation costs.*

**Grecian Way & Maggie Lane Options OPCC**  
**City of Piney Point Village**  
HDR Job No. 20-004

**OPINION OF PROBABLE CONSTRUCTION COSTS**

<b>SUMMARY</b>					
	<b>HMAC Reclamation</b>	<b>Mill &amp; Overlay</b>		<b>Overlay Only</b>	
	<b>OPCC</b>	<b>OPCC</b>	<b>Savings</b>	<b>OPCC</b>	<b>Savings</b>
<b>Grecian Way</b>	<b>\$68,170.00</b>	<b>\$49,470.00</b>	<b>\$18,700.00</b>	<b>\$35,820.00</b>	<b>\$32,350.00</b>
<b>Maggie Lane</b>	<b>\$59,280.00</b>	<b>\$38,900.00</b>	<b>\$20,380.00</b>	<b>\$27,590.00</b>	<b>\$31,690.00</b>







Grecian Way







Google

Arrowood Cir





## Engineer's Status Report

City of Piney Point Village

HDR Engineering, Inc.

City Council Meeting Date: May 18, 2020

### 1. Surrey Oaks Paving & Drainage Improvements

RAC Industries is continuing to make progress on the Surrey Oaks Paving & Drainage Improvements Project. The Contractor has completed the installation of the 30-inch storm sewer underneath the north side of Surrey Oaks Lane from North Piney Point Road to 11302 Surrey Oaks (Phases 1-3) and has completed the installation of all storm sewer laterals, inlets, and yard drain connections in the right-of-way for Phases 2 and 3. To date the Contractor has also poured the concrete pavement for Phase 3. This week the Contractor is working on yard drain connections as well as forming driveways and walkways on both Phase 2 & 3.

The City originally requested that the Contractor reorder construction Phases 4 and 5 and that the Contractor immediately begin work on Phase 5 after completion of Phase 3. However, it was determined that completion of the drainage improvements on Phase 5 prior to Phase 4 would leave the existing drainage system on the south side of the street disconnected from the new drainage system. Therefore, the Contractor will begin construction on Phase 4 immediately after Phase 3. Below is a graphic to illustrate the approximate limits of the construction phases:



The Contractor has submitted a revised schedule to HDR and appears to be on track to meet it. HDR will continue to monitor the Contractor's schedule, which has improved from Phase 2, and will coordinate with the Contractor and City with updates as appropriate.

### 2. Beinhorn Drainage & Sidewalk Improvements Project

T Construction continues to make progress on storm sewer installation along Beinhorn west from Hedwig Road. The Contractor has installed the concrete junction box at the Beinhorn Road and Hedwig Road intersection and has installed approximately 250-feet of storm sewer to 11101 Beinhorn. As requested by the City, HDR will coordinate with the Contractor



to determine if it is possible to install sections of sidewalk as storm sewer installation progresses to make up for schedule delays encountered at the beginning of the project.

HDR has continued to coordinate with CenterPoint Energy, who has been working to complete gas line relocations ahead of the Contractor's work to avoid conflicts with the proposed storm sewer. To date, CenterPoint has completed gas main relocations at Grecian Way, Hacienda, and Marchmont, along with individual residential gas line services. CenterPoint is now in the process of preparing plans for approval to relocate the gas main further south along Grecian Way.

This week the Contractor will continue to install storm sewer and inlets along Beinhorn towards Grecian Way.

### **3. Wilding Lane Drainage & Paving Improvements Project**

Direction was given at the February Council Meeting to proceed with the final design plans for an 18-foot wide asphalt road with 2-feet of aggregate material on either side of the roadway for parking. The final design phase was anticipated to take four months to complete. HDR has completed internal QC reviews on the final design and is in the process of addressing the comments from those reviews. Plans have also been submitted to private utility companies for review. Comments received from those reviews will be incorporated into the project plan set.

HDR anticipates presenting the final design and final Opinion of Probable Construction Costs at the June Council Meeting and will request permission to advertise and bid the project at the same meeting.

### **4. 2019 Maintenance Project (#2 White Pillars & various Concrete Point Repairs)**

HDR has performed a final walkthrough on the project and prepared a punch list of items for the Contractor to address. The Contractor has completed those punch list items.

City Council approved approximately \$70,000 of additional sidewalk repairs throughout the City to repair locations that were deemed as potential tripping hazards. These repairs will be added to the Maintenance Project as a change order. HDR has been coordinating with Bob Rivas, the Mayor, and the Contractor to assess the City's sidewalks, prepare quantities for the repairs, negotiate unit prices with the Contractor, and refine quantities using the Contractor's unit prices to repair the locations with the highest tripping hazard within the City's budget. A total of 120 locations of sidewalk throughout the City were identified with this criteria, and 41 of those locations will be included in this repair package. A change order for this additional work has been executed and HDR has marked the sidewalk locations in the field to be repaired. It is anticipated that the Contractor will start the work this week, weather permitting.



**5. Williamsburg and Jamestown Culvert Replacement, North Piney Point Road Rut Repairs, 10 Smithdale Estates Sinkhole Repair, and 11519 Wendover Sinkhole Repair.**

DonMar Grading previously reported a delay in the start date for the proposed improvements due to the effects of COVID-19 and has given HDR a revised start date for the end of May, weather permitting. HDR has coordinated with the Contractor to assign the following priorities for the work:

- a. Wendover Lane and Smithdale Estates Sinkhole Repairs
- b. North Piney Point Road Rut Repairs
- c. Williamsburg Culvert Replacement and Ditch Regrading
- d. Jamestown Culvert Replacement and Ditch Regrading

HDR will continue to coordinate with the Contractor and provide schedule updates for the remaining improvements to the City as they become available.

**6. Chuckanut Lane**

Drainage improvements along Chuckanut Lane were recommended as part of the 2018 Master Drainage Study Update due to the shallow ditch sections and inconsistent driveway culvert flow lines. The recommendations in the Drainage Study update included the installation of 24-inch diameter storm sewer and inlets on the whole street. Another option for drainage improvements on Chuckanut would be to regrade ditches and reset all driveway culverts.

Council approved a quote at the April Council meeting to obtain topographic survey of Chuckanut and the drainage easement at 239 Piney Point. The survey has since been completed and HDR will begin creating background drawings from the survey data in CADD once the data is received from the Surveyor. HDR anticipates having the background drawings completed and having prepared conceptual drainage solutions for Council discussion and consideration at the June Council meeting.

**7. 2020 Paving Improvements**

Council previously requested that HDR provide a proposal for engineering services on a paving improvements project that includes Arrowwood Circle, Maggie Lane, Grecian Way, and point repairs on South Piney Point Road and Memorial Drive.

A proposal for professional engineering services for the 2020 Paving Improvements project is presented in a separate agenda item. Also included in the separate agenda item are Opinions of Probable Construction Costs (OPCC) for multiple paving improvement options on Grecian Way and Maggie Lane.

**8. South Piney Point Road Guardrail**

Council previously approved a quote for the installation of a new guardrail by the newly planted crepe myrtles on the West side of S. Piney Point Road south of the Memorial intersection. Council also approved a quote for replacing a section of damage guardrail on the East side of S. Piney Point Road south of Carlton Park. These two guardrail installations were completed on Friday, May 8<sup>th</sup>.



## 9. Future Projects

At Council's request, HDR has identified multiple projects for the City to consider performing. The Master Drainage Study identified several drainage projects. Multiple cul-de-sac streets stemming off of the larger drainage projects the City has completed are good candidates for future drainage improvements projects as further outlined in the Master Drainage Study Update. An additional drainage project is the replacement of the 96-inch CMP along S. Piney Point Road.

### Drainage Improvements Projects:

The Master Drainage Study identified several drainage improvements projects. The City has already begun design on Wilding Lane and construction on Beinhorn Road, two projects identified in the Master Drainage Study. The additional list of projects as identified in the study are as follows:

**Table 11 – Projects with No Detention Required**

PROJECT DESCRIPTION	PROJECT CONSTRUCTION COST
Beinhorn Road (Southside)	\$ 610,390.00
Wilding Lane	\$ 1,141,135.00
Chuckanut Lane	\$ 388,215.00
N. Country Squire	\$ 322,400.00
S. Country Squire	\$ 340,210.00
Country Court	\$ 129,125.00
Memorial Drive (S. Country Squire to Wickline Ravine)	\$ 205,175.00
Tokeneke Trail to Claymore Road	\$ 172,935.00
Shadow Way	\$ 547,430.00
Total	\$ 3,857,015.00

**Table 12 – Projects with Detention Required**

PROJECT DESCRIPTION	PROJECT CONSTRUCTION COST
Blalock Road (east and west systems)	\$ 14,458,600.00
Lacewood Lane	\$ 803,010.00
Memorial Drive (Country Court to Tynewood Ditch)	\$ 630,475.00
Wilding Lane Bypass (Bothwell Way, Holidan Way, Wilding Lane)	\$ 1,773,400.00
Total	\$ 17,665,485.00

### Paving Improvement Projects:

In 2018 the City performed an update to the Street Condition Assessment Document which assigned a rating to each public street in the City. The following list was prepared based on the ratings provided in that document:

- Memorial Drive from San Felipe to Greenbay (Asphalt)
  - OPCC Asphalt Reclamation - \$933,500
  - OPCC Concrete Pavement - \$2,292,420
- S. Piney Point Road (Asphalt)



- OPCC Asphalt Reclamation - \$528,450
- OPCC Concrete Pavement - \$1,079,315
- Arrowwood Circle (Asphalt)
- Grecian Way (Asphalt)
- Maggie Lane (Asphalt)
- Lanecrest (Asphalt)
- North and South Country Squire (Concrete)
- Crack Sealing on Various Streets

**14. Current Anticipated Piney Point Project Schedules:**

*The following is a summary of anticipated project schedules for projects in various phases throughout the City. Please be aware that the schedules are approximate and subject to the weather, utility company reviews, City and County reviews, and other unforeseen circumstances that may develop as each project progresses. HDR will submit an updated schedule with each engineer's report.*

- **Surrey Oaks Paving & Drainage Improvements**
  - Anticipated Schedule –
    - Construction Notice to Proceed – November 18<sup>th</sup> 2019
    - Phase 1 (North Piney Point Road at Surrey Oaks) – Complete
    - Phase 2 (Northwest quarter of street) – Complete
    - Phase 3 (Northeast quarter of street) - 3/25/20 to 5/21/20
    - Phase 4 (Southeast quarter of street) – 5/22/20 to 6/26/20
    - Phase 5 (Southwest quarter of street) – 6/26/20 to 7/31/20
    - Construction Contract Expiration Date – July 14, 2020
- **Beinhorn Drainage & Sidewalk Improvements Project**
  - Anticipated Schedule –
    - Townhall Pre-Construction Meeting – February 27<sup>th</sup> 6:30 PM City Hall
    - Construction Notice to Proceed – March 9<sup>th</sup>, 2020
    - Construction Completion Date – September 2020
- **Wilding Lane Drainage & Paving Improvements Project**
  - Anticipated Schedule –
    - Final Design Authorization: December Council Meeting
    - Final Design Completion: June 2020
    - Authorization and advertise for bidding: July 2020
    - Bid Opening: August 2020
    - Award and Contract Execution: September 2020
    - Construction Notice to Proceed: October 2020
    - Construction Completion Date: August 2021
- **2019 Maintenance Project (#2 White Pillars & Various Concrete Point Repairs)**
  - Anticipated Schedule –
    - Award Contract – December 16, 2019
    - Construction Notice to Proceed – February 2020
    - Construction Completion Date – June 2020

**MINUTES  
THE CITY OF PINEY POINT VILLAGE  
REGULAR COUNCIL MEETING  
MONDAY, APRIL 27, 2020**

**THE CITY COUNCIL OF THE CITY OF PINEY POINT VILLAGE MET IN A REGULAR MEETING ON MONDAY, APRIL 27, 2020 AT 6:30 P.M. VIA ZOOM TO DISCUSS THE AGENDA ITEMS LISTED BELOW.**

**THE APRIL 27, 2020 6:30 P.M. MEETING WAS HELD VIRTUALLY THROUGH THE USE OF ZOOM. THE DIAL IN NUMBER: 884-841-6839**

**COUNCIL MEMBERS PRESENT:** Mayor Mark Kobelan, Joel Bender, Dale Dodds, Michael Herminghaus, Henry Kollenberg, Brian Thompson

**CITY STAFF:** Roger Nelson, City Administrator; Karen Farris, City Secretary; Annette Arriaga, Director of Planning & Development; David Olson, City Attorney; Joe Moore, City Engineer

**DECLARATION OF QUORUM AND CALL TO ORDER**

Mayor Kobelan called the meeting to order at 6:32 p.m.

**PLEDGE OF ALLEGIANCE**

**CITIZENS WISHING TO ADDRESS COUNCIL** – *At this time, any person with city-related business may speak to Council. In compliance with the Texas Open Meetings Act, if a member of the public comments or inquiries about a subject that is not specifically identified on the agenda, a member of Council or a Staff Member may only respond by giving a statement of specific factual information or by reciting existing policy. The City Council may not deliberate or vote on the matter.*

There were no citizens wishing to address Council.

**1. Discuss and take possible action on the MVPD monthly report**

Chief Schultz presented the monthly report.

- Budget – this year the MVPD has spent 22% of their budget; it should be at 25%, but this is primarily because of a vacancy. That vacancy has been filled.
- On March 27<sup>th</sup>, MVPD began supplementing staff with extra patrol during the COVID-19 pandemic issues. The officers are providing extra patrol coverage especially during the time when there are a lot of residents walking. The MVPD has seen an increase in the transient population. MVPD identified 2 locations of homeless camps near San Felipe, the bridge, and near the bayou.
- A robbery occurred on Smithdale. A search of the ALPR assisted with providing a license plate number and an address which enabled the police to locate the individual who committed the robbery.
- Due to the Corona Virus, MVPD placed 150 signs through-out the community notifying individuals of no soliciting
- During the month of March Piney Point had 1,635 calls. There were 1,371 house watches, 6 accidents, 9 emergency events with a response time of 3 minutes and

12 seconds. There were 62 police reports written, 1 crime against a person, and 21 crimes against property.

Chief Schultz clarified that the extra patrol consists of MVPD Police Officers and they are paid overtime. MVPD has applied for grant opportunities and reimbursement from the State and Federal governments as a result of COVID-19.

Chief Schultz also clarified that the homeless camps are on the Houston side of the bayou.

Chief Schultz added that the Budget is still in the construction phase. The personnel benefit cost is below 4%. The total budget is 4.4%. There will be additional budget discussion at the next Commission meeting.

**2. Discuss and take possible action on the VFD monthly report**

- a. Audit of 2019 Village Fire Department Financials
- b. Proposed Amendment to the 2019 Budget to reflect the results after the audit
- c. Consider moving \$115,864 from the Ambulance Building Fund to the General Fund
- d. 2021 Proposed VFD Budget

Commissioner Nash stated the VFD were submitting the Proposed 2021 Budget and Assessments per City; the General Fund Detail; the Capital Replacement Fund Detail; the Organizational Structure; and the Commissioners and Alternates.

Commissioner Nash explained that during the audit process it was discovered that the VFD was over budget in a couple of categories in 2019. VFD is requesting approval from the Cities to use the ambulance funds for the accounts that were over budget. The overage was in salaries and benefits.

Council Member Kollenberg made a motion to approve the VFD Amendment to the 2019 Budget to reflect the results after the audit; by utilizing the 2019 ambulance revenue to cover the \$115,864 shortage. Council Member Bender seconded the motion and it passed unanimously.

Commissioner Nash explained that the progress on the Fire Station has slowed with the onset of the Corona Virus. VFD will be meeting with the contractor by Zoom on May 13, 2020.

Commissioner Nash updated Council on the operational status of the VFD.

- The VFD is fully staffed
- A replacement fire engine is expected in September
- 3 ambulances in use; 1 is equipped in plastic which was used for Ebola cases, and it is being used as backup for Corona Virus issues
- VFD has had 66 Corona Virus incidents from March 20<sup>th</sup> – April 26<sup>th</sup>
- 2 department personnel tested positive for Corona Virus. 1 individual has returned to work and the other is still recovering

Council deferred the vote for the 2021 Proposed VFD to the next Council meeting.

Council thanked Commissioner Nash for his service as Chair on the Board of Commissioners.

3. **Discuss and take possible action on Towersource Small Cell Network Request**  
There were changes to their request. There was no discussion. This item was skipped.
4. **Discussion and take possible action on Sidewalk Improvements**  
Council considered sidewalk improvements. There are several sidewalks that have the potential to be tripping hazards. Council reviewed a list of sidewalks in need of repair. The City Engineer explained the sidewalk improvements could be included in the 2019 Maintenance Project by executing a Change Order. He added there will be approximately \$52,000 remaining in the current project. There was discussion regarding limitations and cost. The 2020 budget includes \$40,000 for Sidewalk Improvements. Council determined they would identify repairs needed not to exceed \$52,000. The City Engineer explained to begin the process would include taking measurements, prioritizing critical areas; and determine range and budget. Council Member Kollenberg made a motion to authorize the Mayor to execute a Change Order to the 2019 Maintenance Project for sidewalks in an amount not to exceed \$52,000. Council Member Bender seconded the motion and it passed unanimously.
5. **Discuss and take possible action on the Mayor's monthly report, including but not limited to:**
  - Landscaping Update – The previously approved Echo Lane project is a piece of property owned half by the City and half by the property owner. The property owner completed his part of the project by planting trees. The City will now do their part.
  - The Mayor reported that he visited the Federal American Grill on Friday. The restaurant was open with 30% capacity and observed social distancing, disposable menu's, and staff wearing personal protective equipment.
6. **Discuss and take possible action on the City Administrator's monthly report, including but not limited to:**
  - March 2020 Financials
  - There was discussion regarding how to re-open business during the COVID-19 pandemic. Currently everyone comes to work by shift. The City Administrator recommends everyone to return to work. The May 5<sup>th</sup> and 19<sup>th</sup> court dates can be pushed back to July. The Director of Planning & Development explained that permits are being issued for existing projects but not for new projects. She added pre-consulting can be done by Zoom or by appointment. The City Attorney stressed the need to resume a modified application process to address all the Governor's recommendations. There was discussion regarding how and when to bring employees back to work and the issue of people visiting the office. Council Member Bender made a motion to authorize the Mayor, outside of the Declaration to continue to work with City Staff to monitor City Hall. Council Member Thompson seconded the motion and it passed unanimously.

**7. Discuss and take possible action on additional costs for North Country Squire concrete point repair change order**

The City previously discussed a change order to the 2019 Maintenance Project to include an additional concrete point repair on North Country Squire. The Contractor has provided a new quote for the additional work. The cost increased. The City Engineer did a Construction Cost Comparison. The new quote remains less than other contractors. Council discussed the new quote versus repair of the sidewalks. Council determined to repair sidewalks and return to this repair on a later date.

Council Member Kollenberg amended the motion passed on Agenda Item #4 Sidewalk Improvements to, authorize the Mayor to enter into a Change Order for Sidewalks to the extent there is money which can be allocated from this project so it does not exceed the 25% Change Order requirement. Council Member Bender seconded the motion and it passed unanimously.

**8. Discuss and take possible action on quotes for guardrail on South Piney Point Road**

The City reported several instances in which southbound cars veer off S. Piney Point Road just south of Memorial running off the road and over multiple crepe myrtles before hitting a large oak tree. Another location of damaged guardrail is on S. Piney Point Road in the northbound direction between Carlton Park and the Buffalo Bayou bridge. HDR solicited quotes for the repair of the guardrail at both locations. The City Engineer recommends Council accept the quotes from ISI Contracting, Inc. for the repairs to the guardrails. Council Member Dodds made a motion to accept the quotes from ISI Contracting, Inc. to repair the guardrails at both locations. Council Member Thompson seconded the motion and it passed unanimously.

**9. Discuss and take possible action on the City Engineer's monthly report**

The City Engineer updated Council on the progress of Beinhorn Drainage & Sidewalk Improvements Project. There has not been a lot of activity. Center Point is resolving conflicts with their gas lines and should be finished by the time the Contractor gets to those locations. The Contractor has been off to a very slow start on this project due to issues with their work crew. The manufacturer of the junction boxes has also had delay's because they are working with reduced staff due to the Corona Virus. Notice to Proceed was issued on March 9, 2020. Issues with the Contractor have been resolved and the City should see some progress.

The City Engineer updated Council on the 2020 Paving Improvements. HDR will assess additional asphalt point repairs to this project at the next Council Meeting.

Council inquired about any problems or issues with the Surrey Oaks Paving & Drainage Improvement Project. The City Engineer said everything is moving along well. He will call the Contractor regarding the possibility of switching Phase 4 or Phase 5.

At 7:47 p.m. Council Member Herminghaus left the Council Meeting.

**10. Discuss and take possible action on the minutes of the March 30, 2020 Council meeting**

Council Member Dodds made a motion to approve the Minutes of the March 30, 2020 Council Meeting. Council Member Bender seconded the motion and it passed unanimously.

**Back to the Engineer's Report (item #8)**

The City Engineer reported they had just received a quote for the survey of Chuckanut Lane. The cost is approximately \$7,000. This was an item on the Engineer's Report. The agenda item was to discuss and take possible action on the City Engineer's Report. There was no one opposed to the Mayor moving forward with this survey. Council Member Kollenberg made a motion to authorize the Mayor to execute and accept the survey proposal not to exceed \$7,500. Council Member Bender seconded the motion and it passed unanimously.

**11. Discuss and take possible action on any future agenda items, meeting dates, etc.**

- Next Council Meeting is May 18, 2020
- Swear in Mayor and Council Members

Council Member Herminghaus returned to the Council Meeting at 7:51 pm

- Next Engineer Meeting is May 13, 2020
- MVPD and VFD Budgets

**Citizens Wishing to Address Council** – There was one Citizen Comment that was present during the meeting but missed the Citizens Wishing to Address Council at the beginning of the meeting.

- Ryan Harris, of Rob Ryan Construction thought he was on the agenda to discuss his issue. He recently built a home at 5 Memorial Point Lane. He missed the deadline for the Temporary Certificate of Occupancy because one of the nine items that needed to be completed had some issues and was not approved. The City Administrator will contact Mr. Harris to discuss.

**12. Adjourn**

Council Member Herminghaus made a motion to adjourn. Council Member Bender seconded the motion and it passed unanimously. The meeting adjourned at 8:01 p.m.

**PASSED AND APPROVED this 18th day of May 2020**

---

**Mark Kobelan**  
**Mayor**

---

**Karen Farris**  
**City Secretary**