



Stephenville City Council
Regular City Council Meeting
City Hall Council Chambers, 298 W. Washington
Tuesday, April 2, 2019 at 5:30 PM

Page

I.	CALL TO ORDER	
II.	PLEDGES OF ALLEGIANCE	
III.	INVOCATION BY BRIAN TARPY, CHRISTIAN REFORMED CHURCH	
IV.	REGULAR AGENDA	
	1. Citizens' General Discussion	
	2. Congenital Diaphragmatic Hernia Awareness Proclamation	
	3. Child Abuse Awareness Month, Sexual Assault Awareness Month, and Victims' Rights Week Proclamation	
V.	TOURISM AND VISITORS BUREAU COMMITTEE	
	Carla Trussell, Chair	
	1. Committee Report	5 - 11
	Committee Report 2019.03.19	
	2. Consider Hotel Occupancy Tax Fund Application - The Original Hico Texas Steak Cook-Off	
	3. Consider Hotel Occupancy Tax Fund Application - LJT Festival Shuttle Service	
	4. Consider Hotel Occupancy Tax Fund Application - TAAF State Volleyball Tournament	
	5. Consider Approval of Ordinance No. 2019-O-__ Establishing Guidelines for Filming in Stephenville, Texas	12 - 20
	2019-O-XX Film Friendly Ordinance	
VI.	PLANNING AND DEVELOPMENT SERVICES	
	1. Consider Approval of an Encroachment Agreement with HS Development Group	21 - 24
	Staff Report Encroachment Agreement HS Development	
	2. Consider an Agreement to Extend Water and Sewer Services to Twisted J	25 - 34
	Staff Report - Twisted J Sewer and Water Extension	
VII.	PLANNING AND ZONING COMMISSION	
	Jeremy Allen, Director of Development Services	
	1. Planning and Zoning Commission Report	35
	Staff Report	
	2. PUBLIC HEARING	36 - 40
	Case No: PD2019-002 - Consider a development plan for a PD " Planned Development District" zoning classification of Green Acres Addition, being Lots 2-21, Block 9, Green Acres Addition, City of Stephenville, Erath County, Texas	
	Staff Report - Planned Development - Green Acres Addition	

3. Consider Approval of Ordinance No. 2019-O-__ Planned Development Green Acres Addition 41
[2019-O-XX Rezone Planned Development District - Green Acres](#)
4. Consider Approval of Resolution No. 2019-R-__ Initiating the Abandonment of Wylie Street 42
[2019-R-XX Abandoning Wylie Street](#)
5. **PUBLIC HEARING** 43 - 60
Case No: PD2019-003 - Consider a development plan for a PD " Planned Development District" zoning classification for Lots Lot 1 and 3, Block 156, of the City Addition to the City of Stephenville, Erath County, Texas
[Staff Report - Planned Development - City Center Townhomes](#)
6. Consider Approval of Ordinance No. 2019-O-__ Planned Development City Center Townhomes 61
[2019-O-XX Rezone Planned Development District - City Center Townhomes](#)
7. **PUBLIC HEARING** 62 - 66
Public Hearing Case No. RZ2019-001: Applicant Tom Brooks is requesting a rezone of the property being Lot 1 & PT 2, Block 7 track of the Oak Tree Addition IV to the City of Stephenville, Erath County, Texas from Multi-Family Residential District (R-3) to Neighborhood Business District (B-1).
[Staff Report - Rezone Oak Tree Addition IV](#)
8. Consider Approval of Ordinance No. 2019-O-__ Rezone in Block 7 of the Oak Tree Addition IV 67
[2019-O-XX Rezone Oak Tree Addition B7](#)
9. **PUBLIC HEARING** 68 - 71
Public Hearing Case No. RZ2019-002: Applicant Gregory Fletcher is requesting a rezone of the property being Lot 46, 47,48, and 49, Block 76 track of the City Addition to the City of Stephenville, Erath County, Texas from Industrial District (I) to Retail and Commercial District (B-2).
[Staff Report - Rezone City Addition](#)
10. Consider Approval of Ordinance No. 2019-O-__ Rezone in Block 76 of the City Addition 72
[2019-O-XX Rezone City Addition B76](#)
11. **PUBLIC HEARING** 73 - 76
Public Hearing Case No. RZ2019-003: Applicant Gary Lloyd is requesting a rezone of the property being Lot 10, Block 1 track of the King Addition to the City of Stephenville, Erath County, Texas from Neighborhood Business (B-1) to Retail and Commercial District (B-2).
[Staff Report - Rezone King Addition](#)
12. Consider Approval of Ordinance No. 2019-O-__ Rezone in Block 1 of the King Addition 77
[2019-O-XX Rezone King Addition B1](#)
13. **PUBLIC HEARING** 78 - 81
Public Hearing Case No. RZ2019-004: Applicant Kam IP is requesting a rezone of the property being Lot 1, 1A, 2A, and PT 2B, Block 129 track of the City Addition to the City of Stephenville, Erath County, Texas from Neighborhood Business (B-1) to Retail and Commercial District (B-2).
[Staff Report - Rezone City Addition B129](#)

14.	Consider Approval of Ordinance No. 2019-O-___ in Block 129 of the City Addition 2019-O-XX Rezone City Addition B129	82
VIII.	PARKS AND LEISURE SERVICES COMMITTEE REPORT Sherry Zachery, Chair	
1.	Committee Report Parks and Leisure Services Committee Report 2019.03.19	83
2.	Consider Approval of a Lease Contract with Studio 6:14	
3.	Consider Approval of Expenditure for Senior Center HVAC Replacement	
IX.	PERSONNEL COMMITTEE Sherry Zachery, Chair	
1.	Committee Report Committee Report 2019.03.19	84
2.	Consider Approval of Landfill Superintendent Position	
X.	FINANCE COMMITTEE Mark McClinton, Chair	
1.	Committee Report Committee Report 2019.03.19	85 - 86
2.	Consider Acceptance of Fiscal Year 2017-2018 Audit FY 2017-2018 CAFR Final	87 - 231
3.	Consider Approval of Ordinance No. 2019-O-___ Amending the Fee Schedule 2019-O-XX Amend Fee Schedule	232 - 233
XI.	PUBLIC WORKS COMMITTEE Alan Nix, Chair	
1.	Committee Report Committee Report 2019.03.19	234 - 237
2.	Consider Approval of Resolution No. 2019-R-___ Authorizing the Filing of an Application for Financial Assistance for the Graham Avenue Project 2019-R-XX Graham Avenue Funding	238 - 239
XII.	PUBLIC HEALTH AND SAFETY COMMITTEE Brady Pendleton, Chair	
1.	Committee Report Committee Report 2019.03.19	240
2.	Consider Approval of Municipal Court Implementation and Personnel Expenditures	
XIII.	PLANNING AND DEVELOPMENT SERVICES COMMITTEE Brandon Huckabee, Chair	
1.	Committee Report Committee Report 2019.03.19	241 - 252
XIV.	MONTHLY BUDGET REPORT	

1.	Monthly Budget Report for the Period Ending February 28, 2019 Monthly Budget Report for the Period Ending February 28, 2019	253 - 266
XV.	STEPHENVILLE TYPE B ECONOMIC DEVELOPMENT AUTHORITY UPDATE Jeff Sandford, Executive Director	
XVI.	CONSENT	
1.	Approval of City Council Minutes Special City Council Meeting - 04 Mar 2019 Regular City Council Meeting - 05 Mar 2019 Special City Council Meeting - 19 Mar 2019	267 - 278
2.	Approval of Consumer Price Index Adjustment to Municipal Telecommunications Right-of-Way Access Line Rates 2019 Consumer Price Index (CPI) Adjustment to Municipal Telecommunications Right-of-Way Access Line Rates	279 - 280
3.	Approval of Ordinance No. 2019-O-__ Repealing 91.20 and 91.21 of the Code of Ordinances <i>Amendments to the International Fire Code</i> 2019-O-XX Amend Fire Protection Ordinance	281
4.	Approval of Resolution No. 2019-R-__ Authorizing the City's Membership in the Steering Committee of Cities Served by Oncor Staff Report - Oncor Steering Committee	282 - 290
XVII.	COMMENTS BY CITY MANAGER	
	<ul style="list-style-type: none"> • Last Day to Register to Vote - Thursday, April 4 • Early Voting Begins Monday, April 22 • Written Citizen Budget Requests due by April 22 • Special City Council Meeting and Council Committee Meetings - Tuesday, April 23 at 5:30 p.m. • Election Day - Saturday, May 5 - 7 a.m. to 7 p.m. • Regular City Council Meeting - Tuesday, May 7 at 5:30 p.m. • Canvassing of the May General Election / Reception for City Council - Tuesday, May 14 at 5:30 p.m. 	
XVIII.	COMMENTS BY COUNCIL MEMBERS	
XIX.	EXECUTIVE SESSION	
	In compliance with the provisions of the Texas Open Meetings Law, Subchapter D, Government Code, Vernon's Texas Codes, Annotated, in accordance with	
1.	Section 551.087 Deliberation Regarding Economic Development Negotiations <ul style="list-style-type: none"> • Project Blue • Project CS • Project Select • Project Deco 	
XX.	ACTION TAKEN ON ITEMS DISCUSSED IN EXECUTIVE SESSION (IF NECESSARY)	
XXI.	ADJOURN	

Regular City Council Meeting
COMMITTEE REPORT



MEETING: Regular City Council Meeting - 02 Apr 2019

Present: Carla Trussell, Sherry Zachery

Absent: Brady Pendleton

DEPARTMENT: Tourism and Visitors Bureau

STAFF CONTACT: Julie Smith

Hico Steak Cook-Off:

Carla Trussell mentioned that she had heard negative comments regarding our HOT funds being used outside of Stephenville.

Motion by Sherry Zachery to make a negative recommendation to council. Second by Carla Trussell.

Larry Joe Taylor Shuttle:

Martha Taylor said they wanted 3 designated hotel shuttles, with an estimated expense of \$2,500 per shuttle. Martha said she would commit one person per shuttle to record the number of passengers to/from the hotels.

Motion by Sherry Zachery to fund one shuttle in the amount of \$2500. Second by Carla Trussell.

TAAF Volleyball Tournament:

Jen Basham stated that CV Black was unable to make the meeting, but she felt that the amount had been increased because it was anticipated that participation would increase this year.

Motion by Sherry Zachery to fund the TAAF Volleyball Tournament in the amount of \$15,000. Second by Carla Trussell.

Film Friendly Texas:

Motion by Sherry Zachery to make a favorable recommendation to full council. Second by Carla Trussell.

ATTACHMENTS:

[Hico Steak Cookoff HOT Application](#)

[LJT Shuttle Funds Application 2019](#)

[Shuttle Service Outline](#)

[2019.03.07 - TAAF Application for May 31 - June 2nd](#)

2018 TOURISM FUNDS APPLICATION

Stephenville Tourism & Visitor Bureau ★ 254.552.1222

EVENT NAME: The Original Itico TX STEAK COOK OFF
Sponsor Organization or Business: _____
Status: Non-Profit For-Profit
Contact Person: Gary Bristel
Email: gbristel@itico-ind.net
Address: PO Box 335 Itico, TX 76457
Phone: 817-875-5059
Tax ID#: _____

For STVB Use Only	
# Years Funded:	_____
2017 Amount:	_____
2016 Amount:	_____
2015 Amount:	_____
2014 Amount:	_____

EVENT DESCRIPTION

Event Dates: May 17th - 19th
Event HOURS (Start & End Time each day): 10:00 - 8:00 pm
Location: Itico
Description of Event:
Steak cook off; wine festival

Is this an Annual Event that plans to remain in Stephenville? YES
How many years has the event been held? 16 Itico
Last year's estimated attendance (if applicable):
 Entries/Registrants 160 **Spectators** 9,000.00
Last year's estimated hotel nights reserved and # of nights: # Rooms 100+ # Nights 2
Total attendance expected this year:
 Entries/Registrants same **Spectators** same
Estimated hotel rooms that will be occupied and # of nights: # Rooms 100+ # Nights 2
Where do competitors/spectators come from?
Across the US

Are concessions available at event? Yes No **If so, who provides them?** vendors / vendors
How many event staff work at the event? 75 **# Local Hires** 0
How many volunteers work the event? 75
How will the event be advertised/promoted?
Print media / website / Radio

Amount Requested from STVB: \$ 2,500

Please indicate how funds will be spent:
Funds will be used to fund the cook off

2018 TOURISM FUNDS APPLICATION

Stephenville Tourism & Visitor Bureau ★ 254.552.1222

EVENT NAME: _____

Sponsor Organization or Business: _____

Status: Non-Profit For-Profit

Contact Person: _____

Email: _____

Address: _____

Phone: _____

Tax ID#: _____

For STVB Use Only
Years Funded: _____
2017 Amount: _____
2016 Amount: _____
2015 Amount: _____
2014 Amount: _____

EVENT DESCRIPTION

Event Dates: _____

Event Hours (Start & End Time each day): _____

Location: _____

Description of Event:

Is this an Annual Event that plans to remain in Stephenville? _____

How many years has the event been held? _____

Last year's estimated attendance (if applicable):

Entries/Registrants _____ **Spectators** _____

Last year's estimated hotel nights reserved and # of nights: # Rooms _____ # Nights _____

Total attendance expected this year:

Entries/Registrants _____ **Spectators** _____

Estimated hotel rooms that will be occupied and # of nights: # Rooms _____ # Nights _____

Where do competitors/spectators come from?

Are concessions available at event? Yes No **If so, who provides them?** _____

How many event staff work at the event? _____ **# Local Hires** _____

How many volunteers work the event? _____

How will the event be advertised/promoted?

Amount Requested from STVB: \$ _____

Please indicate how funds will be spent:



LARRY JOE TAYLOR FEST - Event Overview

- This will be our 31st Annual Larry Joe Taylor Texas Music Festival (18th year in Stephenville)
- This is a 6-day outdoor music event held at Melody Mountain Ranch, just outside of Stephenville
- Each year this event brings approximately 55,000-60,000 people from all over the nation 6 days of live music and camping
- We have 8 full time employees running our office, ranching and general operations for all of our company events, but for this event we hire an additional 150-200 staff who are responsible for ticketing, parking, merchandise, bartending, office administration, armed security, designated drivers, stage hands and general management and operations. The majority of our staff are local hires, including Tarleton students and off duty SPD and Erath Co. Sheriff officers.
- LJT Fest features over 60 bands, with acts such as Pat Green, Randy Rogers Band, Josh Abbott, Roger Creager, William Clark Green, Koe Wetzel, Mike Ryan, Randall King, Cody Johnson, and Larry Joe Taylor



Proposed Hotel Transportation Plan

1) Need for Transportation

- a. Camping is part of the traditional experience of LJT Fest, and every year over 4,000 campsites are reserved by fans who have been coming back for years. But we have hundreds of fans, artists and staff who stay in hotels during the week, so we block off approximately 50 hotel rooms for these folks. Without knowing exactly the number of hotel rooms booked for LJT Fest during the week, we estimate approximately 500 or more Stephenville hotel rooms are booked annually in April for this event.
- b. Our first priority is safety and with our attendance increasing each year, we are always looking for ways to improve our safety plans in all aspects. This will be our 3rd year of the #SafeLJT partnership campaign with Tarleton, we have made improvements to our security staff and surveillance systems, and we continue to work with Donnie Hill who operates the “Free Rides” Jesus Bus crew.
- c. With many of the folks drinking alcohol at the festival, we believe there is always a need for transportation to and from the event, and each year we hire 2-3 drivers and rent shuttles for sponsors, artists and VIP guests who need a ride to and from the event. With additional funding, we believe we could hire more shuttles and drivers to provide this same service to anyone staying at local hotels.

2) Proposed Transportation Plan – Similar to our Fall Festival event, we have never fully measured how many commuters used Lyft, our drivers, a limo or other means of transportation to our event in prior years, so measuring the number of trips to/from hotels and the event ahead of time is a similar challenge. However, with what we do know about the hotel rooms used for the event and the potential reach with advertising, we propose the following plan:

- a. We currently rent 2-3 shuttles and drivers for the week, each shuttle and driver costing about \$2500. We estimate \$10,000 would be a reasonable amount for 6 days, using up to \$8,500 of these funds for the shuttle services, and the remaining \$1,500 for promoting this service.
- b. Promotional materials would include social media ads, newspaper ads, radio ads, e-mailing lists (our newsletter email list contains approximately 30,000 people), magnetic signs identifying the vehicles as “Hotel Shuttle” on-site signage at hotels and the event. We plan to use local newspapers and radio stations for advance promotions, but we also want to reach out of town guests about this incentive through other sources.
- c. We did not use the additional \$1,500 of the \$3,000 that the City approved for the 2018 Rhymes & Vines event, so if this is still available, it could be applied towards the amount requested.

3) If funding is approved, we would need to do the following:

- a. Begin promotions immediately - design and distribute promotional material through social media, newsletter and local newspapers. Design hotel on-site material containing a schedule for hourly pick-ups. Ideas for signage include sandwich boards/large signs at each hotel with pick up times each day and magnetic signs for the shuttles with our logo and "HOTEL SHUTTLE".



- b. Organize a hotel routing schedule with the shuttle, picking up at each hotel every hour at some point – it would be helpful to know in advance from each hotel if they have guests who plan to utilize the shuttle for the event.
- c. Coordinate a pick-up and drop-off plan with the drivers at the event location so they know where to drop passengers off and pick them up at the event. The entrance and exit gates become very congested at peak hours, so we need to have a plan in place with designated areas for guests to wait for the shuttle. Designated drop off and pick up areas marked by signs and tents will help avoid confusion with guests, drivers, and event staff who are managing the exit lines.

Thank you all very much in advance for your time and consideration.

Sincerely,
The Taylor Family ~ Larry Joe, Sherry, Zack and Martha



2019

2018 TOURISM FUNDS APPLICATION

Stephenville Tourism & Visitor Bureau ★ 254.552.1222

EVENT NAME: TAAF Youth Volleyball State Tournament

Sponsor Organization or Business: Stephenville Parks and Recreation

Status: Non-Profit For-Profit

Contact Person: Cherisa Black

Email: cblack@stephenvilletx.gov

Address: 378 W. Long Stephenville, TX 76401

Phone: 254-413-8468

Tax ID#: _____

For STVB Use Only	
# Years Funded:	_____
2017 Amount:	_____
2016 Amount:	_____
2015 Amount:	_____
2014 Amount:	_____

EVENT DESCRIPTION

Event Dates: May 31-June 2nd

Event Hours (Start & End Time each day): May 31 4:00PM-7:00PM, June 1 8:00AM-4:00PM, June 2 8:00AM-5:00PM

Location: Stephenville High School, Henderson Junior High, Tarleton State Recreation Center, SPARD Rec Hall

Description of Event:

A youth volleyball tournament where teams from all over Texas compete to become the best in the state. Over 50 games will be played and reaching for over 30 teams to enter in the tournament. Outside officiating and scorekeeping staffs travel to Stephenville to work the tournament and stay the weekend in town. The state commissioner also travels to the event to stay the weekend.

Is this an Annual Event that plans to remain in Stephenville? No

How many years has the event been held? 2

Last year's estimated attendance (if applicable):

Entries/Registrants 300 **Spectators** 1000

Last year's estimated hotel nights reserved and # of nights: # Rooms 30 # Nights 2

Total attendance expected this year:

Entries/Registrants 500 **Spectators** 1500

Estimated hotel rooms that will be occupied and # of nights: # Rooms 50 # Nights 2

Where do competitors/spectators come from?

All over Texas. Cities include Georgetown, Greenville, College Station, Austin, Denton, Watauga, Texas City and more

Are concessions available at event? Yes No **If so, who provides them?** SPARD

How many event staff work at the event? 45 **# Local Hires** 15

How many volunteers work the event? 5

How will the event be advertised/promoted?

The event will be promoted through the TAAF website, social media and cities affiliated with TAAF will push it out via email and text to all of their local teams. It will also be advertised through SPARD's social media, email/text contact list, on the radio, newspaper and flyers.

Amount Requested from STVB: \$ 15,000

Please indicate how funds will be spent:

The funds will spent on the tournament fees associated with TAAF, the state commissioners stay, officiating/scorekeeping association, marketing, hospitality rooms for coaches and staff, and staff gear.

ORDINANCE NO. 2019-O-__

AN ORDINANCE OF THE CITY OF STEPHENVILLE, TEXAS ESTABLISHING GUIDELINES FOR FILMING IN STEPHENVILLE, TEXAS AND PROVIDING FOR AN EFFECTIVE DATE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS:

SECTION 1.

The City hereby adopts the guidelines for filming in Stephenville, Texas as set out in the attachment hereto, pages 1 through 5.

SECTION 2.

The City hereby adopts the application for commercial filming in Stephenville, Texas as set out in the attachment, hereto, pages 6 through 8.

SECTION 3.

This ordinance shall become effective upon its passage.

PASSED and APPROVED this 2nd day of April, 2019.

Doug Svien, Mayor

Attest:

Staci L. King, City Secretary

Reviewed by Allen L. Barnes,
City Administrator

Approved as to form and legality by
Randy Thomas, City Attorney

The following Filming Guidelines & Application are intended solely as a potential starting point for use by your legal counsel in crafting an appropriate final set of Filming Guidelines and Application for your municipal program. They may not be suitable for all situations and may even include guidelines which are unsuitable for your particular municipality. The Texas Film Commission does not endorse, guarantee, or warrant, either expressly or impliedly, the accuracy, completeness or timeliness of the following Filming Guidelines & Application Sample and it is provided "as is," without warranty of any kind. You are urged to consult legal counsel in the development, adoption and implementation of your Filming Guidelines and Application.

Guidelines for Filming in Stephenville, Texas

Revised 12-30-10

- I. Purpose
- II. City Control/City Manager Authority
- III. Permit Requirements and Fees
- IV. Application Fee
- V. Use of City Equipment and Personnel
- VI. Use of City-Owned Real Estate
- VII. Vehicles and Equipment
- VIII. Hours of Filming
- IX. Notification of Neighbors
- X. Certificate of Insurance
- XI. Damage to Public or Private Property
- XII. Hold Harmless Agreement

Guidelines for Filming in Stephenville, Texas

I. PURPOSE

The Guidelines contained in this policy are intended to create a program for promoting economic development activity within **Stephenville** and the vicinity of the City. The following Guidelines are also intended to protect the personal and property rights of **Stephenville**, Texas residents and businesses, and to promote the public health, safety and welfare. The City Manager reserves the right to impose additional regulations in the interest of public health, safety and welfare, or if otherwise deemed appropriate by the City Manager.

These Guidelines cover requests for commercial use of City-owned property (including but not limited to streets, rights-of-way, parks, and/or public buildings), commercial use of private property which may affect adjacent public or private property, and the use of City equipment and personnel in all types of motion picture production, including, but not limited to, feature films, television programs, commercials, music videos and corporate films.

II. CITY CONTROL/CITY MANAGER AUTHORITY

The City Manager may authorize the use of any street, right-of-way, park, or public building, equipment or personnel for commercial uses in the filming or taping of movies, television programs, commercials, or training films and related activities. In conjunction with these uses, the City Manager may require that any or all of the conditions and/or remuneration herein and as specified on the application be met as a prerequisite to that use.

The Applicant agrees that the City of **Stephenville** shall have exclusive authority to grant the Applicant the use of public streets, rights-of-way, parks and public buildings of the City, as well as authority to regulate the hours of production and the general location of the production. The City reserves the full and absolute right to prohibit all filming or to order cessation of filming in order to promote the public health, safety or welfare.

The Applicant shall allow City departments (e.g., Police, Fire, Building) to inspect all structures, property, devices and equipment to be used in connection with the filming and taping, as deemed appropriate by the City Manager.

III. PERMIT REQUIREMENTS

Before filing an application for filming in **Stephenville**, the Office of the City Manager must be contacted to discuss the production's specific filming requirements and the feasibility of filming in **Stephenville**, Texas.

Any commercial producer who desires to undertake a commercial production in **Stephenville** is required to complete and return the attached application for filming to the Office of the City Manager, within the time frames below:

- **Commercials or episodic television:** a minimum of two (2) business days prior to the commencement of filming or any substantial activity related to the project.
- **Feature films:** a minimum of five (5) business days prior to the commencement of filming or any substantial activity related to the project.

IV. APPLICATION FEE

An application processing fee of \$25.00 should accompany each application for filming in **Stephenville**.

The City Manager may waive this fee upon proof of an organization's non-profit status or for any other reason deemed appropriate by the City Manager.

V. USE OF CITY EQUIPMENT AND PERSONNEL

The Applicant shall pay for all costs of any Police, Fire, Public Works, or other City personnel assigned to

the project (whether or not specifically requested by the production). Remuneration rates for the use of any City equipment, including police cars and fire equipment, will be established on a case-by-case basis as determined by the City Manager. The Applicant shall pay all costs in full within ten (10) days after receipt of an invoice for said costs. The City Manager may, at his/her discretion, require an advance deposit for all costs related City personnel and/or the use of City equipment.

The City Manager, in consultation with the Chief of Police and/or Fire Chief, shall have the authority to stipulate additional fire or police requirements and level of staffing for same, at any time during a film project if it is determined to be in the best interest of public health, safety and welfare, which cost shall be borne entirely by the Applicant.

Off-duty police officers and firefighters shall be paid by the production company at a rate no less than one and one-half times their hourly rate.

VI. USE OF CITY-OWNED REAL ESTATE

The City Manager may authorize the use of any street, right-of-way, park or public building, use of **Stephenville**, Texas name, trademark or logo and/or use of City equipment and/or personnel for commercial uses in motion picture production. In conjunction with these uses, the City Manager may require that any or all of the conditions and/or remuneration as specified herein and on the application be met as a prerequisite to that use. A security or damage deposit may be required within the discretion of the City Manager.

The Applicant shall reimburse the City for inconveniences when using public property. Following is the rate schedule:

<u>Activity</u>	<u>Cost per calendar day (maximum of 8 hours/day)</u>
Total or disruptive use (regular operating hours) of a public building, park, right-of-way, or public area	\$500 per day/\$100 per hour after 8 hours
Partial, non-disruptive use of a public building, park, right-of-way, or public area	\$250 per day/\$50 per hour after 8 hours
Total closure or obstruction of public street or right-of-way, including parking lots and on-street parking	\$50 per block, per day/\$10 per hour after 8 hours
Partial closure or obstruction of public street or right-of-way, including parking lots and on-street parking	\$25 per block, per day/\$5 per hour after 8 hours
Use of City parking lots, parking areas, and City streets (for the purpose of parking film trailers, buses, catering trucks, and other large vehicles)	\$50 per block or lot, per day/\$10 per hour after 8 hours

The Applicant acknowledges and agrees that the City of **Stephenville**, Texas, possesses and retains exclusive authority to grant the Applicant a revocable license for the use of its name, trademark, and logo, public streets, rights-of-way, parks and buildings of the City as well as control over the hours of production and the general location of the production. The City reserves the full and absolute right to prohibit all filming or to order cessation of filming activity in order to promote the public health, safety and/or welfare.

VII. VEHICLES AND EQUIPMENT

The Applicant shall provide a report listing the number of vehicles and types of equipment to be used during the filming, including proposed hours of use and proposed parking locations. Such locations will need to be specifically approved by the City Manager. On-street parking or use of public parking lots is subject to City approval.

The use of exterior lighting, power generators, or any other noise- or light-producing equipment requires

on-site approval of the City Manager.

VIII. HOURS OF FILMING

Unless express written permission has been obtained from the City Manager in advance, and affected property owners, tenants and residents have been notified, filming will be limited to the following hours:

- Monday through Friday: 7:00 a.m. to 9:00 p.m.
- Saturday, Sunday and holidays: 8:00 a.m. to 8:00 p.m.

IX. NOTIFICATION OF NEIGHBORS

The Applicant shall provide a short written description, approved by the City Manager, of the schedule for the proposed production to the owners, tenants and residents of each property in the affected neighborhood(s). The Applicant, or his or her designee, shall make a good faith effort to notify each owner, tenant and resident of all such property, and shall submit, as part of this application, a report noting owners, tenants and/or residents' comments, along with their signatures, addresses and phone numbers. Based upon this community feedback, and other appropriate factors considered by the City Manager, the City Manager may grant or deny the filming application.

X. CERTIFICATE OF INSURANCE

The Applicant shall attach a valid certificate of insurance, issued by a company authorized to conduct business in the state of Texas, naming the City of **Stephenville** and its agents, officers, elected officials, employees and assigns, as additional insured, in an amount not less than \$1,000,000 general liability, including bodily injury and property damage with a \$5,000,000 umbrella; and automobile liability (if applicable) in an amount not less than \$1,000,000 including bodily injury and property damage.

XI. DAMAGE TO PUBLIC OR PRIVATE PROPERTY

The Applicant shall pay in full, within ten (10) days of receipt of an invoice, the costs of repair for any and all damage to public or private property, resulting from or in connection with, the production, and restore the property to its original condition prior to the production, or to better than original condition.

XII. HOLD HARMLESS AGREEMENT

The Applicant shall sign the following Hold Harmless Agreement holding the City harmless from any claim that may arise from their use of designated public property, right-of-way, or equipment in conjunction with the permitted use:

*I certify that I represent the firm which will be performing the filming/taping at the locations specified on the attached permit application. I further certify that I and my firm will perform in accordance with the directions and specifications of The City of **Stephenville**, Texas, and that I and my firm will indemnify and hold harmless the City of **Stephenville**, Texas and its elected officials, officers, servants, employees, successors, agents, departments and assigns from any and all losses, damages, expenses, costs and/or claims of every nature and kind arising out of or in connection with the filming/taping and other related activities engaged in pursuant to this Application.*

*I further certify that the information provided on this Application is true and correct to the best of my knowledge, and that I possess the authority to sign this and other contracts and agreements with the City of **Stephenville**, Texas on behalf of the firm.*

Signed: _____

Title: _____

Date: _____

THE CITY OF STEPHENVILLE, TEXAS
Application for Commercial Filming

Title of project

Type of production (feature film, television production, commercial, corporate, music video, etc.)

Proposed Filming Locations (attach additional pages if necessary)

Date(s) of prep/filming

Primary Contact

Name

Cell phone

Email

Location Manager (if different from Primary Contact)

Name

Cell phone

Email

Production Company Information

Name of Production Company

Address

City/State/Zip

Web Site

Primary Contact's Name

Primary Contact's Phone

Primary Contact's Email

Is this production already in contact with the Texas Film Commission? _____

If yes, who is your contact at the Texas Film Commission?

Name

Phone

Email

PRODUCTION *(Attach additional sheets if necessary.)*

- 1. Production schedule and activities, including stunts, pyrotechnics, special effects, aerial photography, amplified sound or use of animals: (Give dates and times and rain dates. Hours should include set-up, holding of sets and restoration.)

- 2. Approximate number of persons involved with the production, including cast and crew:

- 3. Anticipated need of City personnel, equipment or property:

- 4. Public areas in which public access will be restricted during production:

- 5. Describe alterations to public property:

- 6. Number and type of production vehicles to be used and location(s) where vehicles will be parked:

- 7. Location where crew will be fed, if not at filming location:

- 8. Location where extras will be held, if not at filming location:

- 9. Please attach map of anticipated street closure(s) or other public area use.

Applicant (production company representative):

_____ Date: _____

Name

Title

Application approved by **Stephenville** representative:

_____ Date: _____

*The "Guidelines for Filming in **Stephenville, Texas**" apply to all motion picture production in **Stephenville**.*

The Office of the City Manager may require the applicant to acknowledge receipt of the Guidelines prior to approving this application.

Regular City Council Meeting
STAFF REPORT



SUBJECT: Consider an Encroachment Agreement between HS Development Group and the City of Stephenville.
MEETING: Regular City Council Meeting - 02 Apr 2019
DEPARTMENT: Development Services
STAFF CONTACT: Jeremy Allen

RECOMMENDATION:

Staff recommends approval of the encroachment agreement upon consideration and approval of the Planned Development Zoned district by HS Development being Block 139, Lot 5-R, City Addition to the City of Stephenville.

BACKGROUND:

The City will enter into a development agreement for a building and improvements to be used for student housing with parking being located in the front of the building and development. In conjunction with this development parking spaces will be located in the City Right-Of-Way bordering city streets Mccllhaneey and West Washington.

ATTACHMENTS:

[Increased ROW](#)
[190318 Revised Encroachment Agreement Stephenville HS Development Helm AVB](#)

ENCROACHMENT AGREEMENT

This is an Encroachment Agreement by and between Tarleton Development Partners, LLC, by it's duly undersigned officer hereafter Owner, and City of Stephenville, by it's undersigned Mayor. hereafter City.

WHEREAS, Owner and City have entered into a development agreement for a building and improvements to be used for student housing with parking being located in the front of the building and development. In conjunction with this development parking spaces will be located in the City Right-Of-Way bordering city streets Mccllhane and West Washington. The development will be located on a 3.583 acre tract of land being Block 139, Lot 5-R, City Addition to the City of Stephenville, Erath County, Texas, and;

WHEREAS, a portion of the proposed parking will encroach over and onto the City's Right-Of-Way and could prevent the expansion and construction needed to be done in the Right-Of-Way and;

WHEREAS, the parties have agreed to allow Owner to construct the proposed parking and to be responsible to remove same if necessary;

IT IS THEREFORE agreed by the parties that Owner, at it's expense, shall be allowed to construct parking as referred to above. Any construction shall be approved by City before construction commences.

This agreement will expire 35 years after the date of execution hereof unless extended for an additional 15 year period upon request of Owner and written approval of City, at which time Owner shall remove the portion of the paving that is encroaching on the City's Right-of-Way at it's expense.

In the event that Owner fails to remove such hindrance or obstruction upon expiration of this agreement City shall have the right, not the duty, and completely at it's discretion, to remove same itself and to hold Owner responsible for the reasonable expense incurred in removing same.

Owner agrees to execute any other documents to effectuate this Agreement, if necessary, as determined by City.

This Agreement shall run with the land and be binding on Owner, his successors and assigns.

This agreement is entered into and enforceable in Erath County, Texas.

EXECUTED this ____ day of _____, 2019.

Tarleton Development Partners, LLC

By: _____

City of Stephenville

By: _____

Doug Svien, Mayor

STATE OF TEXAS

§

COUNTY OF ERATH

§

§

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledge to me that he executed the same for the purposes and consideration therein expressed and in the stated capacity.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 2019.

NOTARY PUBLIC, State of Texas

STATE OF TEXAS

§

COUNTY OF ERATH

§

§

BEFORE ME, the undersigned authority on this day personally appeared Doug Svien, Mayor known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 2019.

NOTARY PUBLIC, State of Texas



Regular City Council Meeting
STAFF REPORT

SUBJECT: Consider agreement to extend water and sewer service beyond the City Limits to 2285 East Washington.
MEETING: Regular City Council Meeting - 02 Apr 2019
DEPARTMENT: Development Services
STAFF CONTACT: Jeremy Allen

BACKGROUND:

Per Ordinance No. 1993-11 No residential development outside the corporate city limits would be allowed water or sewer service. Commercial or industrial customers will be considered on an individual basis upon approval by the City Council of a formal contract. However, that customer must take both water and sewer service. No customer will be allowed to connect to water only or sewer only.

Existing customers outside the city limits shall be charged 1.15 times the existing inside the City rates.

The line extension would be from Byron Street across the full frontage of the Twisted J property.
 Water: Approx. 1850 LF
 Sewer: Approx. 1700 LF

The “outside City Limits” utility rate of 115% is set in the adopted budget Fee Schedule.

6.12. Utility Policy, A. 2.

Water and sewer lines must be laid across property lines in every instance. Beginning point and ending point of main line shall be determined by the city and shall simply be at the nearest existing adequate source in the case of water.

6.12. Utility Policy, A. 4.

The city shall be responsible for maintenance, oversize participation, replacement of old inadequate line and the laying of line along frontage owned by the city

*NOTE the Standards Manual requires the line sizes to comply with the City’s Water Master Plan, i.e. Comprehensive Plan.

**NOTE the Standards Manual requires a minimum 12-inch diameter pipe if the line is over 600 feet in length.

ATTACHMENTS:

- [DEVELOPMENT CONTRACT Twisted J \(1\)](#)
- [TWISTED J estimate water sewer diagram](#)

PROJECT NO. _____

CONTRACT TYPE _____

**DEVELOPMENT CONTRACT
FOR
PUBLIC IMPROVEMENTS**

WHEREAS, Gifford Lee Johnson Decent Trust B (the “Developer”), whose mailing address is: 122 Ben Hogan, Stephenville, TX 76401, is the developer of real property located in the Extra Territorial Jurisdiction (ETJ),(the development) being described as 6 Acres of the FERGUSON ACRES, LOT 3, located at 2285 N US 377, Stephenville, TX.

WHEREAS, Developer wishes to enter into this agreement with the City of Stephenville, Texas (the “City) to provide for the construction of certain public improvements generally described as water and sewer service located at 2285 N US 377 Stephenville, Texas as further described in Exhibit A attached hereto and made a part hereof by reference (the “Public Improvements”), which, among other things, are necessitated by and will serve the Development; and

WHEREAS, this agreement is required to ensure that the Public Improvements are constructed in accordance with the City’s standard specifications for public works projects, applicable ordinances and design criteria manuals (“Standard Specifications”), and the plans and specifications prepared by Developer’s engineer, _____ (“Developer’s Engineer”) (the project specification) which shall be approved by the city and will remain on file in the office of the City Engineer, which may be amended with the written approval of the City Engineer or his designee such Standard Specifications and Project Specifications being incorporated herein by reference and herein called the “Plans and Specifications”; and

WHEREAS, the Developer understands and agrees that it is responsible for and has retained at its sole expense, the Developer’s Engineer to design the Public Improvements in accordance with the Standard Specifications, taking into consideration the specific site conditions that may impact the Public Improvements; and

WHEREAS, Developer and Contractor recognize that the City has an interest in ensuring that the Public Improvements, which will, upon completion and acceptance by the City, become public property, are properly constructed in accordance with the Plans and Specifications and that payment by Developer is provided therefor; **NOW, THEREFORE**, The Developer, Contractor, and City (the “Parties”) in consideration of their mutual promises and covenants contained herein agree as follows:

1. Covenants of Developer and Contractor.

(a) Construction. Contractor shall construct the Public Improvements in accordance with the Plans and Specifications and complete the Public Improvements on or before _____. Developer shall be responsible for all monies due to the Contractor for construction of the Public Improvements. In no event shall the City be responsible for payment of any of the expenses or costs to construct the Public Improvements. The City Engineer in his discretion may require the Developer to provide security for payments to the Contractor, which may be in the form of a cash deposit with the City, a letter of credit, a dedicated construction account with a lending institution approved by the City Engineer, or other security that the City Engineer in his discretion deems adequate to ensure that the Developer does not default in its payment obligations to the Contractor. City shall assume no duty to insure payment to Contractor or any subcontractor.

(b) Authority of City Engineer, Inspections, Tests and Orders, Developer and Contractor Warranty. All work on the Public Improvements shall be performed in a good and workmanlike manner and to the satisfaction of the City Engineer or his representative. The City Engineer shall decide all questions, which arise as to the quality and acceptability of materials furnished, work

performed, and the interpretation of the Plans and Specifications and may reject any work not performed in accordance with the Plans and Specifications. The Contractor, its surety on the performance bond required herein and the Developer, warrant that the Public Improvements will be free from defects in materials and workmanship and that they will pay to contractor after the completion of the Public

Improvements and final acceptance by the City. This warranty shall not constitute a limitation on the duty to remedy latent defects in construction that were not known at the time of final acceptance or within said two year warranty period. The Contractor shall furnish the City Engineer or his representative with every reasonable facility for ascertaining whether or not the work performed was in accordance with the Plans and Specifications applicable thereto. Any work done or materials used without suitable inspection by the City may be ordered removed and replaced at Contractor's expense.

The City Engineer or his designee shall perform periodic inspections of the work and shall perform a final inspection prior to final acceptance by the City and an inspection 30 days prior to the expiration of two years from the date of final completion and acceptance of the work by the City. Upon failure of the Contractor to allow for inspection, to test materials furnished, to satisfactorily repair, remove or replace, if so directed, rejected, unauthorized or condemned work or materials, or to follow any other request or order of the City Engineer or his representative, the City Engineer shall notify the Developer of such failure and may suspend inspections of such work until such failure is remedied. If such failure is not remedied to the satisfaction of the City Engineer, the City shall have no obligation under this agreement to approve or accept the Public

Improvements and the City may withhold, suspend or revoke any permits or other approvals for the Development until such matter is remedied to the satisfaction of the City Engineer.

(c) Insurance. Contractor shall provide for insurance in form and in substance in accordance with the City's standard insurance requirements for public works projects, which are on file in the Office of the City Engineer and which are incorporated herein by reference.

(d) Means and Methods of Construction. The means and methods of construction shall be such as Contractor may choose; subject, however, to the City's right to reject the Public Improvements for which the means or method of construction does not, in the judgment of the City Engineer, assure that the Public Improvements are constructed in accordance with Plans and Specifications.

(e) Books and Records. All of the Developer's and the Contractor's books and other records related to the construction of the Public Improvements shall be available for inspection by the City.

(f) Performance Bonds. The Contractor shall execute a performance bond in the full amount of the cost to construct the Public Improvements in favor of the City ensuring completion of the Public Improvements in accordance with the Plans and Specifications and warranting against defects in materials and workmanship for a period of two years from the date of final acceptance by the City as provided in 1(b) herein. The performance bond shall be executed by a corporate surety authorized to do business in Texas in accordance with Chapter 2253 of the Texas Government Code, shall be on the City's standard form, and shall

contain a local resident agent for service of process. The Developer shall be a co-obligee on the performance bond with regard to the Contractor's obligations.

(g) Payment Bonds. The Contractor shall execute a payment bond in the full amount of the cost to construct the Improvements in favor of the City insuring against claims from suppliers and subcontractors. The payment bond shall be executed by a corporate surety authorized to do business in Texas in accordance with Chapter 2253 of the Texas Government Code, shall be on the City's standard form, and shall contain a local resident agent for service of process.

Owner and Developer shall be co-obligees on the payment bond.

(h) Retainage: Final Payments. As security for the faithful completion of the Public Improvements, Contractor and Developer agree that the Developer shall retain ten (10) percent of the total dollar amount of the contract price until after final approval or acceptance of the Public Improvements by the City. The Developer shall thereafter pay the Contractor the retainage, only after Contractor has furnished to the Developer satisfactory evidence including an affidavit that all indebtedness has been paid and receipts from sub contractors and suppliers, that all indebtedness connected with the work and all sums of money due for labor, materials, apparatus, fixtures or machinery furnished for and used in the performance of the work have been paid or otherwise satisfied. In addition, Contractor shall provide Developer with a consent to final payment from the payment bond surety.

(i) Encumbrances. Upon completion and final acceptance of the Public Improvements by the City, the Public Improvements shall become the property of the City free and clear of all liens, claims, charges or encumbrances of any

kind. If, after acceptance of the Public Improvements, any claim, lien, charge or encumbrance is made, or found to exist, against the Public Improvements, or land dedicated to the City, to which they are affixed, the Developer and Contractor shall upon notice by the City promptly cause such claim lien, charge or encumbrance to be satisfied and released or promptly post a bond with the City in the amount of such claim, lien, charge or encumbrance, in favor of the City, to ensure payment of such claim, lien, charge or encumbrance.

(j) INDEMNIFICATION. THE DEVELOPER AND CONTRACTOR SHALL AND HEREBY DO INDEMNIFY, DEFEND AND SAVE HARMLESS, THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS OR CLAIMS OF ANY CHARACTER, NAME AND DESCRIPTION BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED AS SUSTAINED BY ANY PERSON, PERSONS OR PROPERTY ON ACCOUNT OF THE OPERATIONS OF THE CONTRACTOR, Developer or their AGENTS, EMPLOYEES OR SUBCONTRACTORS; OR ON ACCOUNT OF ANY NEGLIGENT ACT OF FAULT OF THE CONTRACTOR, Developer or their AGENTS, EMPLOYEES OR SUBCONTRACTORS IN CONSTRUCTION OF THE IMPROVEMENTS; AND SHALL PAY ANY JUDGMENT, WITH COSTS, WHICH MAY BE OBTAINED AGAINST THE CITY GROWING OUT OF SUCH INJURY OR DAMAGE.

(k) Agreement Controlling. The provisions of this agreement shall control over any conflicting provision of any contract between the Developer and Contractor as to the construction of the Public Improvements.

2. Scope of Work. The Developer agrees to install and construct water and sewer utilities infrastructure as presented and approved by Public Works and Community Development. The developer agrees to pay all cost associated with the public improvements.

The Engineering Standards Manual requires the line sizes to comply with the City’s Water Master Plan, i.e. Comprehensive Plan. Lines shall be minimum 6-inch diameter pipe in residential neighborhoods. A minimum 8-inch diameter pipe shall be used in commercial and industrial districts and shall be a minimum of 12-inch diameter pipe if the line is over 600 feet in length. The city shall be responsible for maintenance and oversize participation.

The line extension would be from Byron Street across the full frontage of the Twisted J property.
 Water: Approx. 1850 LF
 Sewer: Approx. 1700 LF

The “outside City Limits” utility rate of 115% is set in the adopted budget Fee Schedule and shall apply to this Development

3. Covenants of The Parties Upon proper completion of the Public

Improvements in accordance with this agreement, the City agrees to accept the Public

Improvements. Developer agrees to execute any required documents to evidence that City has access and a permanent easement to the public improvements and the real property surrounding and thereon.

4. Nexus and Rough Proportionality. The Developer acknowledges and agrees that

there is a reasonable nexus between the demands created by the Development and the Public Improvements, and that the costs associated with the construction and dedication of land for the Public Improvements is roughly proportional to the benefits received and the burdens imposed by the Development. The Developer shall indemnify and hold the City harmless against any claim by it or others claiming through it, that the required Public Improvements and associated dedication of land are unlawful exactions.

5. Venue and Governing Law. The Parties herein agree that this agreement shall be

enforceable in Erath County, Texas, and if legal action is necessary in connection therewith, exclusive venue shall lie in Erath County, Texas. The terms and provisions of this agreement shall be construed in accordance with the laws and court decisions of

the State of Texas.

6. Successor and Assigns. This contract shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

Executed in triplicate this, _____ day of _____, 20__.

DEVELOPER

Name: _____

By: _____

Name: _____

Title: _____

Address _____

CITY OF STEPHENVILLE, TEXAS

BY: _____

Jeremy Allen, DEPUTY CITY ADMINISTRATOR

ATTEST:

Staci King, CITY SECRETARY

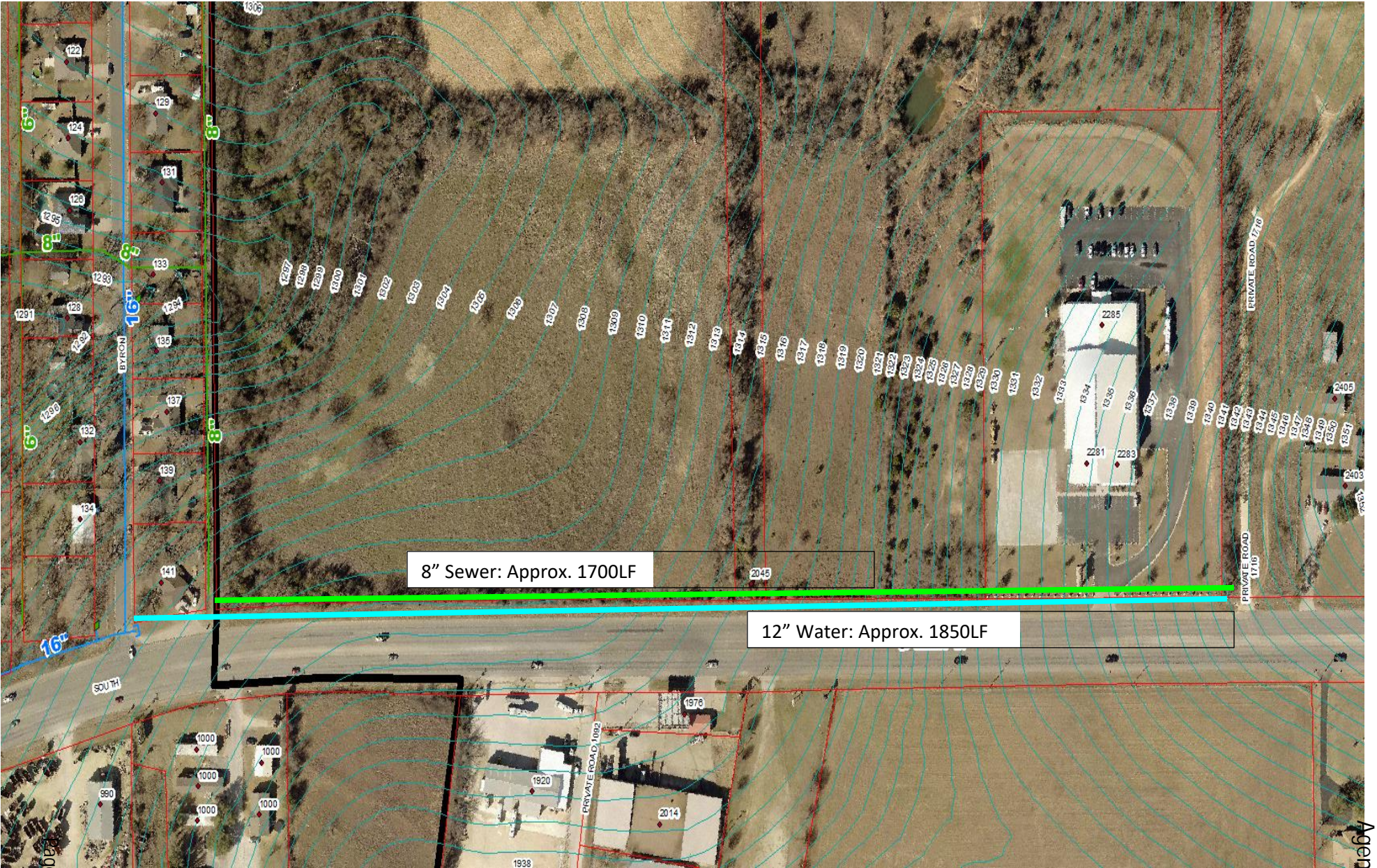
BY: _____

APPROVED AS TO LEGAL FORM:

Randy Thomas, CITY ATTORNEY

BY: _____

TWISTED J



8" Sewer: Approx. 1700LF

12" Water: Approx. 1850LF

Sewer Elevations 1342' fall to 1309' = approx. 33 VF of fall over approx. 1700 LF = ~2.0% of fall ✓

Page 10 of 10

Regular City Council Meeting
COMMITTEE REPORT



MEETING: Regular City Council Meeting - 02 Apr 2019

Present: Chairperson Lisa LaToche, Bruce Delater, Cliff McCury, Nick Robinson, Richard Petronis, Metta Collier, Bill Muncey, Justin Allison

Absent: Todd McEvoy and Vance Wade

DEPARTMENT: Development Services

STAFF CONTACT: Jeremy Allen

Consider a concept plan for a PD “Planned Development District” zoning classification for Lots 3 and PT 4, Block 73 of the City Addition to the City of Stephenville, Erath County, Texas:

Alexander Road Townhomes is a proposed neighborhood of 54 attached single family dwellings, divided into 15 different buildings. The townhomes will be improved with several amenities that will be maintained by its HOA. These include landscaping for the entire development and a storm water collection area that will be planted with grass and can be used by all residents for recreational uses. The intent of Alexander Road Townhomes is to create a friendly "walkable community" by installing sidewalks and parkway trees. The developer is also intending to work with the City and Park District in an attempt to construct a pedestrian path and bridge that will connect Alexander Road Townhomes to the Bosque River Trail at the City Park to our east. There will be 3 different floor plans and elevations ranging from 1376 sq feet to 1730 sq feet. The exteriors of all units will consist of minimal masonry on the front elevations, cement board siding on the remainder. These units are expected to have a retail price range of \$185,000 - \$220,000.

Planning and Zoning Commission unanimously approved the concept plan for this Planned Development. The developer will submit a more detailed plan for approval of a development plan for Planning and Zoning Commission and City Council to act on.

Billboard Policy:

The committee designated to look at the Billboard Policy met on March 25th, 2019. The committee gave staff direction to formulate a policy that would protect the aesthetics of the community as well as the health, safety and welfare. Once the policy has been drafted the committee will review and make any recommendations to be submitted to the Planning and Zoning Commission and Council.

Planning and Zoning Commission
STAFF REPORT



SUBJECT: Case No: PD2019-001 - Consider a Development plan for a PD "Planned Development District" zoning classification of Green Acres Addition, being Lots 2-21, Block 9, Green Acres Addition, City of Stephenville, Erath County, Texas

MEETING: Regular City Council Meeting - 02 Apr 2019

DEPARTMENT: Planning & Zoning Commission

STAFF CONTACT: Jeremy Allen

RECOMMENDATION:

The applicant has met the requirements of a Development Plan for a (PD) Planned Development. The Concept plan was unanimously approved with modifications by Planning and Zoning Commission on February 14. for a (PD) Planned Development. The Development Plan was unanimously recommended for approval to full council on March 20, 2019.

BACKGROUND:

PLANNED DEVELOPMENT DISTRICT (PD)

Description.

(1) Planned development districts are designed for greater flexibility and discretion in the application of residential and non-residential zoning and for increased compatibility and the more effective mitigation of potentially adverse impacts on adjacent land than in possible under standard district regulations. It is recognized that it is desirable for certain areas of the city to be developed in accordance with development plans prepared and approved as a part of the ordinance authorizing the zoning necessary for the proposed development.

(2) Improvements in a "PD" District are subject to conformance with a development plan approved by the City Council on Planning and Zoning Commission recommendation and after public hearing thereon. No development plan may increase gross density in excess of that allowed by the base district.

Prohibited Uses.

(1) Any building erected or land used for other than the use shown on the Planned Development Site Plan, as approved by the City Council.

(2) Any use of property that does not meet the required minimum lot size; front, side and rear yard dimensions; and/or lot width, or exceeds the maximum height, building coverage or density per gross acreage as shown in the development's recorded Planned Development Site Plan, as approved by City Council.

(3) Any use deemed by the City Council as being detrimental to the health, safety or general welfare of the citizens of Stephenville.

Plat Requirements.

No application for a building permit for the construction of a building or structure shall be approved unless a plat, meeting all requirement of the City of Stephenville has been approved by the City Council and recorded in the official records of Erath County.

Concept Plan.

The applicant for any PD Planned Development shall submit a concept plan to the Planning and Zoning Commission for review prior to submitting a Development Plan. The concept plan shall contain appropriate information to describe the general land use configuration, proposed densities or lot sizes, proposed amenities and proposed regulation.

Development Plan

The development plan submitted in support of a request for development plan approval shall contain sufficient information delineating the characteristics of the site, changes in those characteristics as may be proposed by the development, how the development will relate to public services and facilities and what protection features are included to insure that the development will be compatible with existing and allowable development on adjacent property.

CURRENT USE

Currently undeveloped.

DEVELOPMENT HISTORY

Previously Platted as Subdivision for 20 Single Family homes January, 2014.

Replat of property denied by Planning and Zoning Commission in October

Development Agreement was approved by Council in December to allow developer to construct housing and pay is proportional share of Tab St. and Wiley as platted in 2014.

ADJOINING ZONING AND USES

Direction	Zoning	Current Use
North	Single Family (R-1)	Single Family Residence
East	Single Family (R-1)	Single Family Residence
South	Single Family (R-1)	Single Family Residence
West	City ETJ	Single Family Residence

FUTURE LAND USE

Single Family Residential (R-1) (7,500 ft)

This residential district provides for a generally lesser density city neighborhood development. The primary land use allows for single-family dwelling development appropriate to a city-style neighborhood. Other uses within this district shall contribute to the nature of the neighborhood. Development within this district is intended to be separate from and protected from the encroachment of land activities that do not contribute to the aesthetic and functional well being of the intended district environment.

THOROUGHFARE PLAN

The site is accessed via Dale St. which is classified as a Collector Rd.

Adjacent to the development is Hill crest and Tab St. which are classified as Local Roads.

PLANNED DEVELOPMENT STANDARDS (PD)

Requirement	Single Family (R-1)	Proposed
Minimum Area of Main Building	1500 SF	1700 SF
Type of Construction (Pitch)	No Requirement	8/12 Roof Pitch
Type of Construction (Shingles)	No Requirement	30 Year Dimensional Roof Shingles
Landscaping	15% of Total Land Requirement	15% of Total Land Requirement
Parking Regulations	Minimum of Two Vehicle Parking Spaces	Minimum 2 Car Garage
Minimum Lot Size	7,500 SF	7,500 SF
Minimum Lot Width	Seventy-five (75) feet	Seventy-five (75) feet
Minimum Lot depth	100 feet	100 feet

Minimum front yard setback	Twenty-five (25) feet	Twenty-five (25) feet
Minimum side yard setback	Seven feet, Corner Lot Twenty-five (25) feet	Seven feet, Corner Lot Twenty-five (25) feet
Minimum rear yard setback	Twenty-five (25) feet	Twenty-five (25) feet, 10 foot Easement
Maximum lot coverage	Maximum main building coverage 40%	Maximum main building coverage 40%
Road Standard	50 ft. ROW	40 ft. ROW
Additional	10 Ft. Dedicated Easement on North Side	

DEVELOPMENT SCHEDULE

Green Acres
 Estimated Progress Schedule
 Brit Land Developemnet, LLC.

Apr-19Complete City Approval for Planned Development

May - June 2019Contractor Bids, Final Budgets, Bank Financing

Jul-19Permitting, City Fees, Insurance

Aug-19Site Clearing, Excavation, Mass Grading

Sept / Oct. 2019Sewer, Water, Electric Utilities

Nov / Dec. 2019Street Preperation, Curb Gutter, Paving

Jan. 2020Finals, Telephone/Cable, Fencing, Lighting, Cleanup

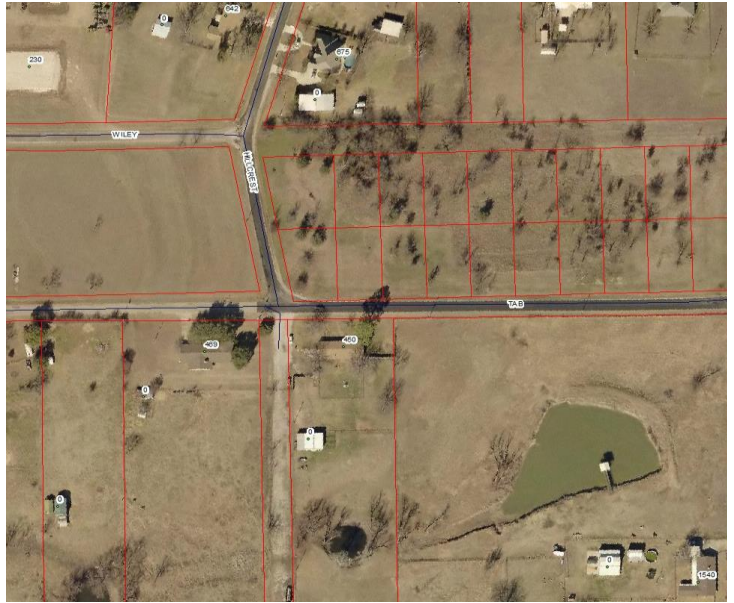
Feb. 2020City Finals, Punch List, Completion of Lots

Brit Land Development to convey lots to Amber Homes Inc. estimating the building of 10 homes per year with the final home completion in March of 2022.

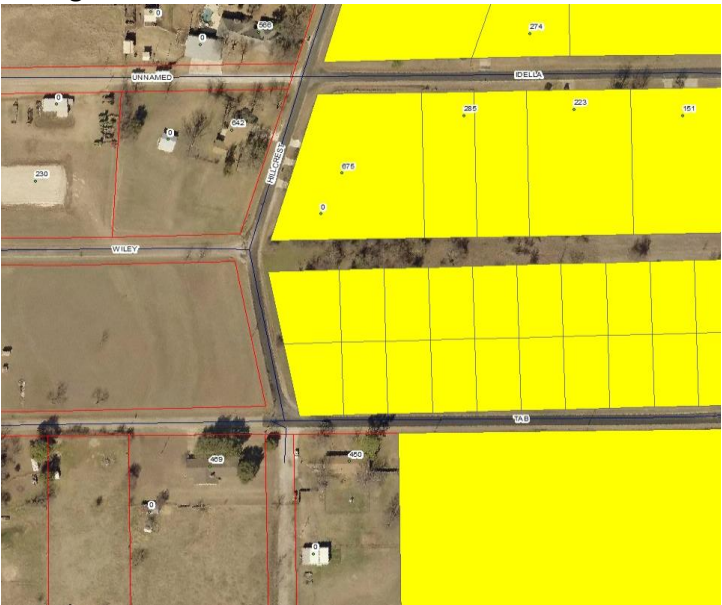
STAFF NOTES

1. The applicant proposes to pay park fees in the amount of \$12,000 to satisfy the dedication requirement
2. The applicant will fence 100 % of the rear property line on the north side of the development. The North side will have a concrete footer for the fence. There will not be access to the properties to the North once the property is the replat, abandonment, and land is acquired by the adjacent properties owners.
3. There will not be ingress and egress approaches from Tab Street. Properties will be fenced with a gate for pedestrian access.
4. Sidewalks will not be required to be constructed for this subdivision per section 6.11 of the adopted Stephenville Subdivision Regulations.
5. Wiley will be re platted to 40 ft. ROW. Additional 10 ft. will be a dedicated Easement.

Original View of Platted Properties Properties as Platted in 2014

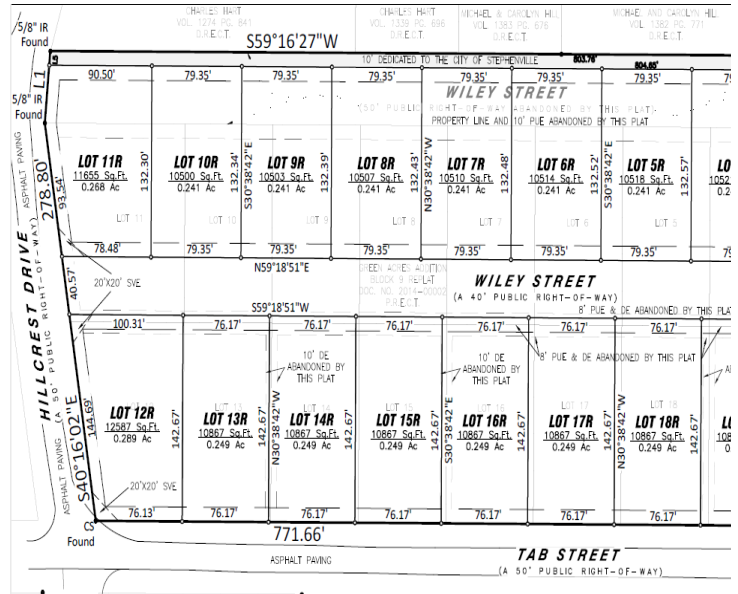


Zoning



Amber Homes

Proposed Replat with 10ft. Easement and Wiley Road down the middle.



Houses

Ambler H O M E S



Houses

Houses



ALTERNATIVES:

1. Approve as presented
2. Denial
3. Approval with conditions

ORDINANCE NO. 2019-O-__

AN ORDINANCE REZONING THE LAND DESCRIBED FROM THE ZONING CLASSIFICATION OF SINGLE FAMILY RESIDENTIAL (R-1) TO PLANNED DEVELOPMENT DISTRICT (PD)

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS:

All those lots, tracts, or parcels of land legally described as follows:

Being Lots 2-21, Block 9, Green Acres Addition of the City of Stephenville, Erath County, Texas

Is hereby rezoned and the zoning classification changed from the classification Single Family Residential (R-1) to Planned Development District (PD) in accordance with the Zoning Ordinance of the City of Stephenville.

This ordinance shall become effective immediately upon its passage.

PASSED AND APPROVED this the 2nd day of April, 2019.

Doug Svien, Mayor

ATTEST:

Staci L. King, City Secretary

Reviewed by Allen L. Barnes,
City Administrator

Randy Thomas, City Attorney
Approved as to form and legality

RESOLUTION NO. 2019-R-__

A RESOLUTION AUTHORIZING CITY STAFF TO PREPARE THE PROCEDURES FOR CLOSING WYLIE STREET AND TO PRESENT SAME TO THE PLANNING AND ZONING COMISSION AND CITY COUNCIL FOR ACTION AND TO PLAN FOR THE SALE AND REZONING OF SAID CLOSED STREET AS PROVIDED IN SECTION 95 CODE OF ORDINANCES AND CHAPTER 311 OF THE TEXAS TRANSPORTATION CODE

WHEREAS, the City of Stephenville has the authority under Section 95 of its Code Of Ordinances and Chapter 311 of the Texas Transportation Code to close and sell streets within its jurisdiction; and

WHEREAS, The City has deemed it necessary for future City development to close Wylie Street; and

WHEREAS, The City Council has the authority and desire to initiate action to facilitate said closing and sale; and

WHEREAS, It is appropriate for City staff to prepare the procedures for said closing and sale and to present same to the Planning and Zoning Commission and City Council;

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

That the City staff is authorized to prepare the procedures for closing Wylie Street and to present same to the Planning and Zoning Commission and the City Council for action and to plan for the sale and rezoning of said closed street.

PASSED and APPROVED this 2nd day of April, 2019.

Doug Svien, Mayor

Attest:

Staci L. King, City Secretary

Reviewed by Allen L. Barnes,
City Manager

Approved as to form and legality by
Randy Thomas, City Attorney



Planning and Zoning Commission
STAFF REPORT

SUBJECT: Case No: PD2019-003 - Consider a development plan for a PD "Planned Development District" zoning classification for Lots Lot 1 and 3, Block 156, of the City Addition to the City of Stephenville, Erath County, Texas.

MEETING: Regular City Council Meeting - 02 Apr 2019

DEPARTMENT: Planning & Zoning Commission

STAFF CONTACT: Jeremy Allen

RECOMMENDATION:

The applicant has met the requirements of a development plan for a (PD) Planned Development. The Concept plan was unanimously approved as presented by Planning and Zoning Commission on February 14. By a unanimous vote the Planning and Zoning Commission recommended approval of the Planned Development to full council.

BACKGROUND:

PLANNED DEVELOPMENT DISTRICT (PD)

Description.

(1) Planned development districts are designed for greater flexibility and discretion in the application of residential and non-residential zoning and for increased compatibility and the more effective mitigation of potentially adverse impacts on adjacent land than in possible under standard district regulations. It is recognized that it is desirable for certain areas of the city to be developed in accordance with development plans prepared and approved as a part of the ordinance authorizing the zoning necessary for the proposed development.

(2) Improvements in a "PD" District are subject to conformance with a development plan approved by the City Council on Planning and Zoning Commission recommendation and after public hearing thereon. No development plan may increase gross density in excess of that allowed by the base district.

Prohibited Uses.

(1) Any building erected or land used for other than the use shown on the Planned Development Site Plan, as approved by the City Council.

(2) Any use of property that does not meet the required minimum lot size; front, side and rear yard dimensions; and/or lot width, or exceeds the maximum height, building coverage or density per gross acreage as shown in the development's recorded Planned Development Site Plan, as approved by City Council.

(3) Any use deemed by the City Council as being detrimental to the health, safety or general welfare of the citizens of Stephenville.

Plat Requirements.

No application for a building permit for the construction of a building or structure shall be approved unless a plat, meeting all requirement of the City of Stephenville has been approved by the City Council and recorded in the official records of Erath County.

Concept Plan.

The applicant for any PD Planned Development shall submit a concept plan to the Planning and Zoning Commission for review prior to submitting a Development Plan. The concept plan shall contain appropriate information to describe the general land use configuration, proposed densities or lot sizes, proposed amenities and proposed regulation.

Development Plan

The development plan submitted in support of a request for development plan approval shall contain sufficient information delineating the characteristics of the site, changes in those characteristics as may be proposed by the development, how the development will relate to public services and facilities and what protection features are included to insure that the development will be compatible with existing and allowable development on adjacent property.

CURRENT USE

Currently undeveloped.

ADJOINING ZONING AND USES

Direction	Zoning	Current Use
North	Central Business	Single Family Residence
East	City	Bosque River Trail
South	Central Business	Single Family Residence
West	Central Business	Single Family Home/Dr. Office

FUTURE LAND USE

Central Business District

Description. The Central Business District is intended to encourage the redevelopment of the downtown business area, which includes the historic courthouse, all types of offices, retail business and residences. The varying land uses included in the Central Business District are compatible with existing uses to preserve the integrity of the Central Business District and deter urban deterioration. This district also facilitates the maintenance of the area and provides for the vibrant interaction between retail, service, residential and citizens citywide.

THOROUGHFARE PLAN

The site is accessed via Tarleton St. which is classified as a Local Rd.

PLANNED DEVELOPMENT STANDARDS (PD)

Requirement	Single Family (R-1)	Proposed
Minimum Area of Main Building	1500 SF	1656 SF
Type of Construction (Pitch)	No Requirement	All buildings within all Planned Development Districts shall have an exterior finish of glass, stone, stucco, brick, tile, concrete, exterior wood and cementitious fiberboard products, aluminum/vinyl siding or similar materials of any combination thereof. The use of wood as a primary, exterior building materials shall be limited to a maximum of twenty-five (90) percent of the total exterior wall surfaces. Construction of buildings shall be subject to the requirements of Building Regulations concerning Masonry Construction Standards of the City of Stephenville Code of Ordinances along with

additional regulations listed below:

(1)Design Elevations: House plan elevations may be repeated to create a single architectural design for the entire development.

(2) Roofs: Residential structures shall have a minimum of 6/12 pitch roof on the primary front facing roof.

Landscaping	15% of Total Land Requirement	15% of Total Land Requirement
Parking Regulations	Minimum of Two Vehicle Parking Spaces	Minimum of Two Vehicle Parking Spaces
Minimum Lot Width	Seventy-five (75) feet	Seventy-five (75) feet
Minimum Lot depth	100 feet	100 feet
Minimum front yard setback	Twenty-five (25)	Thirty-five(35) feet
Minimum side yard setback	Seven feet, Corner Lot Twenty-five (25) feet	Side Yard - minimum of 10 feet side yard set back on the north and south side of the buildings on North Floral and the south side of the building fronting on North Vine, and a 5 feet set back on the north side of that same building, there will be a minimum of 17 feet separation in between the 2 buildings fronting on North Floral Street,
Minimum rear yard setback	Twenty-five (25) feet	44 feet
Maximum lot coverage	Maximum main building coverage 40%	Maximum main building coverage 40%
Road Standard	50 ft. ROW	Road was previously platted as 50 ROW

DEVELOPMENT SCHEDULE

Upon full approval by the Stephenville City Council (anticipated April 2), It is the intent of the Developer to submit final engineering plans and building permit plans to the building department for review, and then begin site development and building the first 3 unit building immediately after the appropriate permits are issued, approximately May 1, 2019.

Construction will proceed on the remaining 2 buildings as individual units are sold, we are anticipating absorption of approximately 2 units sold per month, which would give us an estimated completion date of the entire project or late summer 2020. Provided Keewaydin Developments, LLC commences construction on May 1, 2019, they will furnish the Stephenville City Council a production report with updated completion dates on or before May 1, 2020.

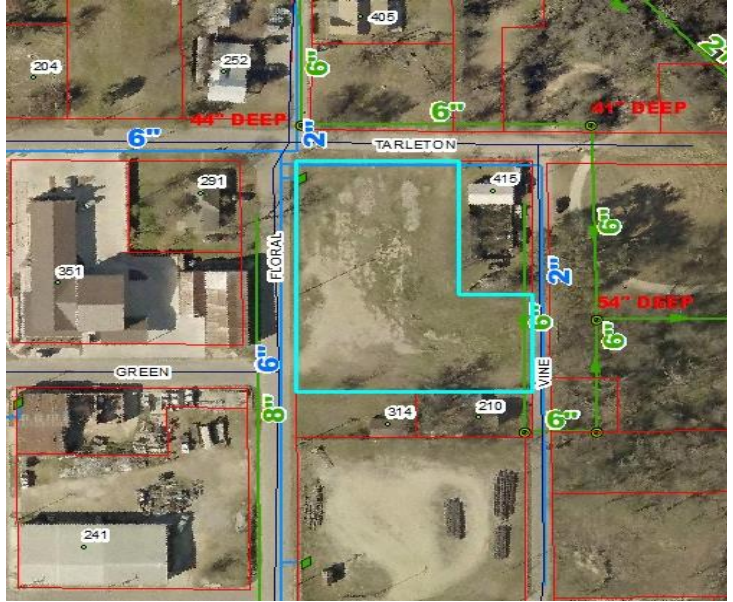
STAFF NOTES

1. The applicant proposes to pay park fees in lieu of the dedication of land
2. Sidewalks will required per section 6.11 of the adopted Stephenville Subdivision Regulations.
3. Curb and Gutter will be required
4. Drainage will be addressed with Civil Review
5. Replat will be required

The development does promote redevelopment downtown. Both Tarleton and Floral Streets both receive small amounts of traffic and the estimated increase traffic count should have minimal impact to the traffic flow. Varied land uses are allowed in the Central Business District. This Planned Development housing should contribute to the overall district.

The developers packet (attached) will provide additional detail not covered in Staff Report.

Rendering of Townhomes Aerial View of Property



Zoning



Future Land Use



ALTERNATIVES:

1. Approve as presented
2. Denial
3. Approval with conditions

ATTACHMENTS:

[Complete Townhomes](#)



City Center Townhomes Planned Development

In accordance with Sec 154.08 - Planned Development District (PD), Sec 8.G, Keewaydin Developments is submitting a Concept Plan for The Planning and Zoning Commission's review.

City Center Townhomes will be a quality neighborhood of 13 attached single family dwellings, divided into 3 different buildings. All of the homes will be 1656 square feet, all with single car attached front loading garages. They will all have 3 bedrooms, 2.5 Bathrooms, 2 story entryways off of a covered front porch, kitchen family room combination that opens onto a concrete or paver brick patio. The exteriors of all units will consist of minimal masonry on the front elevations, siding on the remainder. These units are expected to have a retail price range of \$160,000 to \$175,000.

City Center will be improved with several amenities that will be maintained by its HOA. These include landscaping for the entire development and a storm water collection area that will be planted with grass and can be used by all residents for recreational uses. The intent of City Center is to create a friendly "walkable community" by installing sidewalks and parkway trees.

The density of City Center is planned to be 13 attached single family units on 1.05 acres, 9 of the units will front on North Floral Street and 4 units will front on North Vine Street. All units will sit a minimum of 35 feet off of the respective right of ways, there will be a minimum of 17 feet separation inbetween the 2 buildings fronting on North Floral Street, a minimum of rear yard separation between the buildings that front on North Floral Street and North Vine Street of 44 feet, a minimum of 10 feet side yard set back on the north and south side of the buildings on North Floral and the south side of the building fronting on North Vine, and a 5 feet set back on the north side of that same building.

Section 1

Lot Development Regulation

The following regulations apply to the development of each of the buildings as described below:

1. Each unit shall be 1656 sq' with 1150 sq' of floor area including garages
2. Front Yard - The minimum front yard set back for each front yard will be 35 feet
3. Side Yard - minimum of 10 feet side yard set back on the north and south side of the buildings on North Floral and the south side of the building fronting on North Vine, and a 5 feet set back on the north side of that same building, there will be a minimum of 17 feet separation inbetween the 2 buildings fronting on North Floral Street,
4. Rear Yard - minimum of rear yard separation between the buildings that front on North Floral Street and North Vine Street of 44 feet

Section 2

Landscape Regulations

Street Trees: A minimum of one (1) street tree shall be required for every 2 residential within the street parkway. Street Trees shall measure 3 inches in caliper at the time of planting. A list of suitable trees will be on the landscape plan to be submitted with the Development Plan.

Street Trees shall not be located in any on the following areas:

- a. Within an area that the mature canopy of the tree will interfere with overhead utility lines.
- b. Within an area that the mature root zone of the tree will interfere with underground public utility lines (including water lines, sewer lines, transmission lines or other utilities).
- c. Within ten (10) feet of a fire hydrant; or
- d. Closer than thirty-five (35) feet to any street corner, measure from the point of nearest intersection curbs or curb lines

Detailed planting plans shall be submitted at the time of site plan and preliminary plat review and subject to approval by the City of Stephenville

Public sidewalks shall be permitted with in landscape areas

Landscape areas shall be considered common areas. As such, installation, and perpetual maintenance shall be the responsibility of the property owners' association, the commercial

property owner, or the multi-family property installation, watering, or other maintenance of the landscape areas established by this section

Section 3

Parking Regulations

All Planned Development districts shall be subject to the requirements of Vehicle Parking Regulations of the City of Stephenville Code or Ordinances along with regulations listed below:

- (1) Parking and driveway shall be permitted within all required yard areas and must be paved with concrete or asphalt
- (2) Handicapped parking shall be as set forth in the State of Texas Architectural Barriers Act.

Additional parking requirements for single family residential tracts developed for single family use shall be as follows:

- a. Boat and RV parking are prohibited in front yard areas
- b. Minimum 1 car garage required
- c. Driveway access shall be from streets
- d. Parking is only permitted on paved surfaces of concrete or asphalt

Section 4

Architectural Development Standards

All buildings within all Planned Development Districts shall have an exterior finish of glass, stone, stucco, brick, tile, concrete, exterior wood and cementitious fiberboard products, aluminum/vinyl siding or similar materials of any combination thereof. The use of wood as a primary, exterior building materials shall be limited to a maximum of twenty-five (90) percent of the total exterior wall surfaces. Construction of buildings shall be subject to the requirements of Building Regulations concerning Masonry Construction Standards of the City of Stephenville Code of Ordinances along with additional regulations listed below:

- (1) Design Elevations: House plan elevations may be repeated to create a single architectural design for the entire development.
- (2) Roofs: Residential structures shall have a minimum of 6/12 pitch roof on the primary front facing roof.

(3) Garage Orientation: Shall have front entry garages approved for all lots. The garage door may be a single metal raised panel door.

GENERAL NOTES:

1. ALL DIMENSIONS ARE FROM FACE OF MASONRY OR STUD WALL UNLESS OTHERWISE NOTED.
2. ALL WALLS FOR THIS PROJECT ARE 2"x4" AT 16" O.C. UNLESS OTHERWISE NOTED.
3. BRICK VENEER ON THIS PROJECT SHALL BE MODULAR BRICK.
4. ALL GYPSUM BOARD INSTALLED ON THIS PROJECT SHALL BE 5/8" THICK, FIRE-CODE AND LABELED AS SUCH.
5. INSULATE ALL STUD WALLS (INTERIOR AND EXTERIOR) WITH FULL THICK BATT INSULATION. ALL INSULATION INSTALLED IN BUILDING SHALL MEET OR EXCEED ALL LOCAL, STATE AND NATIONAL FIRE-CODE REQUIREMENTS.
6. OWNER WILL OBTAIN AND PURCHASE BUILDING PERMITS NECESSARY TO BEGIN WORK ON THIS PROJECT.
7. CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND EXISTING CONDITIONS IN FIELD BEFORE COMMENCING WITH WORK.
8. ALL GLAZING SHALL CONFORM TO SAFETY STANDARDS FOR ARCHITECTURAL GLAZING MATERIALS 42 FR 1428-16 CR- PART. 1201.
9. CONTRACTOR SHALL VERIFY LOCATION, SIZE AND CAPACITY OF EXISTING UTILITIES AND REPORT ANY DISCREPANCIES IN WRITING TO THE ARCHITECT BEFORE PROCEEDING WITH WORK.
10. CONTRACTORS AND EQUIPMENT SUPPLIERS SHALL COORDINATE WITH THE SUPERINTENDANT, THE INSTALLATION OF ALL MATERIALS, EQUIPMENT AND WORK WHICH INTERFACES AND/OR HAS A DIRECT OR INDIRECT EFFECT ON THE CORRECT OPERATION OF ANY OTHER CONTRACTOR OR EQUIPMENT SUPPLIER.
11. THE APPROPRIATE CONTRACTOR SHALL INSTALL AND MAKE FINAL CONNECTIONS TO ANY EQUIPMENT FURNISHED BY THE OWNER.
12. ALL DRAWINGS AND SPECIFICATIONS ARE CONSIDERED INSTRUMENTS OF SERVICE AND SHALL REMAIN THE PROPERTY OF THE ARCHITECT. THEY ARE NOT TO BE USED ON OTHER PROJECTS OR EXPANSIONS TO THIS PROJECT WITHOUT WRITTEN AGREEMENT AND APPROPRIATE COMPENSATION TO THE ARCHITECT. THE ARCHITECT WILL NOT BE RESPONSIBLE FOR CONSTRUCTION MEANS, METHODS, SEQUENCES OR FOR SAFETY PRECAUTIONS AND PROGRAMS IN CONNECTION WITH THIS PROJECT.
13. ALL INTERIOR FINISH MATERIALS MUST BE OF CLASS II (OR BETTER) FLAME SPREAD CLASSIFICATION.
14. IT SHALL BE THE RESPONSIBILITY OF THE OWNER AND THE CONTRACTOR TO THOROUGHLY REVIEW THE DRAWINGS AND DOCUMENTS PRIOR TO THE BIDDING PROCESS AND CONSTRUCTION STAGE IN AN EFFORT TO FULLY UNDERSTAND THE NATURE AND INTENT OF SAME. ANY QUESTIONS, COMMENTS AND/OR CHANGES SHALL BE ADDRESSED TO THE ARCHITECT PRIOR TO BEGINNING CONSTRUCTION. FAILURE TO REVIEW COULD RESULT IN EXPENSIVE CHANGE ORDERS DURING THE CONSTRUCTION STAGE.

ROOM FINISH SCHEDULE

PK	AREA	FLOOR	BASE	WALLS	CEILING	CLG. HT.
1ST FLOOR						
100	FOYER	HARDWOOD	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0" / 8'-0"
101	STAIRS	CARPET	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	VARIES
102	1/2 BATH	HARDWOOD	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
103	CLOSET	HARDWOOD	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
104	LIVING	CARPET	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
105	DINING	HARDWOOD	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
106	KITCHEN	HARDWOOD	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
107	PANTRY	HARDWOOD	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
2ND FLOOR						
200	STAIRS	CARPET	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	VARIES
201	BALCONY	CARPET	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
202	UTILITY	CERAMIC TILE	C. TILE	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
203	BEDROOM #1	CARPET	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
204	CLOSET	CARPET	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
205	BEDROOM #2	CARPET	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
206	CLOSET	CARPET	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
207	BATH #1	CERAMIC TILE	C. TILE	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
208	BEDROOM #3	CARPET	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
209	CLOSET	CARPET	WOOD	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"
210	BATH #2	CERAMIC TILE	C. TILE	GYP. BD. TEXT. 4 PAINT	GYP. BD. TEXT. 4 PAINT	9'-0"

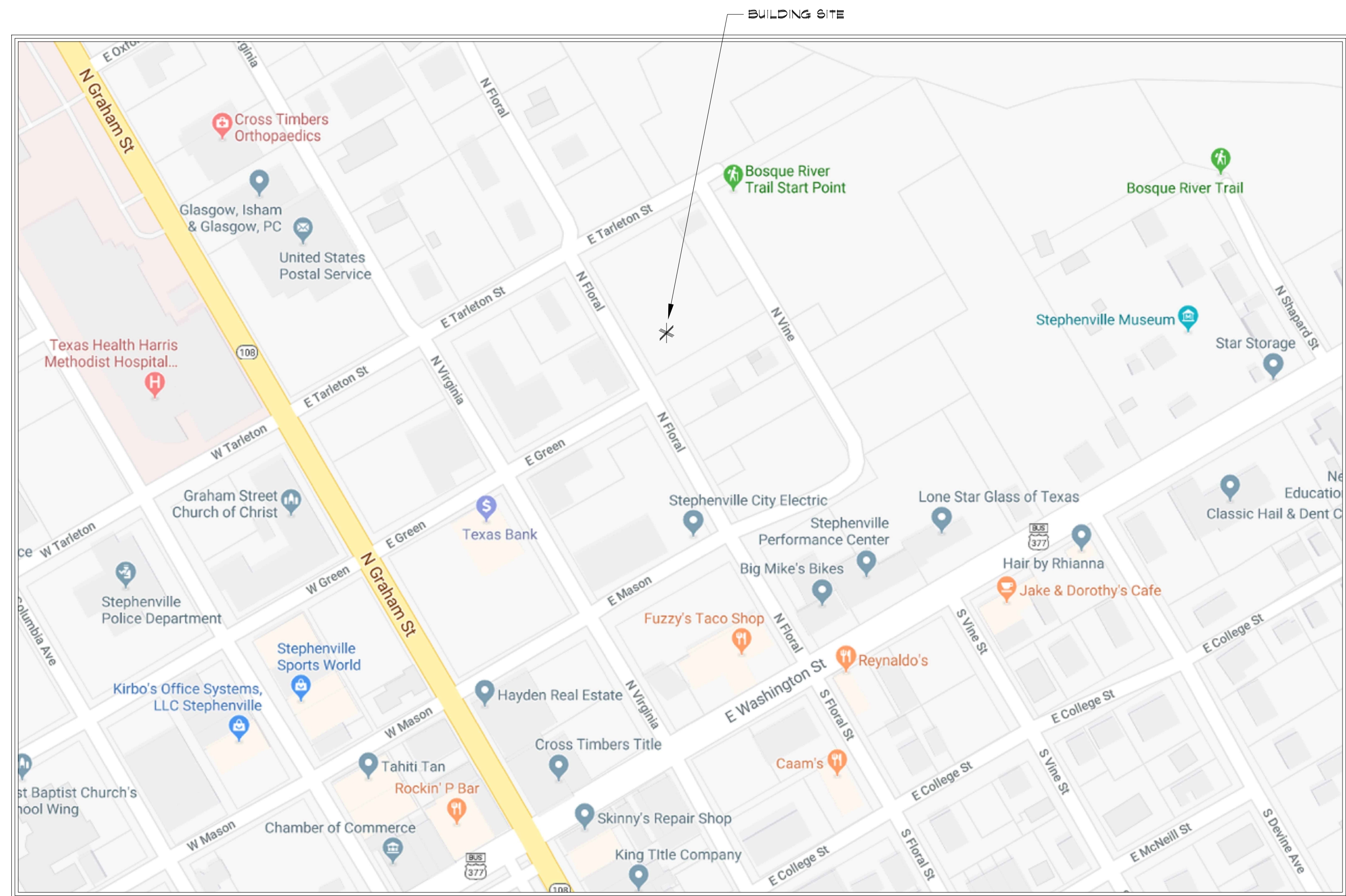
DOOR SCHEDULE

PK	SIZE	DESCRIPTION
1	3'-0" X 6'-8" X 1 3/4"	ENTRY DOOR
2	3'-0" X 6'-8" X 1 3/4"	ATRIUM DOOR
3	3'-0" X 6'-8" X 1 3/4"	SOLID CORE WOOD DOOR
4	3'-0" X 6'-8" X 1 3/4"	HOLLOW CORE WOOD DOOR
5	2'-6" X 6'-8" X 1 3/4"	HOLLOW CORE WOOD DOOR
6	2'-6" X 6'-8" X 1 3/4" DBL	HOLLOW CORE WOOD DOORS
7	2'-4" X 6'-8" X 1 3/4"	HOLLOW CORE WOOD DOOR
8	2'-4" X 6'-8" X 1 3/4" PKT	HOLLOW CORE WOOD DOOR
9	2'-4" X 5'-2" X 1 3/4" (A/O)	HOLLOW CORE WOOD DOOR
10	9'-0" X 1'-0"	GARAGE DOOR

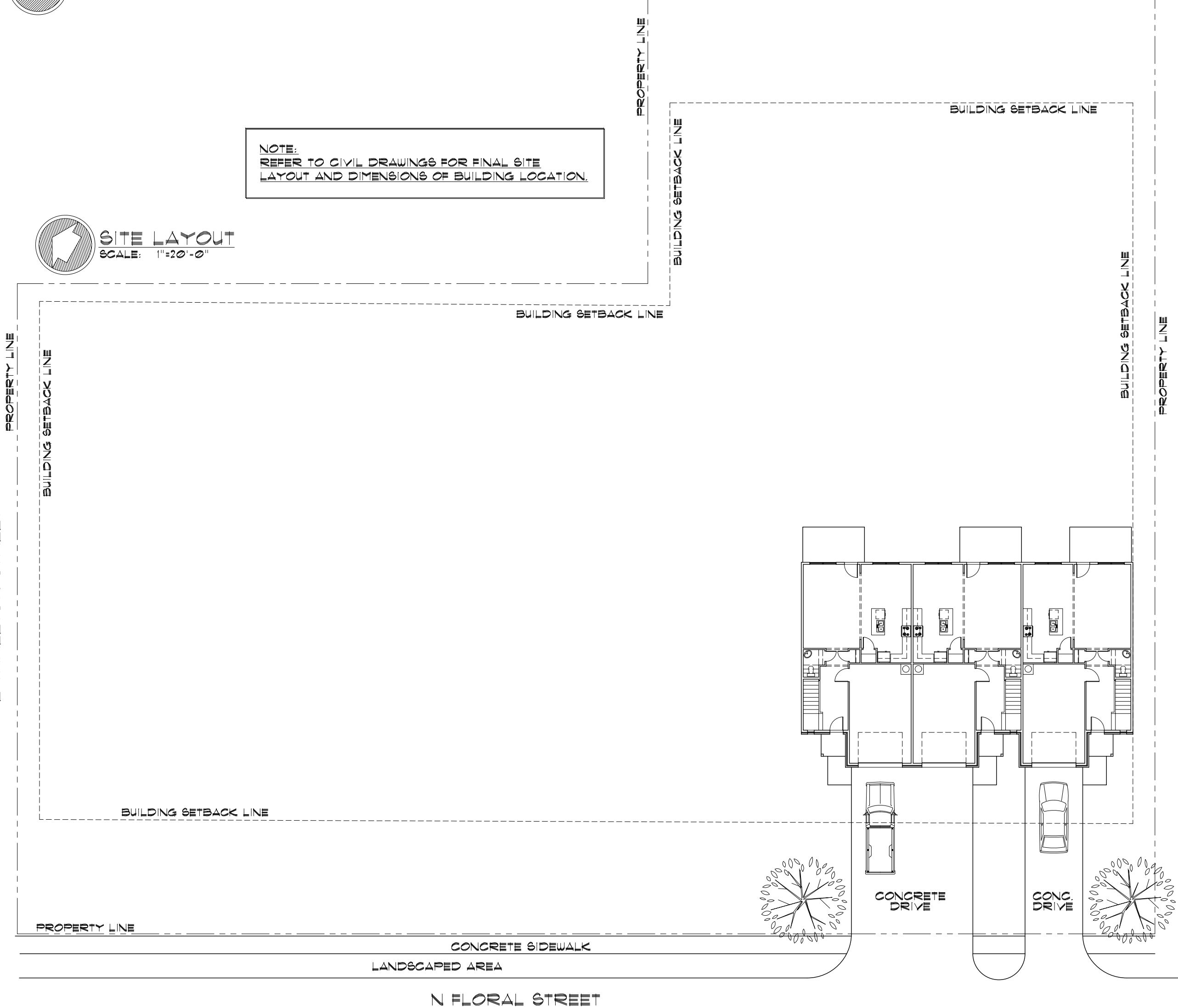
- NOTES:**
1. ALL HARDWARE FINISH SHALL BE SELECTED BY OWNER.
 2. DOOR STOPS SHALL BE FLOOR, HINGE OR WALL MOUNTED AS PER LOCATION.

WINDOW SCHEDULE

PK	SIZE	DESCRIPTION	FRAME	GLAZING
A	3'-0" X 6'-0"	SINGLE HUNG	ALUM. THERMAL BREAK	LOW-E INSULATED
B	2'-6" X 3'-0"	FIXED	ALUM. THERMAL BREAK	LOW-E INSULATED
C	1'-6" X 4'-0"	FIXED	ALUM. THERMAL BREAK	LOW-E INSULATED



BUILDING SITE LOCATION MAP



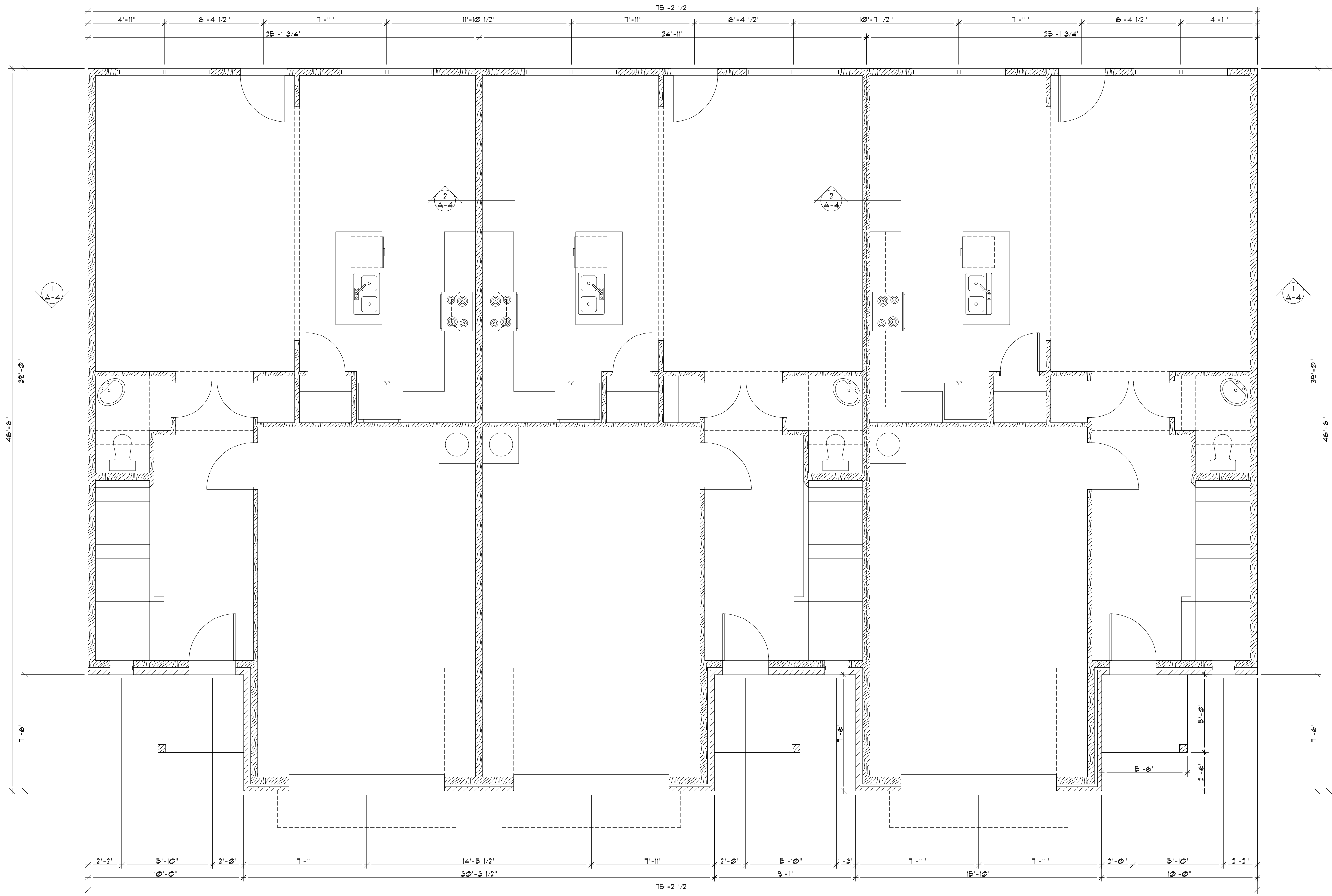
FRED B. PARKER • ARCHITECT
 P.O. BOX 1016
 STEPHENVILLE, TEXAS 76401
 PH. (254) 965-5368
 FAX. (254) 965-5393

PARKER & ASSOCIATES
 ARCHITECTS & PLANNERS

SITE MAP & SCHEDULES
 FACILITY Designed For
CITY CENTER TOWNHOMES
 STEPHENVILLE, TEXAS

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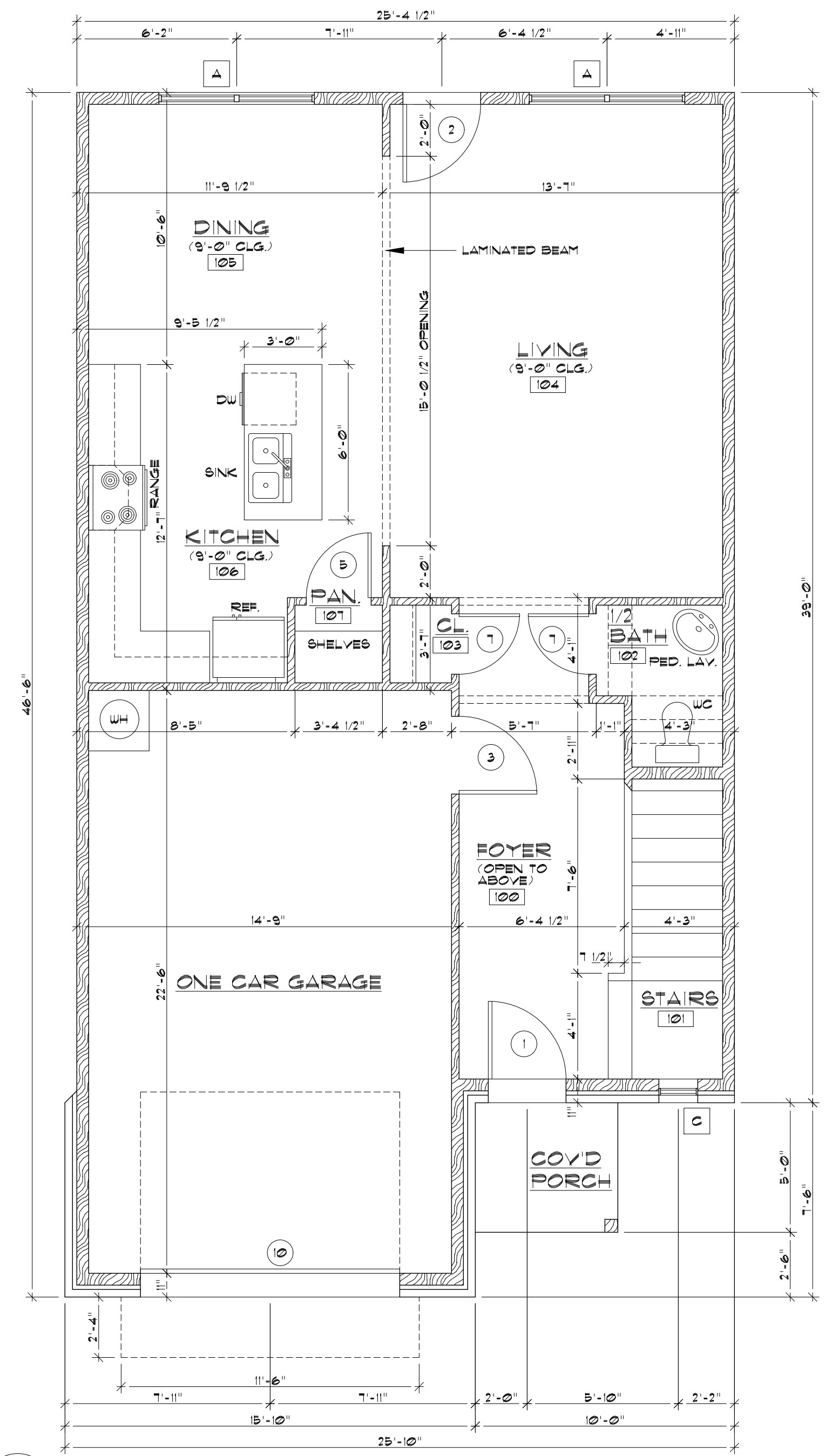


OVERALL 3 UNIT 1ST FLOOR PLAN
SCALE: 1/4"=1'-0"

SQUARE FOOTAGE CALCULATIONS	
154	SQ. FT. (1ST FLOOR - A/C AREA)
802	SQ. FT. (2ND FLOOR - A/C AREA)
1656	SQ. FT. (TOTAL BOTH FLOORS - A/C AREA)
3362	SQ. FT. (TOTAL SLAB)

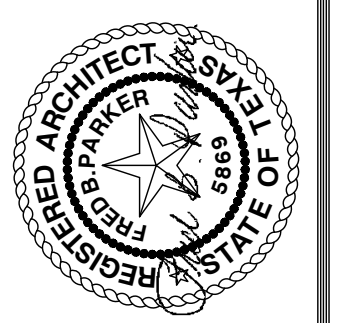
SYMBOL LEGEND

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1ST FLOOR PLAN - 1 UNIT
SCALE: 1/4"=1'-0"

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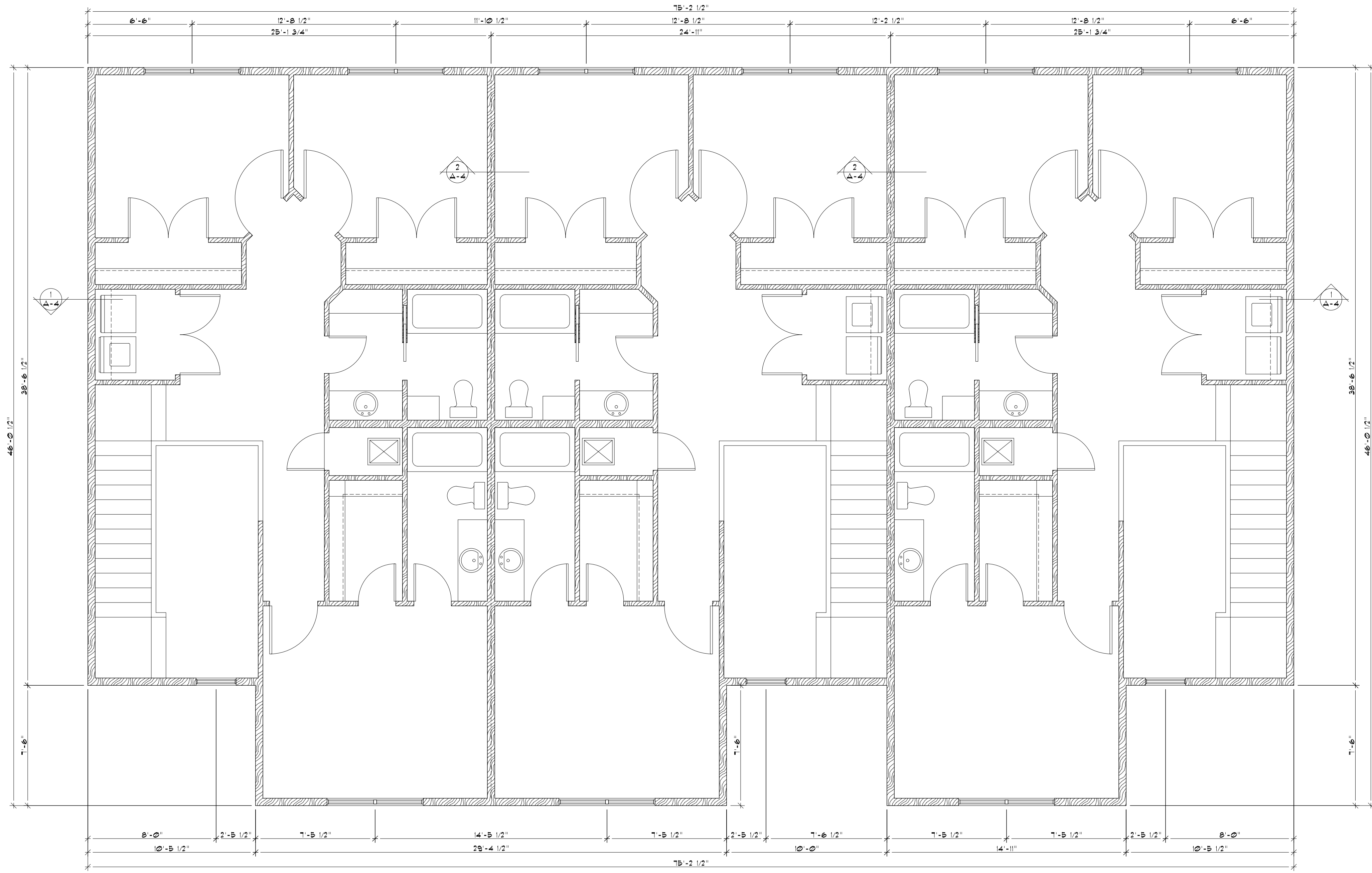
FRED B. PARKER • ARCHITECT
P.O. BOX 1016
STEPHENVILLE, TEXAS 76401
PH. (254)965-5388
FAX. (254)965-5393

PARKER & ASSOCIATES
ARCHITECTS & PLANNERS

1ST FLOOR PLAN
FACILITY Designed For
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DATE OF REVISIONS:
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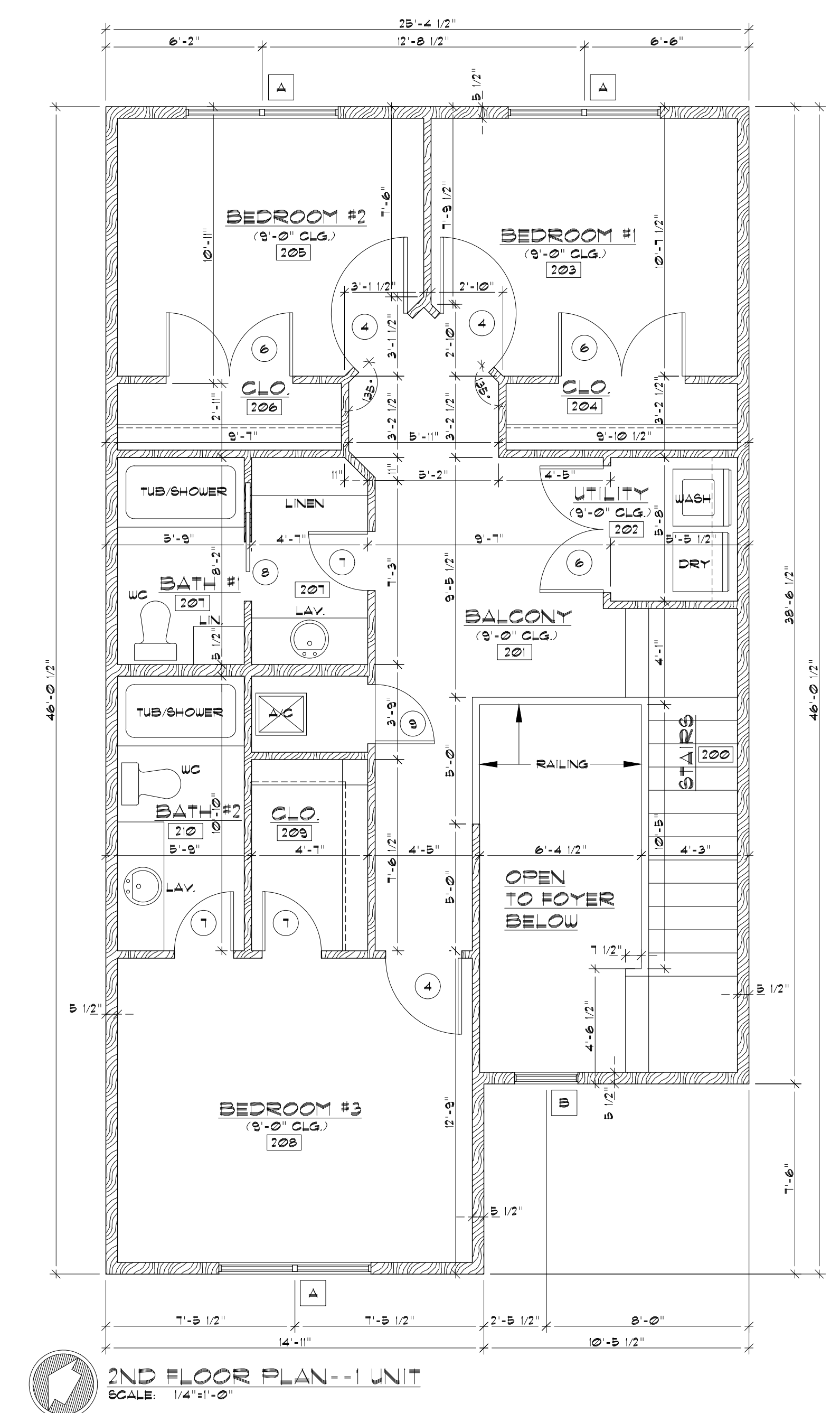
SHEET NO. A-2



OVERALL 3 UNIT 2ND FLOOR PLAN
SCALE: 1/4"=1'-0"

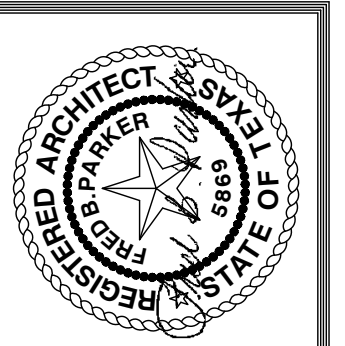
SYMBOL LEGEND

- 2"x4" STUD WALL w/ STUDS @ 16" O.C.
- 2"x6" STUD WALL w/ STUDS @ 16" O.C.
- 2"x6" TOP & BOTTOM PLATES w/ STAGGERED 2"x4" STUDS @ 16" O.C. ON EACH SIDE (16" O.C. TOTAL) (1 HR. FIRE RATED WALL)
- 2"x4" STUD WALL w/ STUDS @ 16" O.C. w/ BRICK VENEER
- WINDOW MARKER
- DOOR MARKER
- ROOM FINISH MARKER
- SECTION MARKER



2ND FLOOR PLAN--1 UNIT
SCALE: 1/4"=1'-0"

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FRED B. PARKER • ARCHITECT
P.O. BOX 1016
TEXAS 76401
PH. (254)965-5388
FAX. (254)965-5393

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ARCHITECTS & PLANNERS

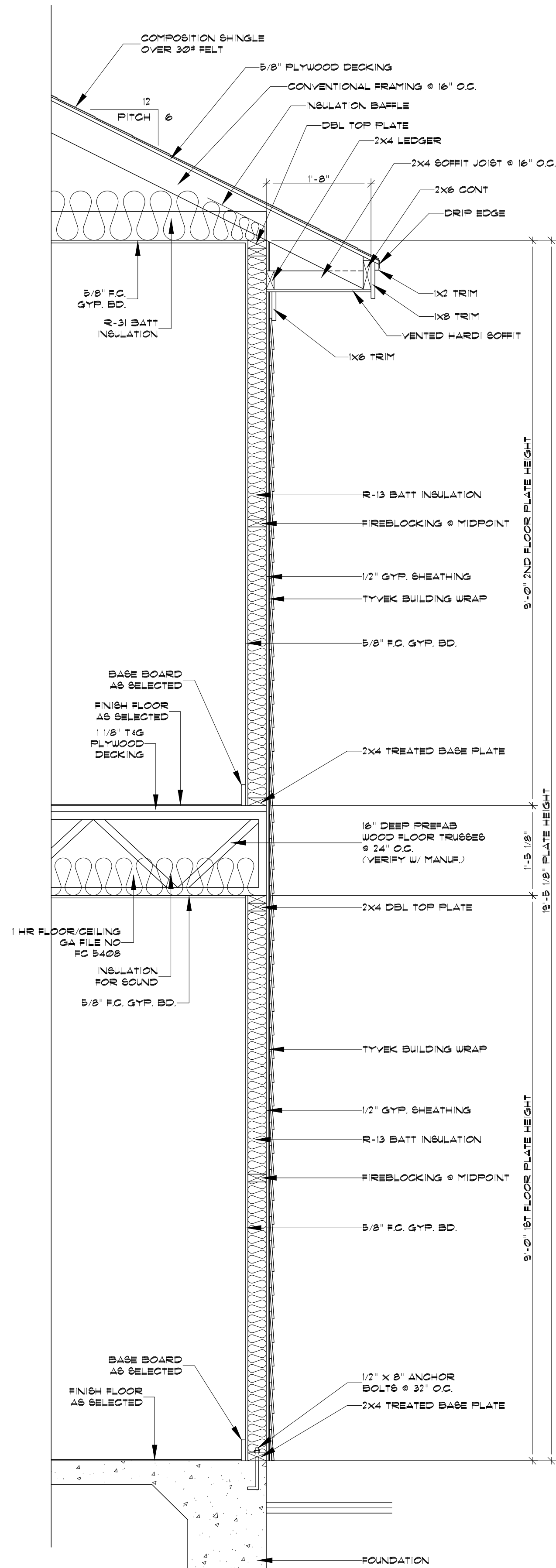
2ND FLOOR PLAN
FACILITY Designed For
CITY CENTER TOWNHOMES
STEPHENVILLE, TEXAS

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JOB NO. 18R48KAN
DRAWN BY: K.B.

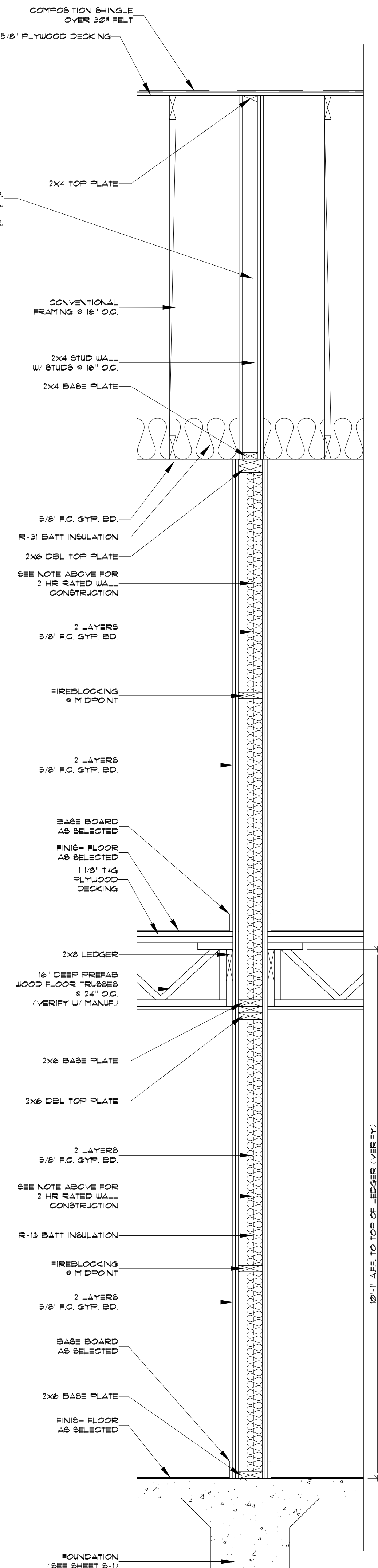
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NOTE
 STAGGERED 2"x4" WOOD STUDS @ 16" O.C. ON EACH SIDE OF 1"x6" TOP & BOTTOM PLATES (ONE STUD EVERY 8" TOTAL WITH TWO LAYERS 5/8" TYPE X GYPSUM WALL BOARD EACH SIDE. BASE LAYERS APPLIED VERTICALLY AND NAILED WITH 6D COOLER OR WALLBOARD NAILS AT 8" O.C. FACE LAYER APPLIED VERTICALLY OR HORIZONTALLY AND NAILED WITH 6D COOLER OR WALLBOARD NAILS AT 11" O.C. FOR NAIL-ADHESIVE APPLICATION, BASE LAYERS ARE NAILED 6" O.C. FACE LAYERS APPLIED WITH COATING OF APPROVED WALLBOARD ADHESIVE AND NAILED 12" O.C.

2 HR RATED FIRE WALL WITH TWO LAYERS 5/8" TYPE X GYP. BD. EACH SIDE. WALL TO RUN UP TO THE BOTTOM OF ROOF DECK.
 **ONLY ELECTRICAL CAN PENETRATE THE MEMBRANE



WALL SECTION 1
 SCALE: 3/4"=1'-0"



WALL SECTION 2
 SCALE: 3/4"=1'-0"

FRAMING NOTES:
 1. ALL FRAMING MATERIALS SHALL BE #2 OR BETTER.
 2. STRUCTURAL STEEL SHALL BE A-36.
 3. STEEL LINTELS SHALL BEAR A MINIMUM OF 8" ON MASONRY SUPPORT.
 4. ALL WORK SHALL BE PERFORMED IN STRICT ACCORDANCE WITH AND SHALL COMPLY TO ALL LOCAL, STATE AND ANY OTHER APPLICABLE CODES.

LINTEL SCHEDULE		
SPAN	CONDITION	DESCRIPTION
0'-0" - 6'-0"	NON-LOAD BRG.	2-2"x6" W/ 1/2" PLY. WD. SPACER
6'-0" - 12'-0"	NON-LOAD BRG.	2-2"x8" W/ 1/2" PLY. WD. SPACER
OVER 12'-0"	NON-LOAD BRG.	SEE PLAN
0'-0" - 6'-0"	LOAD BRG.	2-2"x8" W/ 1/2" PLY. WD. SPACER
6'-0" - 12'-0"	LOAD BRG.	2-2"x12" W/ 1/2" PLY. WD. SPACER
OVER 12'-0"	LOAD BRG.	SEE PLAN

CABINET NOTES:
 1. ALL DIMENSIONS SHALL BE VERIFIED PRIOR TO CONSTRUCTION OF CABINETS.
 2. ALL CABINETS ON THIS PROJECT ARE CONSTRUCTED OF STAIN GRADE RED OAK FACE FRAMES, CABINET GRADE RED OAK PLY. WD. END PANELS AND SHALL HAVE STAIN GRADE RAISED PANEL SOLID RED OAK DOORS.
 3. ALL CABINETS ON THIS PROJECT SHALL HAVE PLY. WD. BACKS AND SHALL HAVE NO PARTICLE BOARD IN ANY PART OF ITS CONSTRUCTION.
 4. OWNER SHALL MAKE SELECTION OF ALL HARDWARE FINISHES, STAIN COLORS AND CABINET TOPS.
 5. SUBMIT SAMPLES OF HARDWARE, STAIN AND COUNTER TOPS FOR OWNER'S APPROVAL.
 6. ALL UPPER CABINETS NOMINAL 12" DEEP UNLESS NOTED OTHERWISE.
 7. ALL LOWER CABINETS NOMINAL 24" DEEP UNLESS NOTED OTHERWISE.
 8. ALL SHELVES SHALL HAVE HARDWARE NOSING.

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DATE OF REVISIONS:

JOB NO. 18R48KAN

SHEET NO. A-4

WALL SECTIONS

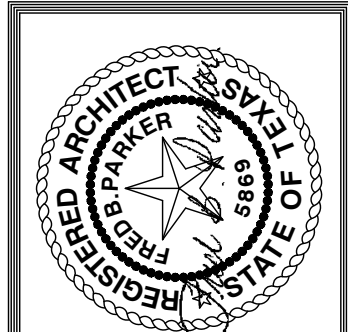
FACILITY Designed For

CITY CENTER TOWNHOMES

STEPHENVILLE, TEXAS

DATE OF REVISIONS:

DRAWN BY: K.B.

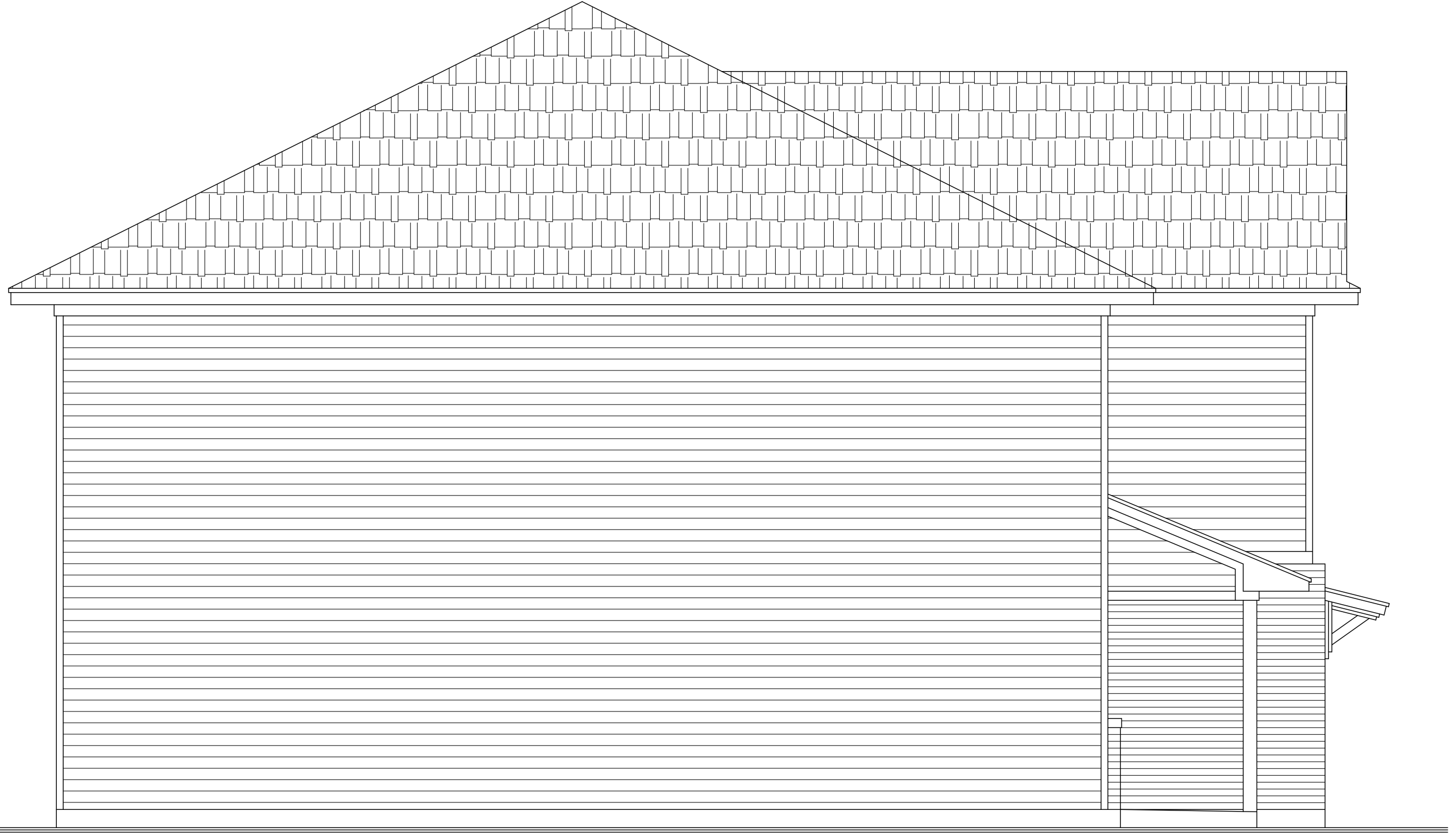


FRED B. PARKER • ARCHITECT
 280 N. COLUMBIA
 STEPHENVILLE, TEXAS 76401
 PH. (254)965-5388
 FAX. (254)965-5393

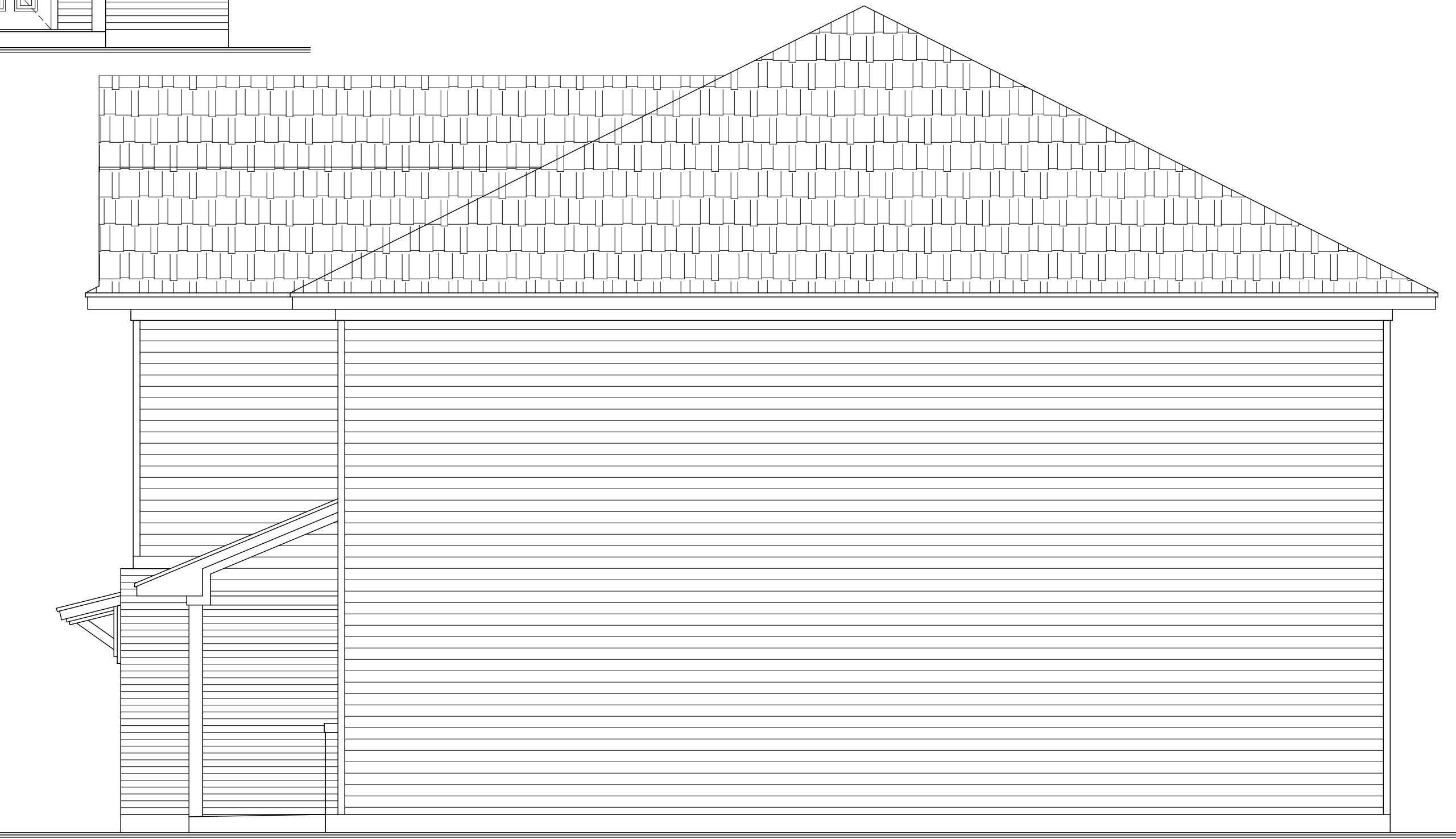
PARKER & ASSOCIATES
 ARCHITECTS & PLANNERS



FRONT ELEVATION
SCALE: 1/4"=1'-0"



LEFT SIDE ELEVATION
SCALE: 1/4"=1'-0"

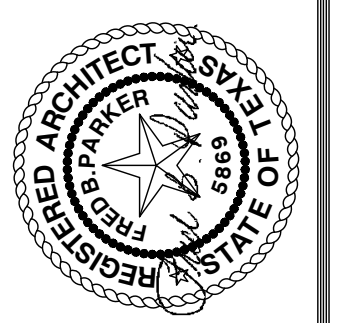


RIGHT SIDE ELEVATION
SCALE: 1/4"=1'-0"



REAR ELEVATION
SCALE: 1/4"=1'-0"

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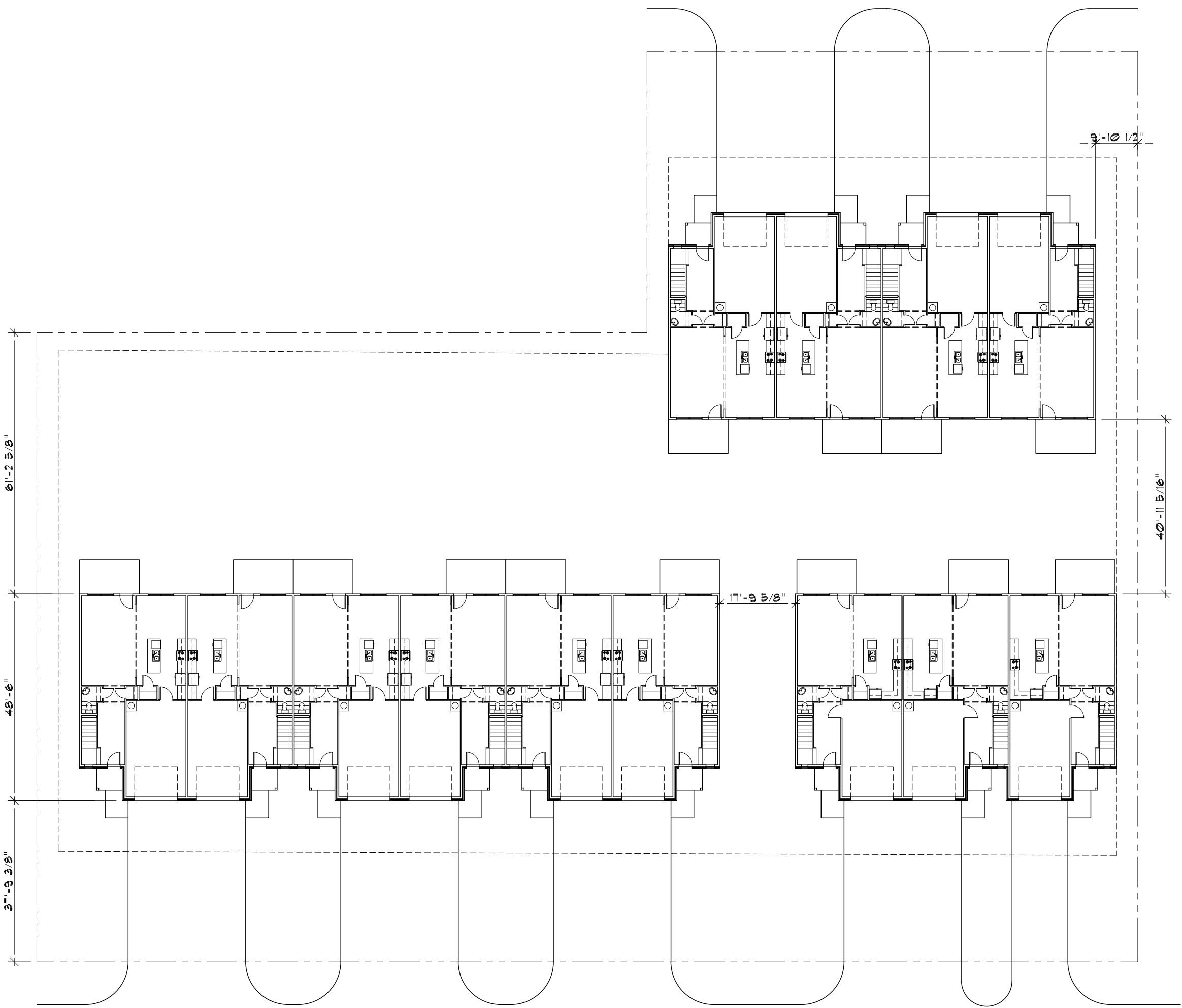
FRED B. PARKER • ARCHITECT
280 N. COLUMBIA
STEPHENVILLE, TEXAS 76401
PH. (254)965-5358
FAX. (254)965-5393

PARKER & ASSOCIATES
ARCHITECTS & PLANNERS

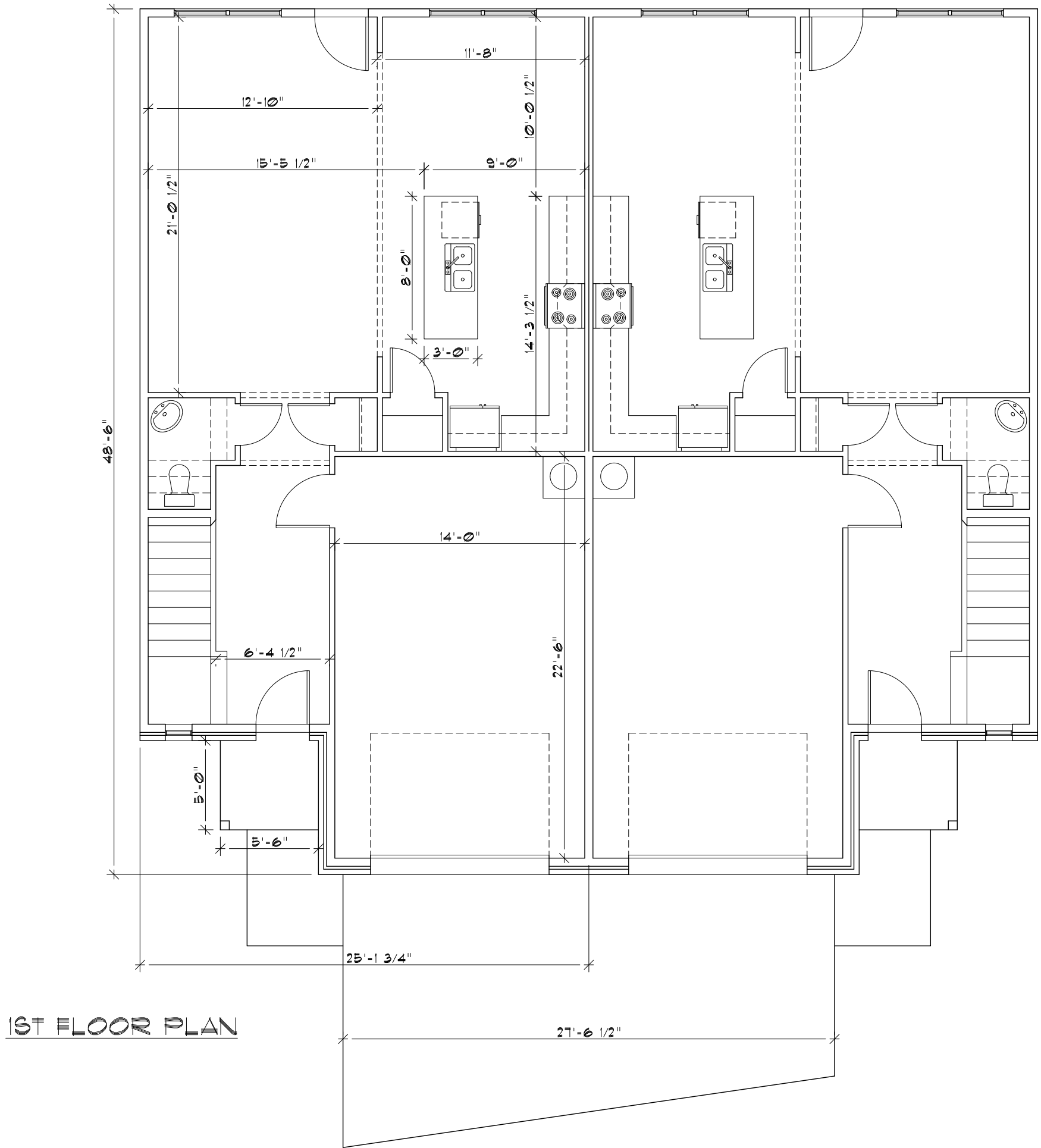
EXTERIOR ELEVATIONS
FACILITY Designed For
CITY CENTER TOWNHOMES
STEPHENVILLE, TEXAS

DATE OF REVISIONS:
JOB NO. 18R48KAN
DRAWN BY: K.B.

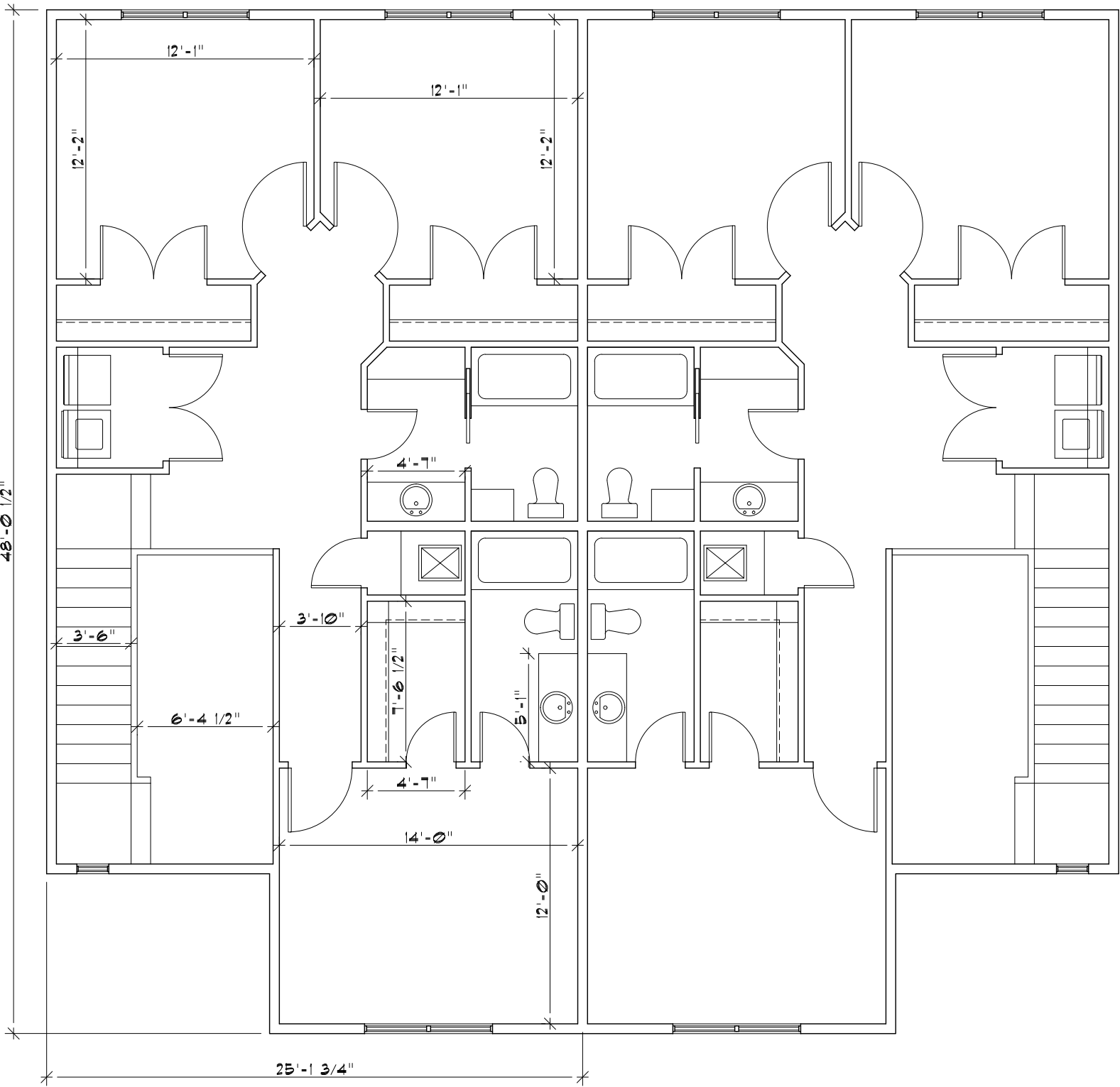
SHEET NO. A-5



SITE LAYOUT



1ST FLOOR PLAN



2ND FLOOR PLAN



FRONT ELEVATION--OVERALL 3 UNIT



ENLARGED SECTION OF FRONT ELEVATION



FRONT ELEVATION--OVERALL 6 UNIT

ORDINANCE NO. 2019-O-__

AN ORDINANCE REZONING THE LAND DESCRIBED FROM THE ZONING CLASSIFICATION OF CENTRAL BUSINESS DISTRICT (B-3) TO PLANNED DEVELOPMENT DISTRICT (PD)

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS:

All those lots, tracts, or parcels of land legally described as follows:

Being Lots 1 and 3, Block 156, City Addition of the City of Stephenville, Erath County, Texas

Is hereby rezoned and the zoning classification changed from the classification Central Business District (B-3) to Planned Development District (PD) in accordance with the Zoning Ordinance of the City of Stephenville.

This ordinance shall become effective immediately upon its passage.

PASSED AND APPROVED this the 2nd day of April, 2019.

Doug Svien, Mayor

ATTEST:

Staci L. King, City Secretary

Reviewed by Allen L. Barnes,
City Administrator

Randy Thomas, City Attorney
Approved as to form and legality

Planning and Zoning Commission

STAFF REPORT

SUBJECT: Case No. RZ2019-001: Applicant Tom Brooks is requesting a rezone of the property being Lot 1 & PT 2, Block 7 track of the Oak Tree Addition IV to the City of Stephenville, Erath County, Texas from Multi-Family Residential District (R-3) to Neighborhood Business District (B-1).

MEETING: Regular City Council Meeting - 02 Apr 2019

DEPARTMENT: Development Services

STAFF CONTACT: Jeremy Allen

RECOMMENDATION:

On March 20, 2019 Planning and Zoning Commission unanimously recommended approval of the rezoning of Lot 1 & PT 2, Block 7 track of the Oak Tree Addition IV to the City of Stephenville, Erath County, Texas from Multi-Family Residential District (R-3) to Neighborhood Business District (B-1).

Staff analysis: The property does not align with the Comprehensive Plan. There is similar zoning adjacent to the South, West, and East. The property is unusually shaped. There will be difficulties developing the property due to the flood plain. The rezone will allow for reasonable use of the property. The developer will need to meet subdivision requirements. The drainage and flood plain will be reviewed during the civil design.

BACKGROUND:**CURRENT ZONING:**

Lot 1 & PT 2, Block 7 track of the Oak Tree Addition IV is currently zoned Multi-Family (R-3)

COMPREHENSIVE PLAN PROJECTED LAND USE:

(R-3)Multi-Family

BUILDING USE REGULATIONS**Sec. 154.06.1. - Neighborhood business district (B-1).**

Description.

(1)The Neighborhood Business District accommodates trade and personal services facilities that meet the needs and enhance the quality of life of residential neighborhoods throughout the city.

(2)The various retail trade and service uses in the Neighborhood Business District are intended to become an integral part of the neighborhood, requirements for open space and off street parking are more restrictive and are compatible with adjacent residential areas. Spacing, air circulation, landscaping and unrestricted sight lines are included as requirements for the Neighborhood Business District to provide a harmonious relationship with other residential, educational, religious and recreational land uses.

Sec. 154.05.6. - Multiple Family residential district (R-3).

Description

This residential district provides for medium to high-density city neighborhood development. The primary land use allows for single-family dwellings, two-to-four family dwelling units, and multiple family housing buildings and complexes. All R-3 zoning will be appropriate to a city-style neighborhood. Recreational, religious and educational uses are also permitted so as to contribute to the natural elements of a convenient, balanced and attractive neighborhood. Development within this district is intended to be protected from the encroachment of land activities that do not contribute to the esthetic and functional well being of the intended district environment.

WATER

The property is served by a 12” city water main.

SEWER

The property is served by a 12” sanitary sewer main.

STREETS

The property is fronting Lingleville. which is served by TxDOT.

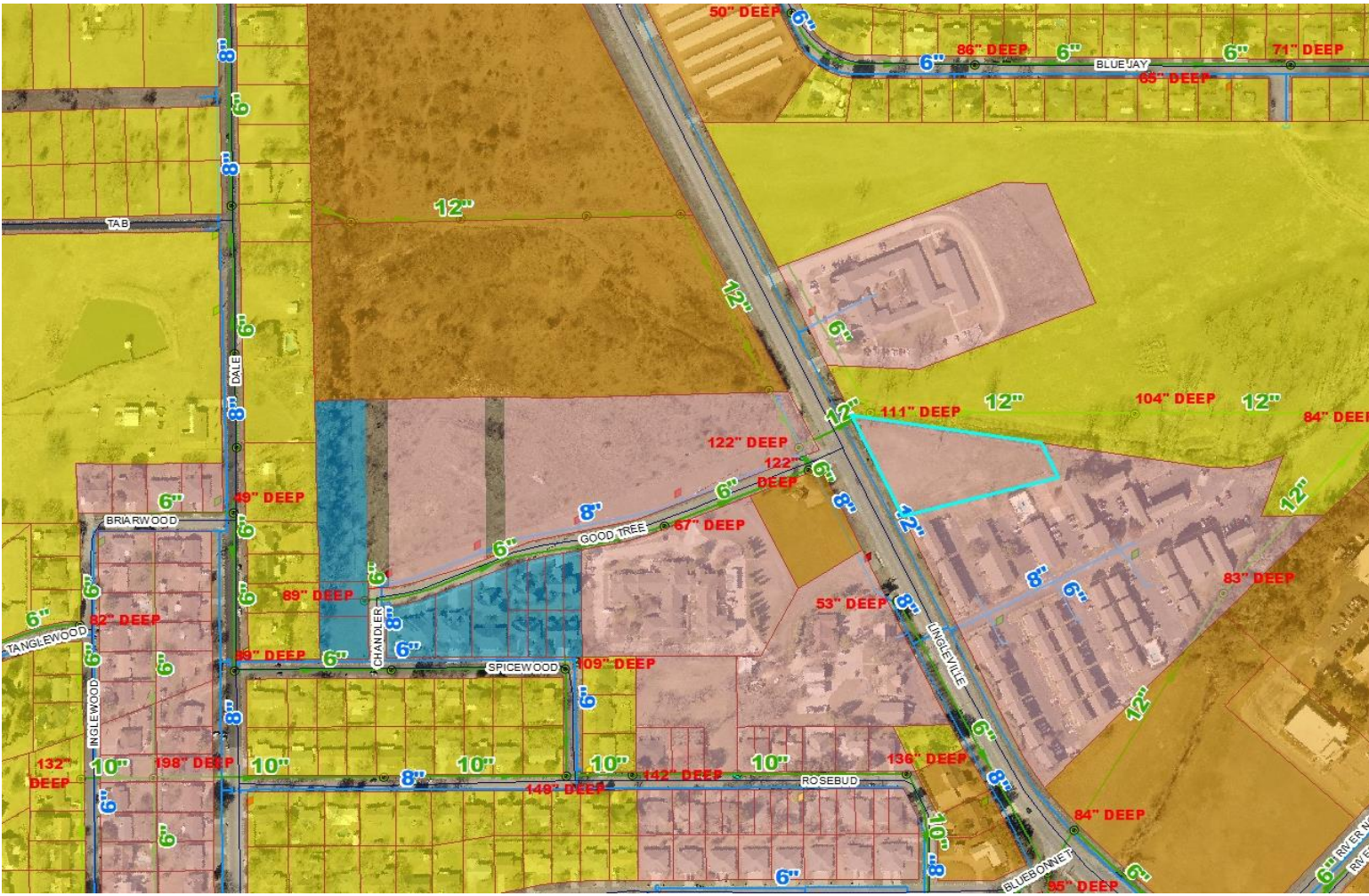
EXISTING ZONING IN THE AREA

The property for which Neighborhood Business zoning is requested is bordered to the North by Single Family district, to the West and adjacent is Single Family with Multi-Family near and to the West Neighborhood Business is across Lingleville.

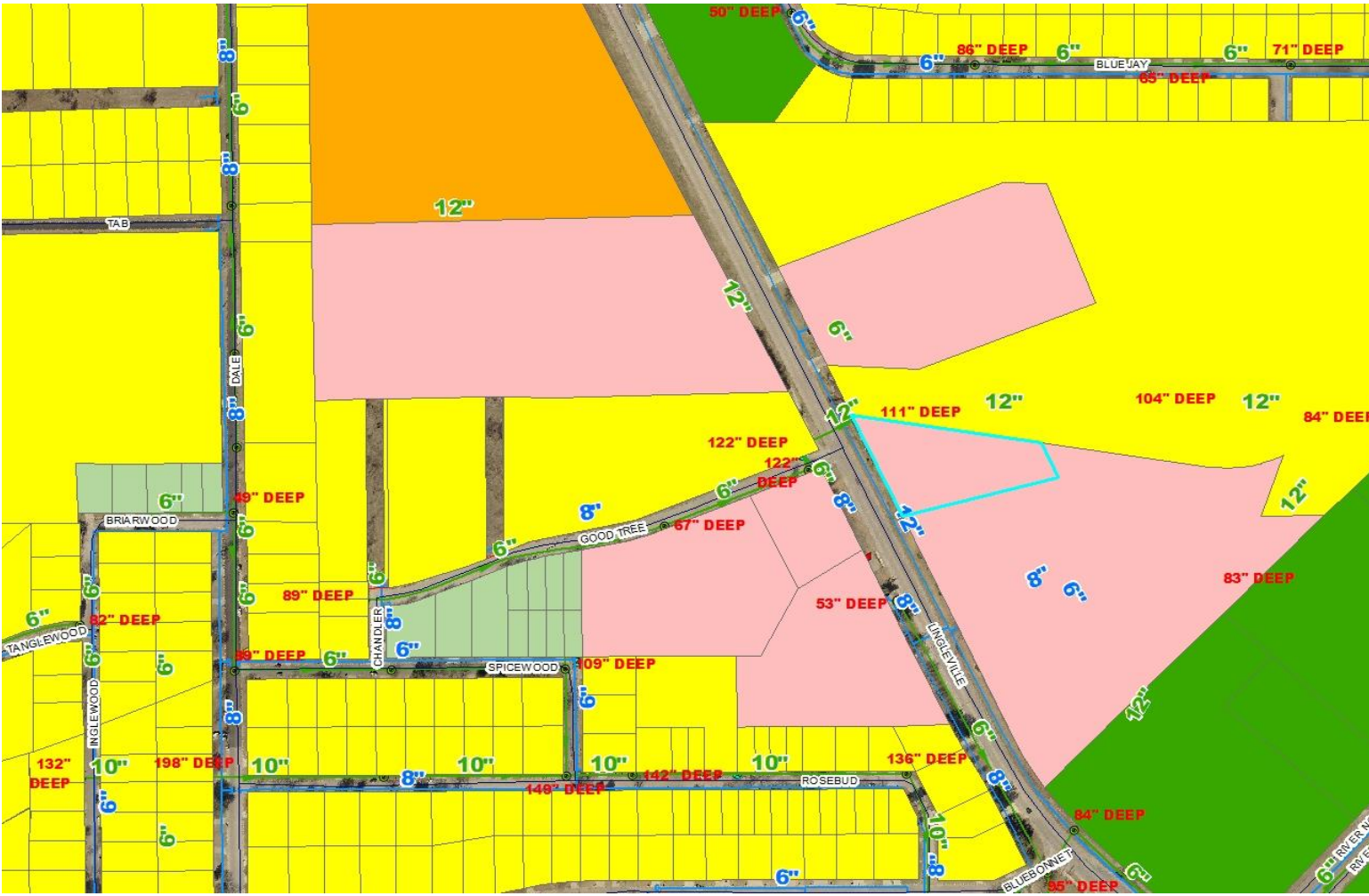
Factors to Consider

- Compliance with Comprehensive Plan
- Is application consistent with Plan?
- If not, have conditions changed or new information been offered to support change?
- Surrounding Zoning & Land Use
- Infrastructure Impacts
- Size and Location of Parcel - Is land large enough & in proper location for proposed use?
- Reasonable Use of Property - Does proposed change provide reasonable use of property?
- Zoning has great discretion – deny if applicant has not proven it is in the best interests of City to rezone

Aerial



Future Land Use



ALTERNATIVES:

- 1) Approve Rezone
- 2) Approve Rezone with Modification
- 3) Deny Rezone

ORDINANCE NO. 2019-O-__

AN ORDINANCE REZONING THE LAND DESCRIBED FROM THE ZONING CLASSIFICATION OF MULTI FAMILY RESIDENTIAL DISTRICT (R-3) TO NEIGHBORHOOD BUSINESS DISTRICT (B-1).

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS:

All that lot, tract or parcel of land legally described as follows:

Being Lots 1 and Lot 2 (Part of), Block 7 of the Oak Tree Addition IV to the City of Stephenville, Erath County, Texas

And it is hereby rezoned and the zoning classification changed from the classification of Multi Family Residential District (R-3) to Neighborhood Business District (B-1), in accordance with the Zoning Ordinance of the City of Stephenville.

PASSED AND APPROVED this the 6th day of March, 2018.

Doug Svien, Mayor

ATTEST:

Staci L. King, City Secretary

Reviewed by Allen L. Barnes,
City Manager

Randy Thomas, City Attorney
Approved as to form and legality



Regular City Council Meeting
STAFF REPORT

SUBJECT: Case No. RZ2019-002: Applicant Gregory Fletcher is requesting a rezone of the property being Lot 46, 47,48, and 49, Block 76 track of the City Addition to the City of Stephenville, Erath County, Texas from Industrial District (I) to Retail and Commercial District (B-2).

MEETING: Regular City Council Meeting - 02 Apr 2019

DEPARTMENT: Development Services

STAFF CONTACT: Jeremy Allen

RECOMMENDATION:

On March 20, 2019 the Planning and Zoning Commission unanimously recommended approval of rezoning of the property being Lot 46,47, 48, and 49, Block 76 track of the City Addition from Industrial (I) to Retail and Commercial District (B-2).

Staff analysis: The property is currently zoned industrial. There is analogous zoning to the Northwest. The Future Land Use map does call for this area to be Retail and Commercial District (B-2). Retail and Commercial District is more restrictive than Industrial District.

BACKGROUND:

CURRENT ZONING:

Lot 46, 47, 48, and 49, Block 76 track of the City Addition is currently zoned Industrial (I).

COMPREHENSIVE PLAN PROJECTED LAND USE:

(B-2) Retail and Commercial District.

BUILDING USE REGULATIONS

Description. The Retail and Commercial Business District provides areas for the grouping of retail shops and stores offering goods and services for the residents in general. These shopping areas will generally be more densely concentrated and more traffic intensive than allowed in the Neighborhood Business Districts.

WATER

The property is served by a 6" city water main.

SEWER

The property is served by a 6" sanitary sewer main.

STREETS

The property is fronting FM205 which is served by the City.

Zoning and Land Use

Location	Zoning	Land Use
Subject Site	Industrial	Vacant Building
North	Industrial	Commercial

South	Industrial	Industrial
East	Industrial	Single Family
West	Industrial	Single Family

Factors to Consider

- Compliance with Comprehensive Plan
- Is application consistent with Plan?
- If not, have conditions changed or new information been offered to support change?
- Surrounding Zoning & Land Use
- Infrastructure Impacts
- Size and Location of Parcel - Is land large enough & in proper location for proposed use?
- Reasonable Use of Property - Does proposed change provide reasonable use of property?
- Zoning has great discretion – deny if applicant has not proven it is in the best interests of City to rezone

Aerial



Zoning

ORDINANCE NO. 2019-O-__

AN ORDINANCE REZONING THE LAND DESCRIBED FROM THE ZONING CLASSIFICATION OF INDUSTRIAL DISTRICT (I) TO RETAIL AND COMMERCIAL DISTRICT (B-2).

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS:

All that lot, tract or parcel of land legally described as follows:

Being Lots 46, 47, 48, 49, Block 76 of the City Addition to the City of Stephenville, Erath County, Texas

And it is hereby rezoned and the zoning classification changed from the classification of Industrial District (I) to Retail and Commercial District (B-2), in accordance with the Zoning Ordinance of the City of Stephenville.

PASSED AND APPROVED this the 6th day of March, 2018.

Doug Svien, Mayor

ATTEST:

Staci L. King, City Secretary

Reviewed by Allen L. Barnes,
City Manager

Randy Thomas, City Attorney
Approved as to form and legality



Regular City Council Meeting

STAFF REPORT

SUBJECT: Case No. RZ2019-003: Applicant Gary Lloyd is requesting a rezone of the property being Lot 10, Block 1 track of the King Addition to the City of Stephenville, Erath County, Texas from Neighborhood Business (B-1) to Retail and Commercial District (B-2). .

MEETING: Regular City Council Meeting - 02 Apr 2019

DEPARTMENT: Development Services

STAFF CONTACT: Jeremy Allen

RECOMMENDATION:

On March 20, 2019 the Planning and Zoning Commission unanimously recommended approval of rezoning the property being Lot 10, Block 1 track of the King Addition from Neighborhood Business (B-1) to Retail and Commercial (B-2)

Staff Analysis: The property is currently zoned Neighborhood Business (B-1). There is analogous zoning to the South. The Future Land Use map does call for this area to be Neighborhood Business (B-1) with Properties to the West and South which are adjacent to be Retail and Commercial (B-2).

BACKGROUND:

CURRENT ZONING:

Lot 10, Block 1 track of the King Addition is currently zoned Neighborhood Business (B-1).

COMPREHENSIVE PLAN PROJECTED LAND USE:

(B-1) Neighborhood Business

BUILDING USE REGULATIONS

Description. (B-2) The Retail and Commercial Business District provides areas for the grouping of retail shops and stores offering goods and services for the residents in general. These shopping areas will generally be more densely concentrated and more traffic intensive than allowed in the Neighborhood Business Districts.

Description. (B-1) (1)The Neighborhood Business District accommodates trade and personal services facilities that meet the needs and enhance the quality of life of residential neighborhoods throughout the city.

(2) The various retail trade and service uses in the Neighborhood Business District are intended to become an integral part of the neighborhood, requirements for open space and off street parking are more restrictive and are compatible with adjacent residential areas. Spacing, air circulation, landscaping and unrestricted sight lines are included as requirements for the Neighborhood Business District to provide a harmonious relationship with other residential, educational, religious and recreational land uses.

WATER

The property is served by a 8" and 4" city water main.

SEWER

The property is served by a 6" and 8" sanitary sewer main.

STREETS

The property is fronting Washington which is served by TxDOT.

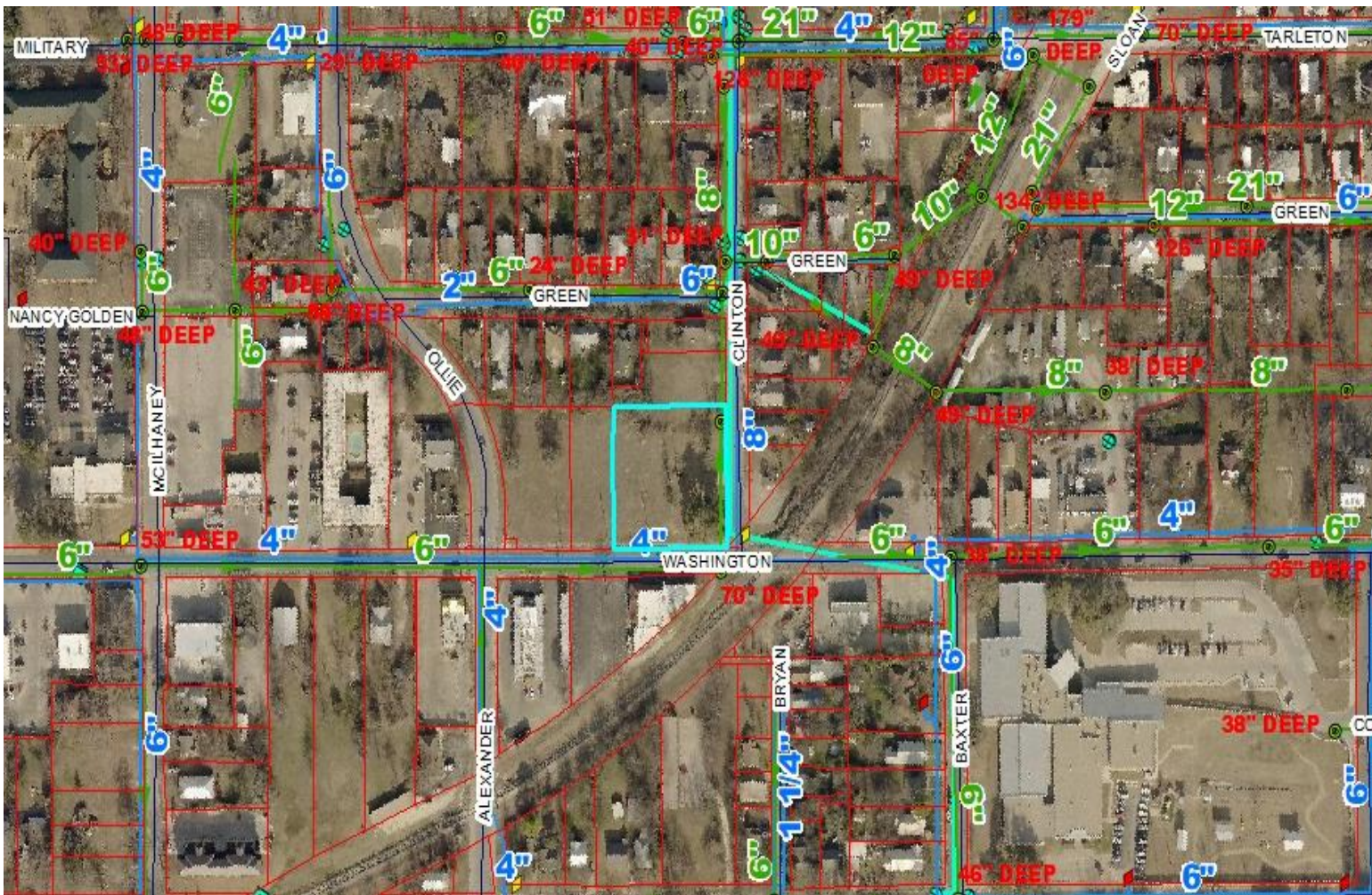
Zoning and Land Use

Location	Zoning	Land Use
Subject Site	Neighborhood Business	Vacant Lot
North	Multi-Family	Multi-Family
South	Commercial	Commercial
East	Industrial	Commercial/Multi-Family
West	Neighborhood Business	Commercial

Factors to Consider

- Compliance with Comprehensive Plan
- Is application consistent with Plan?
- If not, have conditions changed or new information been offered to support change?
- Surrounding Zoning & Land Use
- Infrastructure Impacts
- Size and Location of Parcel - Is land large enough & in proper location for proposed use?
- Reasonable Use of Property - Does proposed change provide reasonable use of property?
- Zoning has great discretion – deny if applicant has not proven it is in the best interests of City to rezone

Aerial



Zoning



Future Land Use



ALTERNATIVES:

- 1) Approval of rezone by council
- 2) Approval of rezone by council with modification
- 3) Denial of request by council

ORDINANCE NO. 2019-O-__

AN ORDINANCE REZONING THE LAND DESCRIBED FROM THE ZONING CLASSIFICATION OF NEIGHBORHOOD BUSINESS DISTRICT (B-1) TO RETAIL AND COMMERCIAL DISTRICT (B-2).

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS:

All that lot, tract or parcel of land legally described as follows:

Being Lot 10, Block 1 of the King Addition to the City of Stephenville, Erath County, Texas

And it is hereby rezoned and the zoning classification changed from the classification of Neighborhood Business District (B-1) to Retail and Commercial District (B-2), in accordance with the Zoning Ordinance of the City of Stephenville.

PASSED AND APPROVED this the 6th day of March, 2018.

Doug Svien, Mayor

ATTEST:

Staci L. King, City Secretary

Reviewed by Allen L. Barnes,
City Manager

Randy Thomas, City Attorney
Approved as to form and legality



Regular City Council Meeting
STAFF REPORT

SUBJECT: Case No. RZ2019-004: Applicant Kam IP is requesting a rezone of the property being Lot 1, 1A, 2A, and PT 2B, Block 129 track of the City Addition to the City of Stephenville, Erath County, Texas from Neighborhood Business (B-1) to Retail and Commercial District (B-2).

MEETING: Regular City Council Meeting - 02 Apr 2019

DEPARTMENT: Development Services

STAFF CONTACT: Jeremy Allen

RECOMMENDATION:

On March 20, 2019 the Planning and Zoning Commission unanimously recommended approval of rezoning the property being Lot 1, 1A, 2A, and PT 2B, Block 129 track of the City Addition to the City of Stephenville, Erath County, Texas from Neighborhood Business (B-1) to Retail and Commercial District (B-2).

Staff Analysis: The property is currently zoned Neighborhood Business (B-1). There is analogous zoning to the South. The Future Land Use map does call for this area to be Neighborhood Business (B-1) with Properties to the West and South which are adjacent to be Retail and Commercial (B-2).

BACKGROUND:

CURRENT ZONING:

ot 1, 1A, 2A, and PT 2B, Block 129 track of the City Addition is currently zoned Neighborhood Business (B-1).

COMPREHENSIVE PLAN PROJECTED LAND USE:

(B-1) Neighborhood Business

BUILDING USE REGULATIONS

Description. (B-2) The Retail and Commercial Business District provides areas for the grouping of retail shops and stores offering goods and services for the residents in general. These shopping areas will generally be more densely concentrated and more traffic intensive than allowed in the Neighborhood Business Districts.

Description. (B-1) (1)The Neighborhood Business District accommodates trade and personal services facilities that meet the needs and enhance the quality of life of residential neighborhoods throughout the city.

(2) The various retail trade and service uses in the Neighborhood Business District are intended to become an integral part of the neighborhood, requirements for open space and off street parking are more restrictive and are compatible with adjacent residential areas. Spacing, air circulation, landscaping and unrestricted sight lines are included as requirements for the Neighborhood Business District to provide a harmonious relationship with other residential, educational, religious and recreational land uses.

WATER

The property is served by a 4" city water main.

SEWER

The property is served by a 6" sanitary sewer main.

STREETS

The property is fronting Washington which is served by TxDOT.

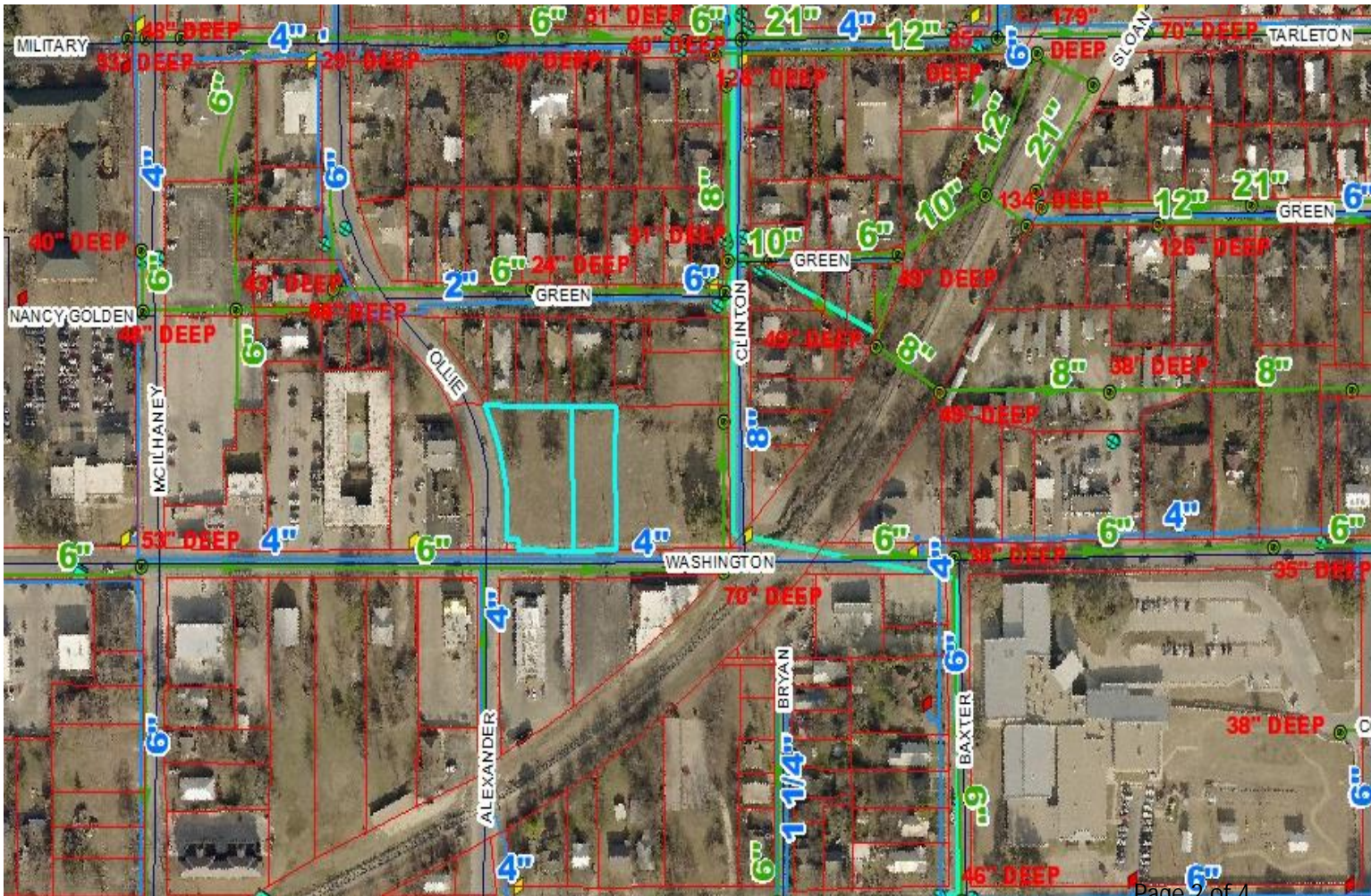
Zoning and Land Use

Location	Zoning	Land Use
Subject Site	Neighborhood Business	Vacant Lot
North	Multi-Family	Multi-Family
South	Commercial	Commercial
East	Industrial	Commercial/Multi-Family
West	Neighborhood Business	Commercial

Factors to Consider

- Compliance with Comprehensive Plan
- Is application consistent with Plan?
- If not, have conditions changed or new information been offered to support change?
- Surrounding Zoning & Land Use
- Infrastructure Impacts
- Size and Location of Parcel - Is land large enough & in proper location for proposed use?
- Reasonable Use of Property - Does proposed change provide reasonable use of property?
- Zoning has great discretion – deny if applicant has not proven it is in the best interests of City to rezone

Aerial



Zoning



Future Land Use



ALTERNATIVES:

- 1) Approval of rezone by council
- 2) Approval of rezone by council with modification
- 3) Denial of request by council

ORDINANCE NO. 2019-O-__

AN ORDINANCE REZONING THE LAND DESCRIBED FROM THE ZONING CLASSIFICATION OF NEIGHBORHOOD BUSINESS DISTRICT (B-1) TO RETAIL AND COMMERCIAL DISTRICT (B-2).

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS:

All that lot, tract or parcel of land legally described as follows:

Being Lots 1, 1A, 2A, and Part of 2B, Block 129 of the City Addition to the City of Stephenville, Erath County, Texas

And it is hereby rezoned and the zoning classification changed from the classification of Neighborhood Business District (B-1) to Retail and Commercial District (B-2), in accordance with the Zoning Ordinance of the City of Stephenville.

PASSED AND APPROVED this the 6th day of March, 2018.

Doug Svien, Mayor

ATTEST:

Staci L. King, City Secretary

Reviewed by Allen L. Barnes,
City Manager

Randy Thomas, City Attorney
Approved as to form and legality

Community Services Committee
COMMITTEE REPORT



MEETING: Regular City Council Meeting - 02 Apr 2019

Present:

Absent:

DEPARTMENT: Parks and Leisure Services

STAFF CONTACT: Jen Basham

Studio 6:14 Dance Contract:

At the March 19, 2019 committee meeting. Studio 6:14 presented their annual report and requested a 2 year contract extension for the upstairs studio at the Dance Hall. The committee supported the renewal of the contract.

Senior Center HVAC:

At the March 19, 2019 committee meeting three bids for the HVAC unit were reviewed by the committee. The committee supported replacing the unit with the low bid of \$6,000.

Rec Hall Air Conditioning:

At the March 19, 2019 the committee reviewed the project update for the scope of the Rec Hall HVAC project. The project was approved in the 2019 budget. Staff reported that the project could be completed within budget, but would not address many infrastructure stabilization projects that should be completed prior to addressing HVAC. The committee requested that staff research a comprehensive approach for the needs of the Recreation Hall.

TA Set Aside/Safe Routes to School:

Staff reported on a call for projects through TxDot that would fund sidewalks, mixed-use paths, and bike lanes. The committee supported staff applying for the joint call for projects. The current projects that are being refined include: Connecting the NW Loop to Frey, Wolfe Nursery to Dale, Dale to Tarleton St. and to Washington St., and connecting Central Elementary to Long St. and then to the park, the trail, and Alexander.

Personnel Committee
COMMITTEE REPORT



MEETING: Council Committee Meetings - 19 Mar 2019

Present: P7 Sherry Zachery, Chair; P6 Alan Nix; P8 Brandon Huckabee

Absent: None

DEPARTMENT: Public Works

STAFF CONTACT: Nick Williams

Agenda Item: Landfill Supervisor Position

Discussion: The vacancy in the Landfill Supervisor position was discussed. It was noted the position has been open for over 6 months, has been extensively advertised, and the position has been offered to four (4) candidates, but has been turned down due to salary constraints.

It was noted the Texas Commission on Environmental Quality requires the landfill to be overseen by an individual with a Class-A Municipal Solid Waste Operator license and that there are approximately 647 licensed individuals in Texas.

It was further noted that changing the position from a non-exempt supervisor level position to an exempt superintendent level position could be offset by changing the "minimum charge" fee from \$20 per load to \$25 per load and that discussion would be held in the Finance Committee immediately following the Personnel Committee Meeting.

Committee Action: Following discussion, a motion was made by Mr. Nix, seconded by Mr. Huckabee, to recommend to the full council to modify the position title from Landfill Supervisor and Landfill Superintendent.

Recommendation: The committee voted unanimously to recommend to the full council to modify the position title from Landfill Supervisor to Landfill Superintendent.

Finance Committee

COMMITTEE REPORT

MEETING: City Council Committee Meetings - 19 Mar 2019

Present: Chair Mark McClinton, Carla Trussell

Absent: Brady Pendleton

DEPARTMENT:

STAFF CONTACT:

Landfill Gate Fees:

Discussion

The Personnel Committee Meeting was referenced and the vacancy in the Landfill Supervisor position was discussed. It was noted the position has been open for over 6 months, has been extensively advertised, and the position has been offered to four (4) candidates, but has been turned down due to salary constraints.

It was noted that a \$10,000 increase in the Landfill Supervisor position's base salary range would be consistent with other superintendent level positions in the city and could be offset by changing the landfill's "minimum charge" fee from \$20 per load to \$25 per load to remain budget neutral.

Upcoming site improvements, necessary to keep the facility open, specifically the construction of Cells 5 and 6 in the next 24 months was discussed. It was stated that the intent of any gate rate changes, although unwanted, was intended to offset the costs necessary to operate the facility and further, that the facility is an enterprise fund and is to be operated in a self-sufficient manner.

The point was made that if the facility improvements were not funded, the facility would be closed and the cost of construction disposal would rise significantly due to debris having to be transported to other facilities outside Erath County.

It was noted the current gate rate of \$50 per ton was set in 2013.

Committee Action

Following discussion, a motion was made by Ms. Trussell, seconded by Mr. McClinton, to recommend to the full council to adopt the landfill fees discussed as presented in the memorandum.

Recommendation

The committee voted unanimously to recommend to the full council the implementation of a minimum charge fee increase from \$20 per load to \$25 per load and to increase the per ton rate from \$50 per ton to \$60 per ton.

Update

In the March 19, 2019 committee meeting, it was noted the cost to repair the failed transmission of the CAT D6 Dozer was estimated at \$70,000 and therefore \$150,000 was estimated to refurbish the machine. On

March 26, 2019, a quote was received from CAT recommending the machine's entire powertrain be rebuilt at a cost of \$213,561. Further, independent research supports the refurbishment of the full powertrain as the most cost-effective approach for a machine with similar age and wear as well as provides the highest level of confidence versus buying a used machine.

Multiple equipment websites list D6 dozers with varying ages, hours, and prices ranging from under \$150,000 to over \$400,000. A new, same-sized, same-type landfill dozer was verbally quoted at \$420,000. The rebuild is recommended, as it essentially provide a new machine with the exception of the undercarriage, new paint, decals, lights, cab glass, seat and other more aesthetic features. The state-issued landfill permit from the Texas Commission on Environmental Quality lists the dozer as a required equipment. The dozer is a staple of the process and is used multiple times throughout daily operations. CAT representatives did perform an onsite evaluation of the machine.

Fiscal Year 2017-2018 Audit:

The Comprehensive Annual Financial Report for the fiscal year ending September 30, 2018 was presented to the Committee by Mike Brooks of Brooks Watson & Company. The auditor's report expressed an unmodified "clean" opinion that the financial statements present fairly, in all material respects, the respective financial position of the City as of September 30, 2018. Staff is requesting Council to accept the report as presented.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended September 30, 2018



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***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

of the

City of Stephenville, Texas

**For the Year Ended
September 30, 2018**

Prepared by:
Finance Department

Monica Harris
Director of Finance

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City of Stephenville, Texas

TABLE OF CONTENTS

September 30, 2018

INTRODUCTORY SECTION

Letter of Transmittal	1
GFOA Certificate of Achievement for Excellence in Financial Reporting	6
Organizational Chart	7
List of Elected and Appointed Officials	8

FINANCIAL SECTION

Independent Auditor's Report	11
Management's Discussion and Analysis	17

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position	28
Statement of Activities	30

Fund Financial Statements

Governmental Funds:

Balance Sheet	32
Reconciliation of the Balance Sheet to the Statement of Net Position- Governmental funds	33
Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35

Proprietary Funds:

Statement of Net Position	36
Statement of Revenues, Expenses, and Changes in Fund Net Position	38
Statement of Cash Flows	40

Notes to Financial Statements	45
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REQUIRED SUPPLEMENTARY INFORMATION

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund	84
Schedule of Changes in Net Pension Liability and Related Ratios	86
Schedule of Employer Contributions to Pension Plan	87
Schedule of Changes in OPEB Liability and Related Ratios – TMRS SDBF	88

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES**

Combining Balance Sheet - Nonmajor Governmental Funds	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	92
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Hotel/Motel Tax	94
Child Safety	95
Public Safety	96
Municipal Court Technology	97
Debt Service Fund	98
Capital Projects Fund	99
Balance Sheet - Discretely Presented Component Unit	100
Reconciliation of the - Discretely Presented Component Unit Balance Sheet to the Statement of Net Position	101
Statement of Revenues, Expenditures, and Changes in Fund Balance – Discretely Presented Component Unit	102
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the - Discretely Presented Component Unit to the Statement of Activities	103
 <u>STATISTICAL SECTION</u>	
Net Position by Component	107
Changes in Net Position	111
Fund Balances, Governmental Funds	113
Changes in Fund Balance, Governmental Funds	115
Assessed Value and Estimated Actual Value of Taxable Property	117
Property Tax Rates – Direct and Overlapping Governments	118
Principal Property Tax Payers	119
Property Tax Levies and Collections	121
Taxable Sales By Catagory	122
Direct and Overlapping Sales Tax Rates	123
Ratios of Outstanding Debt by Type	124
Ratio of General Bonded Debt Outstanding	125
Direct and Overlapping Governmental Activities Debt	127
Legal Debt Margin Information	128
Pledged-Revenue Coverage	129
Demographic and Economic Statistics	130
Principal Employers	131
Full-Time Equivalent City Employees by Function/Program	133
Operating Indicators by Function/Program	135
Capital Asset Statistics by Function/Program	137

INTRODUCTORY SECTION

Stephenville

TE★AS



298 W Washington St, Stephenville, TX 76401 (254) 918-1220 Fax (254) 918 -1207

March 18, 2019

TO: The Honorable Mayor, Members of the City Council, and the Citizens of Stephenville (the "City")

The Finance Department and City Manager's Office are pleased to submit the Comprehensive Annual Financial Report for the City of Stephenville, Texas for the fiscal year ended September 30, 2018.

This report provides the city council, city staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the city government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Brooks Watson & Company has issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2018. The independent auditors' report is located at the front of the financial section of this report.

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

CITY PROFILE



Location

The City is a political subdivision and municipal corporation of the State of Texas, duly organized and existing under the laws of the state and the City's home rule charter. The City was incorporated in 1889 and chartered a home-rule city under Texas law in 1961. The City is located on the intersection of U.S. Highways 67, 281, and 377. The City occupies approximately 11.79 square miles and serves a population of about 22,280. The City is empowered by state statute to levy a tax on both real and business personal property located within its boundaries. The City also has the power by state statute to extend its corporate city limits by annexation, which is done periodically when deemed appropriate by the city council.

The City operated under the mayor-council form of government until November 2018, when the citizen's voted to update the charter to a council-manager form of government. However, this change did not significantly change operations. Policy-making and legislative authority are vested in a governing council consisting of the mayor and eight (8) council members. The city council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the city administrator. The city administrator, now titled city manager, is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the City, and appointing heads of various departments. The mayor and city council members each serve two-year terms, and are elected at large. The basic financial statements of the City include all governmental activities, organizations and functions for which the City is financially accountable as defined by the

Government Accounting Standards Board (GASB). The City of Stephenville is financially accountable for a legally separate economic development corporation, which is reported separately within the City of Stephenville's financial statements. Additional information on the legally separate entity can be found in the notes to the financial statements (see note I. B).

Services Provided

The City provides a full range of services, including public safety (police, fire, and emergency medical), maintenance of streets and infrastructure, sanitation services, maintenance of the treated water distribution system and both sanitary and storm sewer collection and transmission systems, recreational activities and cultural events, landfill operations, airport facility maintenance as well as general administrative services.

Accounting System and Budgetary Control

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

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

All internal control evaluations occur within the above framework. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The annual budget serves as the foundation of the City's financial planning and control. The city council formally adopts the budget and legally appropriates available monies for activities of the General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Fund.

No later than August 1st of each year, the city manager submits to the city council a proposed budget, which provides a complete plan for the fiscal year commencing October 1. As approved by the citizens in the November 2018 election, the date the proposed budget is submitted to city council is now August 15th. The budget includes proposed expenditures and means of financing them. The proposed budget is made available for public inspection, and a public hearing is held to allow for citizen comment. After the public hearing, council may make changes to any item in the budget, except those fixed by law. No later than September 23, the budget is legally enacted by ordinance which sets the limit on expenditures during the fiscal year. Additional expenditures may be authorized in the case of grave public necessity to meet unusual and unforeseen conditions which could not have reasonably been foreseen at the time the budget was adopted.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the departmental level; however, expenditures are monitored monthly at the department level to ensure financial accountability by department directors. Management control of budgets is further maintained at

the line item level within the department. The City also maintains an encumbrance accounting system to further accomplish budgetary control. Appropriations not spent or legally encumbered lapse at year-end. Encumbrances are generally re-appropriated as a part of the following year's budget. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

ECONOMIC CONDITION

Local Economy

The City serves as the center of commerce and recreation to over 41,000 Erath County residents and has a commercial trade area of over 85,000. The City is the county seat and the principal commercial, medical, retail, educational and industrial center of Erath County. The City currently enjoys a fairly stable and diversified economic environment, bolstered by the strength of both the Cross Timbers area and the State of Texas. Our economy is based on agriculture, manufacturing, and Tarleton State University. Agriculture has long been Erath County's leading industry with livestock, especially beef, dairy and other livestock production. Erath County accounts for 9.85% of the state's total milk production. The City is fortunate to have several manufacturing industries in town. Local manufacturing includes coated abrasives, oilfield related products, cream cheese, fiber gratings and fasteners, metal processing of electrical products, trailer customization, and forged pipe unions. Tarleton State University, a member of the Texas A & M System, provides further economic stability as the largest employer. The Stephenville student body includes representatives from 219 Texas counties, 42 states, and 21 foreign countries. Tarleton's Stephenville Campus 2018 fall enrollment was in excess of 9,300 students with total enrollment across all Tarleton Campuses exceeding 13,000 students.

Stephenville ranks high in the state for a quality of work environment. As of September 2018, with unemployment at 3.8% statewide, Stephenville's unemployment was 3.2%. The city has adequate—yet below-average—wealth and income. According to the U. S. Census Bureau's 2017 American Community Survey published in 2018, Stephenville's median household income is \$44,204 compared to \$52,297 for DFW and \$57,051 for Texas. In addition, according to the survey, the workforce is educated with 30.2% of the population having a bachelor's degree or higher, compared to 30% for DFW and 28.7% for Texas.

The stable property values, sales tax receipts and building activity reflect the area's positive economic climate. The City continues to have new residential, commercial and educational building construction, adding twenty-one million dollars in new taxable value for the 2018 property tax rolls. Lakewood Estates and Elk Ridge Estates are still in the construction phase of additional residential units, and the Green Acres subdivision will start construction this year. A major apartment complex is nearing completion with another one to start construction this year. In addition, a private-owned major student-housing complex is nearing plan completion and anticipated to start construction this year too. Tarleton State University continues its growth and is currently constructing an engineering building and anticipating construction of an agriculture building. The City has completed over 10 miles of street preservation projects for fiscal year 2017-18 and plans to complete \$1,000,000 more for fiscal year 2018-19. Two major fast food restaurant franchises opened in FY 2017-18, and another one opened a few months after. The Stephenville Economic Development Authority (SEDA) continues to work on several major projects; recently announcing the anticipated construction of a 120 to 130-room select service level hotel with a 15,000 square feet attached conference center. Construction on the hotel is expected to be completed in approximately two to three years. SEDA continues to receive many new economic development inquiries from companies interested in locating their business in Stephenville.

Long-Term Financial Planning

The City's ability to respond to on-going economic challenges will require careful long-range planning. The City has responded to the economy by fiscal conservatism and implementing operating budget efficiencies that have resulted in maintaining healthy fund balances in its general fund and water/wastewater funds.

Users of this document are encouraged to read the City's Fiscal Year 2018-2019 Budget. The document details the City's long-term goals and financial policies, describes program accomplishments and initiatives, and outlines the City's capital improvement program. Also available for reference is the City of Stephenville's Comprehensive Plan which maps out the City's future strategies.

In addition, the City has recognized the long-term financial implications of its pension and retiree health benefits. Regarding pensions, City eliminated the cost of living adjustment for retirees, resulting in a pension asset as opposed to the previous unfunded pension liability. This more than offsets the other post-employment benefits liability created by the supplemental death benefit offered to retirees, ensuring the long-term sustainability of the plan. The City does not provide for retiree health care. The City intends to provide a sustainable benefit to our employees without shifting costs to future tax payers.

Relevant Financial Policies

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

The City Council Finance Committee meets on an as-needed basis to discuss financial and budgetary information, financial policies, fund balance reserve requirements and tax rate setting information. None of the City's financial policies had a significant impact on the current period's financial statements, as the City was able to maintain reserve levels within the stated policies for the governmental funds. Constant review of revenue and expenditure trends and reserve levels is maintained with specific responsibility assigned to the Finance Director and City Manager. The City's Finance Department publishes a monthly financial report which provides internal and external users with the general awareness of the City's financial positions and economic activity.

Major Initiatives

The City currently has two projects underway. The Clark Field Municipal Airport is working on a runway extension project. This is a \$10 million dollar project with a 90/10 match coming from TXDOT Aviation. The environmental study has been completed; surveys and appraisals of surrounding properties are currently being performed. A significant portion of the land needed has been purchased. The Texas Water Development Board approved a loan of \$17,030,000 dollars to the City for the Eastside Sewer Line project. This project is a three-phase project to alleviate sanitary sewer overflow issues and expand servicing areas, affecting 80% of the City. The Bosque River Trail expansion is substantially complete. This project was in partnership TXDOT and required an 80/20 match.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to the City of Stephenville for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This award was the 31st consecutive year that the City of Stephenville has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire city staff. We would like to express our appreciation to all staff members who assisted and contributed to its preparation. We would also like to thank the Mayor and City Council Members for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,



Allen L. Barnes
City Manager



Monica D. Harris
Director of Finance & Administration



Government Finance Officers Association

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

Presented to

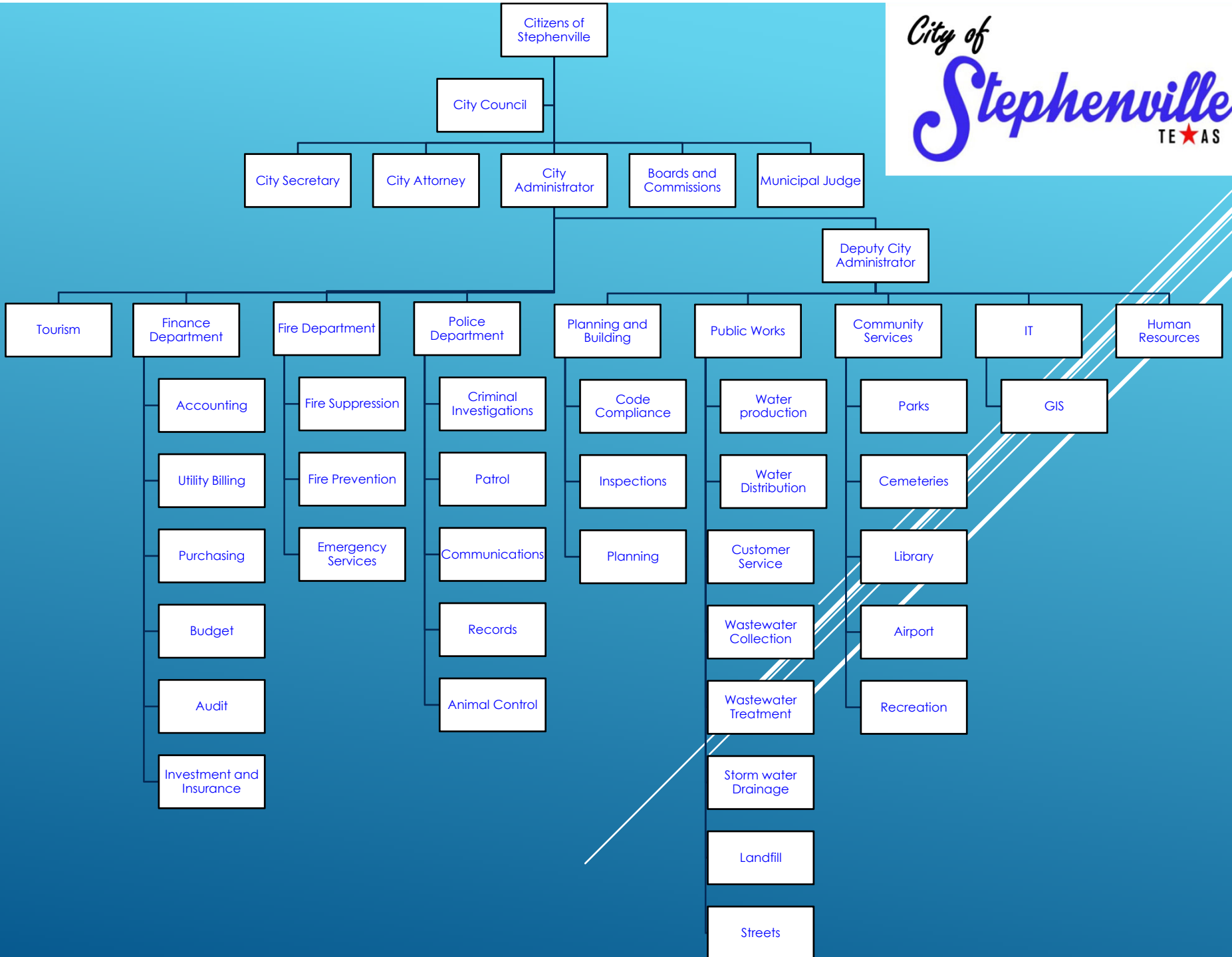
**City of Stephenville
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO





City Council

Mayor	Doug Svien
Place 1	Mark McClinton
Place 2	Carla Trussell
Place 3	Vacant
Place 4	Brady Pendleton
Pace 5	Rhett Harrison
Place 6	Alan Nix
Place 7	Sherry Zachery
Place 8	Brandon Huckabee

Staff

City Administrator	Allen L. Barnes
Deputy City Administrator/Director of Community Development	Jeremy Allen
Director of Finance & Administration	Monica D. Harris
Director of Utilities	Nick Williams
Police Chief	Jason King
Fire Chief	Jimmy Chew
Director of Parks & Leisure Services	Jennifer Basham
City Secretary	Staci L. King
Tourism & Visitor Manager	Julie Smith

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stephenville, Texas (the "City") as of and for the year ended September 30, 2018, 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 an opinion 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note V.F to the financial statements, due to the implementation of GASB No. 75, the City restated its beginning net position within governmental activities, business-type activities and the discretely presented component unit, to properly reflect the total OPEB liability and related deferred outflows and inflows of resources, as prescribed by this accounting standard. In addition, the City restated beginning net position and fund balance within business-type activities to correct a prior year accounting error. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion, the general fund budgetary comparison information, the schedule of changes in net pension liabilities 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

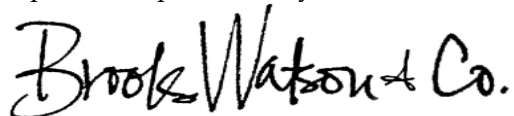
express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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



Brooks Watson & Co.
Certified Public Accountants
Houston, Texas
March 18, 2019

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

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City of Stephenville, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2018

As management of the City of Stephenville, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities (net position) at September 30, 2018 by \$76,618,257.
- The City's total net position increased by \$7,924,685. The majority of the City's net position is invested in capital assets and restricted for specific purposes.
- The City's governmental funds reported combined ending fund balances of \$9,181,272 at September 30, 2018, an increase of \$308,539 from the prior fiscal year; this includes an increase of \$159,410 in the general fund and an increase of \$149,129 in the nonmajor governmental funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$7,288,833 or 52% of total general fund expenditures.
- The City's outstanding bonds and certificates of obligation payable increased by \$14,726,173 from the prior year. This increase was mainly due to closing a \$17,030,000 certificate of obligation for a sewer project that will affect 80% of the City. The total bonds and certificates of obligation payable at the close of the fiscal year were \$30,545,000.
- The City's net pension asset totaled \$3,079,483 as of year end.

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.

City of Stephenville, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2018

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

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

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Stephenville Economic Development Authority for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 28-31 of this report.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2018

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

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

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

The basic governmental fund financial statements can be found on pages 32-35 of this report.

Proprietary Funds

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

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer and the storm water drainage funds since they are considered major funds of the City.

The basic proprietary fund financial statements can be found on pages 36-43 of this report.

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2018

Component Units

The City maintains the accounting and financial statements for one component unit. The Stephenville Economic Development Authority is a discretely presented component unit displayed on the government-wide financial statements.

Notes to Financial Statements

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

The notes to the financial statements can be found on pages 45-82 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison for the general fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Stephenville, Texas, assets exceed liabilities by \$76,618,257 as of September 30, 2018, in the primary government.

The largest portion of the City's net position, \$58,213,647, reflects its investments in capital assets (e.g., land, city hall complex, recreation hall, streets, water and wastewater system, airport hanger, sanitary landfill systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2018

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2018			2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and						
other assets	\$ 10,321,373	\$ 25,487,639	\$ 35,809,012	\$ 10,322,812	\$ 8,430,796	\$ 18,753,608
Capital assets, net	23,883,536	50,944,792	74,828,328	24,016,536	52,479,874	76,496,410
Net pension asset	2,623,412	416,962	3,040,374	-	-	-
Total Assets	36,828,321	76,849,393	113,677,714	34,339,348	60,910,670	95,250,018
Deferred Outflows of Resources	1,502,734	285,737	1,788,471	2,388,034	440,265	2,828,299
Other liabilities	1,998,051	3,452,504	5,450,555	1,205,512	3,728,633	4,934,145
Long-term liabilities	3,593,323	27,545,763	31,139,086	10,040,845	14,225,717	24,266,562
Total Liabilities	5,591,374	30,998,267	36,589,641	11,246,357	17,954,350	29,200,707
Deferred Inflows of Resources	1,948,582	309,705	2,258,287	160,032	24,006	184,038
Net Position:						
Net investment						
in capital assets	20,176,273	38,037,374	58,213,647	19,963,872	36,927,047	56,890,919
Restricted	2,621,264	2,477,403	5,098,667	581,054	1,456,900	2,037,954
Unrestricted	7,993,562	5,312,381	13,305,943	4,776,067	4,988,632	9,764,699
Total Net Position	\$ 30,791,099	\$ 45,827,158	\$ 76,618,257	\$ 25,320,993	\$ 43,372,579	\$ 68,693,572

Current assets of business-type activities were \$25,487,639 and \$8,430,796 as of September 30, 2018 and September 30, 2017, respectively. The increase of \$17,056,843 was primarily attributable to more cash reserves at year end due to the \$17,030,000 issuance of Certificates of Obligation bonds and an overall positive change in net position of \$2,454,579. Long-term liabilities for governmental activities decreased by \$6,447,522 primarily as a result of the change in the actuarial estimate of the City's net pension obligation. The City recognized a net pension liability in the prior year and a net pension asset at the end of the current year. Long-term liabilities for business-type activities increased by \$10,782,364 primarily as a result of the aforementioned \$17,030,000 bond issuance.

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2018

Statement of Activities:

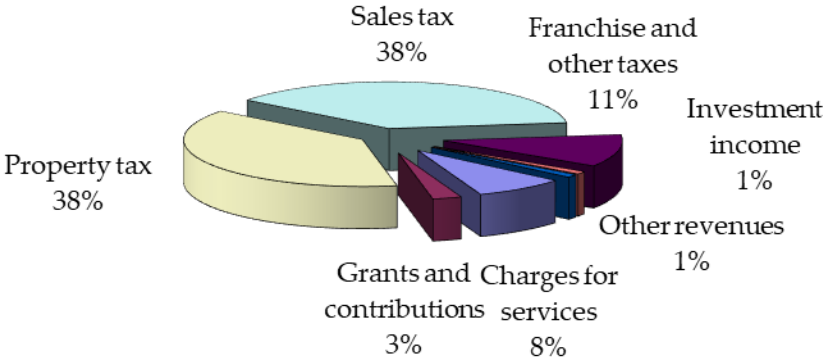
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2018			For the Year Ended September 30, 2017		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 1,230,882	\$ 8,990,221	\$ 10,221,103	\$ 1,305,502	\$ 8,667,317	\$ 9,972,819
Grants and contributions	390,092	175,274	565,366	564,104	1,679,268	2,243,372
General revenues:						
Property tax	5,778,862	-	5,778,862	5,287,954	-	5,287,954
Sales tax	5,644,834	-	5,644,834	5,264,443	-	5,264,443
Franchise and other taxes	1,674,089	-	1,674,089	1,635,233	-	1,635,233
Investment income	139,025	118,108	257,133	68,163	49,082	117,245
Other revenues	153,598	106,639	260,237	184,041	70,469	254,510
Total Revenues	15,011,382	9,390,242	24,401,624	14,309,440	10,466,136	24,775,576
Expenses						
General government	2,271,044	-	2,271,044	2,472,299	-	2,472,299
Culture and recreation	2,467,345	-	2,467,345	2,491,386	-	2,491,386
Community development	486,602	-	486,602	607,395	-	607,395
Public safety	8,561,797	-	8,561,797	8,861,310	-	8,861,310
Streets	1,507,920	-	1,507,920	1,580,345	-	1,580,345
Interest and fiscal charges	107,588	815,081	922,669	100,245	407,776	508,021
Water and wastewater	-	4,430,699	4,430,699	-	5,077,828	5,077,828
Airport	-	193,349	193,349	-	254,581	254,581
Storm water drainage	-	336,026	336,026	-	330,565	330,565
Sanitary landfill	-	409,656	409,656	-	446,216	446,216
Total Expenses	15,402,296	6,184,811	21,587,107	16,112,980	6,516,966	22,629,946
Change in Net Position						
Before Transfers	(390,914)	3,205,431	2,814,517	(1,803,540)	3,949,170	2,145,630
Special item	5,110,168	-	5,110,168	-	-	-
Transfers	750,852	(750,852)	-	765,475	(765,475)	-
Total	5,861,020	(750,852)	5,110,168	765,475	(765,475)	-
Change in Net Position	5,470,106	2,454,579	7,924,685	(1,038,065)	3,183,695	2,145,630
Beginning Net Position	25,320,993	43,372,579	68,693,572	26,359,058	40,188,884	66,547,942
Ending Net Position	\$ 30,791,099	\$ 45,827,158	\$ 76,618,257	\$ 25,320,993	\$ 43,372,579	\$ 68,693,572

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2018

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

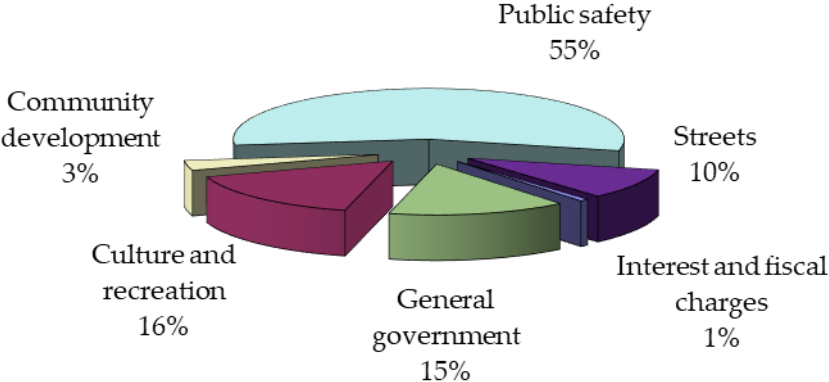
Governmental Activities - Revenues



For the year ended September 30, 2018, revenues from governmental activities totaled \$15,011,382. Property tax, franchise tax and sales tax are the City's largest general revenue sources. Overall revenue increased \$701,942 or 5% from the prior year. Property tax revenue increased \$490,908 or 9% due to an increase in appraised property values and a growing tax base. Sales tax increased \$380,391 or 7% due to a growing local economy. Grants and contributions decreased \$174,012 primarily as a result of nonrecurring public safety grants received in the prior year. Investment income increased by \$70,862 primarily as a result of an increase in interest-bearing cash accounts. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses



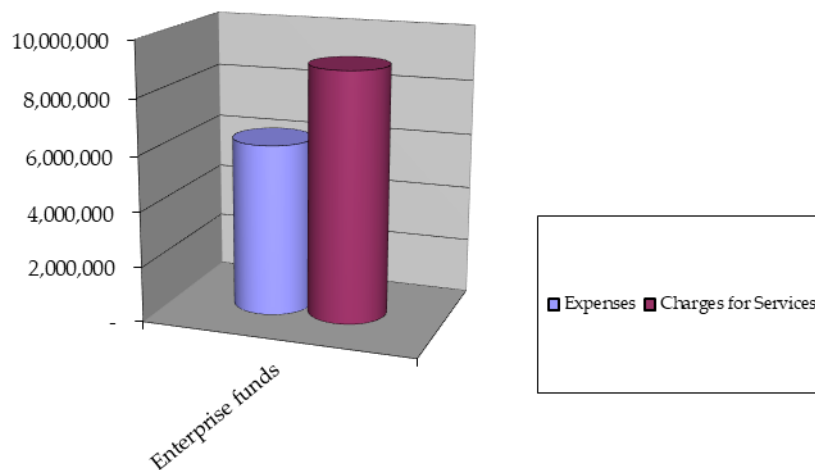
For the year ended September 30, 2018, expenses for governmental activities totaled \$15,402,296. This represents a decrease of \$710,684 or 4% from the prior year. The City's largest functional expense is public safety totaling \$8,561,797. Public safety decreased \$299,513 or 3% when compared to the prior year primarily due to an increase in the City's net pension liability in the prior year. General

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2018

government expenses decreased by \$201,255 or 8% due a reallocation of expenses. Community development expenses decreased \$120,793 or 20% due to lower salary and contract related costs. Streets expenses decreased by \$72,425 or 5% primarily as a result of less maintenance and utilities expenses. During the current year, the City changed employee retirement benefits resulting in an actuarial gain which the City recognized as a special item of \$5,110,168 in the current year.

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

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2018, charges for services by business-type activities totaled \$8,990,221. This is an increase of \$322,904, or 4%, from the previous year. This increase directly relates to an increase in the City’s overall customer base, utility consumption, and an increase in the water and sewer billing rates. Grants and contributions decreased by \$1,503,994 primarily due to nonrecurring capital contributions received for the airport in the prior year.

Total expenses decreased \$332,155 or 5% to a total of \$6,184,811. Water and wastewater department expenses decreased by \$647,129 or 13% primarily due to a reduction in salaries and employee retirement expenditures. Airport department expenses decreased by \$61,232 or 24% primarily as a result of a decrease rental expenses. Interest and fiscal charges increased by \$407,305 as a direct result of the bond issuance costs related to the certificate of obligation bond issuance in the current year.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

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

Governmental Funds - The focus of the City’s governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2018

the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

At September 30, 2018, the City's governmental funds reported combined fund balances of \$9,181,272, an increase of \$308,539 in comparison with the prior year. Approximately 79% of this amount, \$7,288,833, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Nonspendable fund balance totaled \$11,609 for inventories and committed fund balance totaled \$1,392,672. The remainder of the fund balance is restricted for particular purposes totaling \$488,158.

As of the end of the year the general fund reflected a total fund balance of \$8,251,051. General fund balance increased by \$159,410. This increase is a result of higher than anticipated sales tax as well as positive budgeted expenditure variances in several funds. Sales tax increased by \$380,391 when compared to the prior year. Property tax totaled \$5,277,928 and increased \$460,522 from the prior year.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$7,288,833 is 52% of total general fund operating expenditures.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the City's largest proprietary fund, the water and wastewater fund, totaled \$33,716,384. Unrestricted net position at the close of the fiscal year amounted to \$4,173,469, a total increase of \$1,022,887 from the previous year. Total investment in capital assets, net of related debt of was \$27,379,771, and capital assets, net of depreciation totaled \$34,420,034.

GENERAL FUND BUDGETARY HIGHLIGHTS

Supplemental budget amendments were approved during the fiscal year increasing total budgeted expenditures by \$869,504 and increasing total revenues by \$407,055 resulting in a deficit in budgeted fund balance of \$934,575. The actual net change was an increase in fund balance of \$159,410. The primary reasons for the budget revision were due to higher than expected revenue from emergency services, contributions and donations, and other revenues. Total budgeted revenues of \$13,748,920 were less than actual revenues of \$14,096,674, resulting in a total positive revenue variance of \$347,754. Total budgeted expenditures of \$14,733,285 were greater than actual expenditures of \$14,010,910, resulting in a total positive expenditure variance of \$722,375. The positive variance in total expenditures was primarily due to the general government, culture and recreation, public safety, and public works departments spending less than budgeted.

City of Stephenville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2018

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$23,883,536 in a variety of capital assets and infrastructure. The City's business-type activities funds had invested \$50,944,792 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, improvements, and infrastructure. Major capital asset events during the current year include the following:

- Chip Seal project totaling \$221,509.
- Micro-surfacing and resurfacing street projects totaling \$555,982
- Tanglewood trail project for \$157,285.
- Purchase of new police vehicles and equipment for \$344,961.
- Investments in various waterline improvement and extension projects totaling \$197,251.
- Wastewater treatment plant improvements totaling \$82,665.

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

LONG-TERM DEBT

The City's outstanding bonds and certificates of obligation payable net of all premiums and discounts increased by \$14,713,105 or 92% from the prior year. The total bonds and certificates of obligation payable at the close of the fiscal year were \$30,733,482, net of all premiums and discounts. 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 AND RATES

The local economy has remained stable and is showing signs of growth as evidenced by new construction activity. The City continues to make infrastructure improvements throughout the City.

City of Stephenville is committed to maintaining and improving the overall wellbeing of the City and improving services provided to their public citizens, budgeting over \$20 million in capital improvements in fiscal year 2018/2019. The City is anticipating growth in the upcoming year with several major construction projects scheduled for completion, thus increasing taxable property values.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact Monica D. Harris, Director of Finance, 298 West Washington, Stephenville, Texas 76401-4257 or call (254) 918-1211.

FINANCIAL STATEMENTS

City of Stephenville, Texas

STATEMENT OF NET POSITION

September 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 5,630,780	\$ 4,471,756	\$ 10,102,536
Restricted cash	-	18,764,925	18,764,925
Investments	3,157,610	150,000	3,307,610
Receivables, net	1,908,808	1,398,359	3,307,167
Prepaid items	-	41,944	41,944
Internal balances	(387,434)	387,434	-
Due from component unit	-	21,697	21,697
Inventories	11,609	251,524	263,133
	<u>10,321,373</u>	<u>25,487,639</u>	<u>35,809,012</u>
Net pension asset	2,623,412	416,962	3,040,374
Capital assets:			
Non-depreciable	2,709,849	4,559,672	7,269,521
Net depreciable capital assets	21,173,687	46,385,120	67,558,807
	<u>26,506,948</u>	<u>51,361,754</u>	<u>77,868,702</u>
Total Assets	<u>36,828,321</u>	<u>76,849,393</u>	<u>113,677,714</u>
Deferred Outflows of Resources			
Deferred charge on refunding	16,218	49,473	65,691
Deferred pension outflows	1,458,276	231,776	1,690,052
Deferred OPEB outflows	28,240	4,488	32,728
Total Deferred Outflows of Resources	<u>1,502,734</u>	<u>285,737</u>	<u>1,788,471</u>
Liabilities			
Accounts payable and accrued liabilities	972,975	703,160	1,676,135
Customer deposits	-	360,406	360,406
Accrued interest payable	23,998	73,597	97,595
Long-term debt due within one year	1,001,078	2,304,461	3,305,539
Unearned revenue	-	10,880	10,880
Due to primary government	-	-	-
	<u>1,998,051</u>	<u>3,452,504</u>	<u>5,450,555</u>
Noncurrent liabilities:			
OPEB liability	395,541	62,866	458,407
Landfill closure costs	-	146,518	146,518
Due in more than one year	3,197,782	27,336,379	30,534,161
	<u>3,593,323</u>	<u>27,545,763</u>	<u>31,139,086</u>
Total Liabilities	<u>5,591,374</u>	<u>30,998,267</u>	<u>36,589,641</u>
Deferred Inflows of Resources			
Deferred pension inflows	1,948,582	309,705	2,258,287
Net Position			
Net investment in capital assets	20,176,273	38,037,374	58,213,647
Restricted for:			
Tourism	221,288	-	221,288
Pensions	2,133,106	339,033	2,472,139
Municipal court	18,656	-	18,656
Public safety	48,804	-	48,804
Debt service	199,410	2,138,370	2,337,780
Economic development	-	-	-
Unrestricted	7,993,562	5,312,381	13,305,943
Total Net Position	<u>\$ 30,791,099</u>	<u>\$ 45,827,158</u>	<u>\$ 76,618,257</u>

See Notes to Financial Statements.

<u>Component Unit</u>	
<u>Stephenville</u>	
<u>EDA</u>	
\$	654,898
	-
	-
	95,546
	-
	-
	-
	-
	<u>750,444</u>
	39,109
	-
	-
	<u>39,109</u>
	<u>789,553</u>
	-
	21,740
	421
	<u>22,161</u>
	10,827
	-
	-
	6,795
	-
	21,697
	<u>39,319</u>
	5,897
	-
	755
	<u>6,652</u>
	<u>45,971</u>
	29,049
	-
	-
	-
	-
	-
	-
	736,694
	-
\$	<u><u>736,694</u></u>

City of Stephenville, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 2,271,044	\$ 11,141	\$ 31,807	\$ 41,395
Culture and recreation	2,467,345	289,065	25,606	49,336
Community development	486,602	245,391	-	-
Public safety	8,561,797	664,449	162,440	79,508
Streets	1,507,920	20,836	-	-
Interest and fiscal charges	107,588	-	-	-
Total Governmental Activities	15,402,296	1,230,882	219,853	170,239
Business-Type Activities				
Water and Wastewater	5,032,780	7,596,037	-	135,575
Storm Water Drainage	542,252	628,731	-	-
Airport	194,000	108,097	-	39,699
Sanitary Landfill	415,779	657,356	-	-
Total Business-Type Activities	6,184,811	8,990,221	-	175,274
Total Primary Government	\$ 21,587,107	\$ 10,221,103	\$ 219,853	\$ 345,513
Component Unit				
Stephenville Economic Development Authority	\$ 217,161	\$ -	\$ -	\$ -
Total Component Unit	\$ 217,161	\$ -	\$ -	\$ -

General Revenues:

- Taxes
 - Property tax
 - Sales tax
 - Franchise and other taxes
 - Hotel occupancy taxes
- Investment income
- Other revenues

Special item - change in employee benefits

Transfers

Total General Revenues and Transfers

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			Component Unit
Governmental	Business-Type		Stephenville
Activities	Activities	Total	EDA
\$ (2,186,701)	\$ -	\$ (2,186,701)	\$ -
(2,103,338)	-	(2,103,338)	-
(241,211)	-	(241,211)	-
(7,655,400)	-	(7,655,400)	-
(1,487,084)	-	(1,487,084)	-
(107,588)	-	(107,588)	-
<u>(13,781,322)</u>	<u>-</u>	<u>(13,781,322)</u>	<u>-</u>
-	2,698,832	2,698,832	-
-	86,479	86,479	-
-	(46,204)	(46,204)	-
-	241,577	241,577	-
<u>-</u>	<u>2,980,684</u>	<u>2,980,684</u>	<u>-</u>
<u>(13,781,322)</u>	<u>2,980,684</u>	<u>(10,800,638)</u>	<u>-</u>
			<u>(217,161)</u>
			<u>(217,161)</u>
5,778,862	-	5,778,862	-
5,644,834	-	5,644,834	513,167
1,199,890	-	1,199,890	-
474,199	-	474,199	-
139,025	118,108	257,133	8,582
153,598	106,639	260,237	-
5,110,168	-	5,110,168	-
750,852	(750,852)	-	-
<u>19,251,428</u>	<u>(526,105)</u>	<u>18,725,323</u>	<u>521,749</u>
5,470,106	2,454,579	7,924,685	304,588
25,320,993	43,372,579	68,693,572	432,106
<u>\$ 30,791,099</u>	<u>\$ 45,827,158</u>	<u>\$ 76,618,257</u>	<u>\$ 736,694</u>

City of Stephenville, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 4,743,974	\$ 886,806	\$ 5,630,780
Investments	3,157,610	-	3,157,610
Receivables, net	1,823,471	85,337	1,908,808
Inventory	11,609	-	11,609
Total Assets	\$ 9,736,664	\$ 972,143	\$ 10,708,807
<u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 938,670	\$ 34,305	\$ 972,975
Due to other funds	383,978	3,456	387,434
Total Liabilities	1,322,648	37,761	1,360,409
<u>Deferred Inflows of Resources</u>			
Unavailable revenue - Fines and fees	78,894	-	78,894
Unavailable revenue - EMS	35,745	-	35,745
Unavailable revenue - property taxes	48,326	4,161	52,487
Total Deferred Inflows of Resources	162,965	4,161	167,126
<u>Fund Balances</u>			
Nonspendable:			
Inventories	11,609	-	11,609
Committed for:			
Capital projects		442,063	442,063
Airport improvement	800,609	-	800,609
Grant match	150,000	-	150,000
Restricted for:			
Tourism	-	221,288	221,288
Municipal court	-	18,656	18,656
Public safety	-	48,804	48,804
Debt service	-	199,410	199,410
Unassigned reported in:			
General fund	7,288,833	-	7,288,833
Total Fund Balances	8,251,051	930,221	9,181,272
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,736,664	\$ 972,143	\$ 10,708,807

See Notes to Financial Statements.

City of Stephenville, Texas

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

September 30, 2018

Fund Balances - Total Governmental Funds	\$	9,181,272
 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		2,709,849
Capital assets - net depreciable		21,173,687
 The net pension asset is not an available resource and, therefore, is not reported in the funds.		
Net pension asset		2,623,412
 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Fines and fees receivable		78,894
Property tax receivable		35,745
EMS receivable		52,487
 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.		
Other long-term assets		16,218
Deferred pension outflows		1,458,276
Deferred OPEB outflows		28,240
 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.		
Deferred pension inflows		(1,948,582)
 Some liabilities, including bonds payable and compensated absences, are not reported as liabilities in the governmental funds.		
OPEB liability		(395,541)
Accrued interest		(23,998)
Bond premium		(15,460)
Bond discount		1,789
Non-current liabilities due in one year		(1,001,078)
Non-current liabilities due in more than one year		(3,184,111)
Net Position of Governmental Activities	\$	30,791,099

See Notes to Financial Statements.

City of Stephenville, Texas

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

For the Year Ended September 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property tax	\$ 5,277,928	\$ 492,536	\$ 5,770,464
Sales tax	5,644,834	-	5,644,834
Franchise and other taxes	1,199,890	-	1,199,890
Hotel occupancy taxes	-	474,199	474,199
License and permits	246,891	-	246,891
Charges for services	371,636	-	371,636
Emergency services	607,337	-	607,337
Fines and forfeitures	137,184	10,414	147,598
Intergovernmental	72,111	6,379	78,490
Contributions and donations	265,868	-	265,868
Investment income	122,346	16,679	139,025
Other revenues	150,649	-	150,649
Total Revenues	14,096,674	1,000,207	15,096,881
Expenditures			
Current:			
General government	1,736,764	408,250	2,145,014
Culture and recreation	2,163,873	-	2,163,873
Community development	485,280	-	485,280
Public safety	8,064,856	1,865	8,066,721
Streets	768,153	-	768,153
Debt service:			
Principal retirement	195,879	365,000	560,879
Interest and fiscal charges	15,000	92,099	107,099
Capital outlay:			
General government	40,182	-	40,182
Culture and recreation	97,392	24,080	121,472
Public safety	368,768	-	368,768
Streets	74,763	875,000	949,763
Total Expenditures	14,010,910	1,766,294	15,777,204
Excess of Revenues Over (Under) Expenditures	85,764	(766,087)	(680,323)
Other Financing Sources (Uses)			
Transfers in	750,852	915,216	1,666,068
Transfers (out)	(915,216)	-	(915,216)
Capital lease proceeds	215,371	-	215,371
Proceeds from sale of assets	22,639	-	22,639
Total Other Financing Sources (Uses)	73,646	915,216	988,862
Net Change in Fund Balances	159,410	149,129	308,539
Beginning fund balances	8,091,641	781,092	8,872,733
Ending Fund Balances	\$ 8,251,051	\$ 930,221	\$ 9,181,272

See Notes to Financial Statements.

City of Stephenville, Texas

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

For the Year Ended September 30, 2018

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

Net changes in fund balances - total governmental funds	\$	308,539
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		1,480,185
Depreciation expense		(1,593,496)
Adjustment for sale of capital assets		(19,690)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(88,448)
--	--	----------

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.

Pension expense		5,110,168
Compensated absences		(44,350)
Other post employment benefits		(27,821)
Accrued interest		(382)
Amortization of deferred charges on refunding		(1,119)
Amortization of bond premium and discounts		1,012

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.

Principal payments		560,879
Capital lease issuance		(215,371)

		<hr style="border: 1px solid black;"/> Change in Net Position of Governmental Activities
	\$	<hr style="border: 1px solid black;"/> 5,470,106 <hr style="border: 1px solid black;"/>

See Notes to Financial Statements.

City of Stephenville, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2018

	Business-Type Activities		
	Enterprise Funds		
	Water and Wastewater	Storm Water Drainage	Nonmajor Airport
Assets			
Current Assets			
Cash and cash equivalents	\$ 3,246,413	\$ 861,670	\$ 51,287
Restricted cash	18,490,479	274,446	-
Investments	150,000	-	-
Receivables, net	1,281,907	74,666	-
Prepaid items	6,972	-	34,972
Due from other funds	387,434	-	-
Due from component unit	21,697	-	-
Inventories	251,524	-	-
Total Current Assets	23,836,426	1,210,782	86,259
Noncurrent Assets			
Net pension asset	367,998	-	-
Capital assets:			
Non-depreciable	1,963,895	-	2,555,777
Net depreciable capital assets	32,456,139	8,568,157	3,839,294
Total Noncurrent Assets	34,788,032	8,568,157	6,395,071
Total Assets	58,624,458	9,778,939	6,481,330
Deferred Outflows of Resources			
Deferred charge on refunding	14,637	34,836	-
Deferred pension outflows	204,559	-	-
Deferred OPEB outflows	3,961	-	-
Total Deferred Outflows of Resources	223,157	34,836	-
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	662,278	1,994	3,560
Customer deposits	357,606	-	-
Current maturities of long-term liabilities	2,006,229	295,000	-
Unearned revenue	-	-	10,880
Accrued interest	47,269	26,328	-
Total Current Liabilities	3,073,382	323,322	14,440
Noncurrent Liabilities			
Long-term liabilities	21,729,028	5,606,992	-
Landfill closure costs	-	-	-
OPEB liability	55,484	-	-
Total Liabilities	24,857,894	5,930,314	14,440
Deferred Inflows of Resources			
Deferred pension inflows	273,337	-	-
Net Position			
Net investment in capital assets	27,379,771	2,701,002	6,395,071
Restricted for:			
Pensions	299,220	-	-
Debt service	1,863,924	274,446	-
Unrestricted	4,173,469	908,013	71,819
Total Net Position	\$ 33,716,384	\$ 3,883,461	\$ 6,466,890

See Notes to Financial Statements.

Business-Type Activities		Enterprise Funds	
Nonmajor			
Sanitary Landfill		Total	
\$ 312,386		\$ 4,471,756	
-		18,764,925	
-		150,000	
41,786		1,398,359	
-		41,944	
-		387,434	
-		21,697	
-		251,524	
<u>354,172</u>		<u>25,487,639</u>	
48,964		416,962	
40,000		4,559,672	
1,521,530		46,385,120	
<u>1,610,494</u>		<u>51,361,754</u>	
<u>1,964,666</u>		<u>76,849,393</u>	
-		49,473	
27,217		231,776	
527		4,488	
<u>27,744</u>		<u>285,737</u>	
35,328		703,160	
2,800		360,406	
3,232		2,304,461	
-		10,880	
-		73,597	
<u>41,360</u>		<u>3,452,504</u>	
359		27,336,379	
146,518		146,518	
7,382		62,866	
<u>195,619</u>		<u>30,998,267</u>	
<u>36,368</u>		<u>309,705</u>	
1,561,530		38,037,374	
39,813		339,033	
-		2,138,370	
159,080		5,312,381	
<u>\$ 1,760,423</u>		<u>\$ 45,827,158</u>	

City of Stephenville, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2018

	Business-Type Activities Enterprise Funds		
	Water and Wastewater	Storm Water Drainage	Nonmajor Airport
	_____	_____	_____
<u>Operating Revenues</u>			
Water revenue	\$ 4,701,078	\$ -	\$ -
Sewer revenue	2,894,959	-	-
Airport services	-	-	108,097
Storm drainage	-	628,731	-
Sanitation landfill	-	-	-
Other income	98,658	-	7,981
Total Operating Revenues	7,694,695	628,731	116,078
<u>Operating Expenses</u>			
Personnel services	-	-	-
Contractual services	-	-	-
Materials and supplies	-	-	-
Utilities administration and customer service	324,925	-	-
Water and production and distribution	1,154,496	-	-
Wastewater collection and treatment	1,306,248	-	-
Billing and collection	236,782	-	-
Stormwater	-	61,568	-
Airport operations	-	-	71,788
Depreciation	1,408,248	274,458	121,561
Total Operating Expenses	4,430,699	336,026	193,349
Operating Income (Loss)	3,263,996	292,705	(77,271)
<u>Nonoperating Revenues (Expenses)</u>			
Investment income	95,171	16,907	-
Interest expense	(175,994)	(206,226)	(651)
Bond issuance costs	(426,087)	-	-
Total Nonoperating Revenues (Expenses)	(506,910)	(189,319)	(651)
Income Before Contributions and Transfers	2,757,086	103,386	(77,922)
<u>Capital Contributions and Transfers</u>			
Capital grants and contributions	135,575	-	39,699
Transfers in	18,213	-	-
Transfers (out)	(672,130)	(44,753)	-
Change in Net Position	2,238,744	58,633	(38,223)
Beginning net position	31,477,640	3,824,828	6,505,113
Ending Net Position	\$ 33,716,384	\$ 3,883,461	\$ 6,466,890

See Notes to Financial Statements.

**Business-Type Activities
Enterprise Funds**

Nonmajor	
Sanitary Landfill	Total
\$ -	\$ 4,701,078
-	2,894,959
-	108,097
-	628,731
657,356	657,356
-	106,639
<u>657,356</u>	<u>9,096,860</u>
100,413	100,413
73,886	73,886
89,691	89,691
-	324,925
-	1,154,496
-	1,306,248
-	236,782
-	61,568
-	71,788
145,666	1,949,933
<u>409,656</u>	<u>5,369,730</u>
<u>247,700</u>	<u>3,727,130</u>
6,030	118,108
(6,123)	(388,994)
-	(426,087)
<u>(93)</u>	<u>(696,973)</u>
247,607	3,030,157
-	175,274
-	18,213
<u>(52,182)</u>	<u>(769,065)</u>
<u>195,425</u>	<u>2,454,579</u>
<u>1,564,998</u>	<u>43,372,579</u>
<u>\$ 1,760,423</u>	<u>\$ 45,827,158</u>

City of Stephenville, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2018

	Business-Type Activities		
	Enterprise Funds		
	Water and Wastewater	Storm Water Drainage	Nonmajor Airport
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 8,043,136	\$ 637,476	\$ 156,832
Payments to suppliers and contractors	(3,197,957)	(57,171)	(111,262)
Payments to employees for salaries and benefits	(1,052,032)	-	-
Net Cash Provided (Used) by Operating Activities	3,793,147	580,305	45,570
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfer in	18,213	-	-
Transfer (out)	(672,130)	(44,753)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(653,917)	(44,753)	-
<u>Cash Flows from Capital and Related Financing Activities</u>			
Purchases of capital assets	(352,888)	-	(55,500)
Capital grant	135,575	-	39,699
Proceeds from capital debt	17,030,000	-	-
Principal paid on capital debt	(1,910,912)	(285,000)	(23,827)
Change in landclosure costs	-	-	-
Bond issuance costs	(426,087)	-	-
Interest paid on capital debt	(165,006)	(217,936)	(966)
Net Cash (Used) by Capital and Related Financing Activities	14,310,682	(502,936)	(40,594)
<u>Cash Flows from Investing Activities</u>			
Purchase of investments	95,000	-	-
Interest on investments	95,171	16,907	-
Net Cash Provided by Investing Activities	190,171	16,907	-
Net Increase (Decrease) in Cash and Cash	17,640,083	49,523	4,976
Beginning cash and cash equivalents	4,096,809	1,086,593	46,311
Ending Cash and Cash Equivalents	\$ 21,736,892	\$ 1,136,116	\$ 51,287

See Notes to Financial Statements.

Business-Type Activities	
Enterprise Funds	
Nonmajor	
Sanitary Landfill	Total
\$ 649,654	\$ 9,487,098
(135,775)	(3,502,165)
(196,671)	(1,248,703)
<u>317,208</u>	<u>4,736,230</u>
-	18,213
<u>(52,182)</u>	<u>(769,065)</u>
<u>(52,182)</u>	<u>(750,852)</u>
(6,463)	(414,851)
-	175,274
-	17,030,000
(821,822)	(3,041,561)
(30,692)	(30,692)
-	(426,087)
<u>(24,232)</u>	<u>(408,140)</u>
<u>(883,209)</u>	<u>12,883,943</u>
-	95,000
<u>6,030</u>	<u>118,108</u>
<u>6,030</u>	<u>213,108</u>
(612,153)	17,082,429
<u>924,539</u>	<u>6,154,252</u>
<u>\$ 312,386</u>	<u>\$ 23,236,681</u>

City of Stephenville, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2018

	Business-Type Activities		
	Enterprise Funds		
	Water and Wastewater	Storm Water Drainage	Nonmajor Airport
Reconciliation of Operating Income (Loss)			
to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ 3,263,996	\$ 292,705	\$ (77,271)
Adjustments to reconcile operating income to net cash provided (used):			
Depreciation	1,408,248	274,458	121,561
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	328,353	8,745	40,754
Inventory	(19,364)	2,402	-
Prepaid items	(6,972)	-	(3,797)
Due from other funds	(409,131)	-	-
Deferred Outflows of Resources:			
Deferred pension charges	157,888	-	-
OPEB charges	(3,609)	-	-
Increase (Decrease) in:			
Accounts payable and accrued expenses	(64,964)	1,995	(35,677)
Customer deposits	20,088	-	-
Compensated absences	(14,524)	-	-
OPEB liability	7,512	-	-
Net pension liability (asset)	(1,126,206)	-	-
Deferred Inflows of Resources:			
Pension inflows	251,832	-	-
Net Cash Provided (Used) by Operating Activities	\$ 3,793,147	\$ 580,305	\$ 45,570

See Notes to Financial Statements.

Business-Type Activities	
Enterprise Funds	
<u>Nonmajor Sanitary Landfill</u>	<u>Total</u>
\$ 247,700	\$ 3,727,130
145,666	1,949,933
(8,002)	369,850
-	(16,962)
-	(10,769)
-	(409,131)
12,964	170,852
(480)	(4,089)
27,802	(70,844)
300	20,388
(6,452)	(20,976)
999	8,511
(137,156)	(1,263,362)
33,867	285,699
<u>\$ 317,208</u>	<u>\$ 4,736,230</u>

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City of Stephenville, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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 Stephenville, Texas (the "City"), was incorporated in 1889, and operates as a home rule City. The City operates under a mayor-council form of government and provides the following services as authorized by its charter: general government, public safety (police, fire, and EMS), highway and streets, culture and recreation, community development (planning and zoning, licensing, permitting, and inspection), water and wastewater system, storm water drainage, airport, and sanitary landfill.

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

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and 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

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

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.

Discretely Presented Component Units

Stephenville Economic Development Authority

The SEDA is governed by a board of seven members, all of whom are appointed by the City Council of the City of Stephenville, Texas and whom can be removed from office by the City Council at its will. SEDA has potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. SEDA was incorporated in the state of Texas in 2015. The nature and significance of the relationship between the primary government and SEDA is such that exclusion would cause the City's financial statements to be misleading and incomplete.

Separate financial statements for SEDA as of and for the fiscal year ended September 30, 2018 are not prepared.

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

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

As discussed earlier, the government has one discretely presented component unit and is shown in separate columns in the government-wide financial statements.

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

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

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund

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

The government reports the following major enterprise funds:

Water and Wastewater Fund

The water and wastewater fund accounts for the operation of the water distribution system and the wastewater treatment plants, wastewater pumping stations, and collection systems.

Storm Water Drainage Fund

The storm water drainage fund is used to account for the activities necessary for the provisions of storm water drainage services.

Additionally, the government reports the following fund types:

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes (not including expendable trusts or major capital projects) in a special revenue fund. These funds consist of the hotel/motel tax, child safety, public safety, and municipal court technology funds.

Debt Service Fund

The City's debt service fund accounts for the accumulation of resources to service the City's governmental long-term debt.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Capital Projects Fund

This fund was established to account for resources to be used for the acquisition or construction of general major capital facilities. Financing is provided primarily by transfers from the general fund.

Airport Fund

The Airport fund accounts for municipal airport services and to support air transportation and charter services. This fund is presented as a nonmajor proprietary fund.

Sanitary Landfill Fund

This fund is used to account for solid waste collection and disposal services provided to the residents of the City. This fund is presented as a nonmajor proprietary fund.

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

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

D. Measurement focus and basis of accounting

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

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

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.

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.

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities. The City of Stephenville does not have any pension and other postemployment benefit trust, private-purpose trust or agency funds.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

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

1. Deposits and Investments

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

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price. The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

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

2. Fair Value

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

3. Receivables and Interfund Transactions

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

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

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

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

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The enterprise fund inventories are valued at the lower of average cost or market. 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, donated works of art, and capital items received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are 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.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Airport improvements	40 years
Waterworks and sanitation system	33 1/3 years
Infrastructure	20 years
Buildings and improvements	20 - 40 years

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

6. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the 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 three sources: property taxes, fines and fees, and EMS. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 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.

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

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

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 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.

The government has adopted a policy to maintain a minimum reserve of unassigned fund balance in the general fund at an amount equal to or greater than 25% of budgeted expenditures of that fund.

10. Long-Term Obligations

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

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

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

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.

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

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

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. Estimates

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

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

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Legislation was passed in 1979 and amended in 1981 by the Texas Legislature which affects the method of property assessment and tax collection in the City. This legislation, with certain exceptions, exempts intangible personal property and household goods. In addition, this legislature creates a "Property Tax Code" and provides, among other things, for the establishment of county-wide appraisal districts and for a State Property Tax Board which commenced operation in January 1980. The appraisal of property within the City is the responsibility of the Erath County Tax Appraisal District. The Appraisal District is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of real property within the Appraisal District must be reviewed at least every four years. The City, at its own expense, may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on property within the City limits. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements and revaluation, exceeds the rate of the previous year by more than eight percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than eight percent above the rate of the previous year.

3. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation pay benefits up to specified limits. Employees can carry forward unused sick leave benefits, however, no liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in the government-wide, and proprietary fund type statement of net position. Compensated absences are reported in governmental funds only if they have matured for example, as a result of employee's resignation and retirement.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund, special revenue funds, and debt service fund. Budgets are adopted for the proprietary fund annually only as a management tool. Capital projects funds do not present a budget comparison since project length financial plans usually extend into two or more fiscal years, thus making comparisons confusing and misleading. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the department level. No funds can be transferred or added which affect the total fund expenditures without City Council approval. Appropriations lapse at the end of the year, unless legally encumbered. Several supplemental budget appropriations were made during the year.

A. Restricted 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.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

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

	Restricted
Tourism	\$ 221,288 *
Municipal court	18,656 *
Public safety	48,804 *
Debt service	199,410
Total	\$ 488,158

* Restricted by enabling legislation

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2018, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
Certificates of deposits	\$ 3,307,610	0.53
External investment pools	28,284,477	0.10
Total value	\$ 31,592,087	
Portfolio weighted average maturity		0.15

As of September 30, 2018, the discretely presented component unit had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	\$ 668,736	0.08
Total value	\$ 668,736	
Portfolio weighted average maturity		0.08

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 one year; 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.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Credit risk: The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2018, the City's investment in investment pools were rated AAAM by Standard & Poor's.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2018, the market values of pledged securities and FDIC exceeded bank balances.

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

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

TexSTAR

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

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

B. Receivables

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

	Governmental Activities		
		Nonmajor	
	General	Governmental	Total
Property taxes	\$ 115,617	\$ 12,683	\$ 128,300
Sales and mixed beverage tax	1,067,296	-	1,067,296
Franchise tax	30,127	-	30,127
Hotel/motel taxes	-	79,264	79,264
Court	911,103	-	911,103
Ambulance billing	1,256,338	-	1,256,338
Accounts	92,449	-	92,449
Other	13,032	463	13,495
Allowance	(1,662,491)	(7,073)	(1,669,564)
	\$ 1,823,471	\$ 85,337	\$ 1,908,808

	Business-Type Activities			
		Water and Wastewater	Storm Water Drainage	Sanitary Landfill
		Total		
Accounts	\$ 1,787,666	\$ 89,348	\$ -	\$ 1,877,014
Other	26,001	-	41,786	67,787
Allowance	(531,760)	(14,682)	-	(546,442)
	\$ 1,281,907	\$ 74,666	\$ 41,786	\$ 1,398,359

The discretely presented component unit had receivables of \$95,546 as of yearend which consisted entirely of sales tax.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

C. Capital Assets

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 2,676,079	\$ -	\$ -	\$ 2,676,079
Construction in progress	5,090	28,680	-	33,770
Total capital assets not being depreciated	<u>2,681,169</u>	<u>28,680</u>	<u>-</u>	<u>2,709,849</u>
Capital assets, being depreciated:				
Buildings and improvements	6,935,420	28,081	-	6,963,501
Machinery and equipment	9,403,902	441,308	(196,902)	9,648,308
Infrastructure	24,096,936	982,116	-	25,079,052
Total capital assets being depreciated	<u>40,436,258</u>	<u>1,451,505</u>	<u>(196,902)</u>	<u>41,690,861</u>
Less accumulated depreciation				
Buildings and improvements	1,956,322	172,131	-	2,128,453
Machinery and equipment	6,019,751	560,088	(177,212)	6,402,627
Infrastructure	11,124,817	861,277	-	11,986,094
Total accumulated depreciation	<u>19,100,890</u>	<u>1,593,496</u>	<u>(177,212)</u>	<u>20,517,174</u>
Net capital assets being depreciated	<u>21,335,368</u>	<u>(141,991)</u>	<u>(19,690)</u>	<u>21,173,687</u>
Total Capital Assets	<u><u>\$ 24,016,537</u></u>	<u><u>\$ (113,311)</u></u>	<u><u>\$ (19,690)</u></u>	<u><u>\$ 23,883,536</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 79,054
Public safety	475,068
Streets	738,656
Culture and recreation	300,718
Total Governmental Activities Depreciation Expense	<u><u>\$ 1,593,496</u></u>

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 3,891,522	\$ 11,391	\$ -	\$ 3,902,913
Construction in progress	1,148,575	85,584	(577,400)	656,759
Total capital assets not being depreciated	<u>5,040,097</u>	<u>96,975</u>	<u>(577,400)</u>	<u>4,559,672</u>
Capital assets, being depreciated:				
Buildings and improvements	19,548,118	-	-	19,548,118
Machinery and equipment	4,733,986	89,127	-	4,823,113
Infrastructure	58,458,073	228,749	577,400	59,264,222
Total capital assets being depreciated	<u>82,740,177</u>	<u>317,876</u>	<u>577,400</u>	<u>83,635,453</u>
Less accumulated depreciation				
Buildings and improvements	4,958,665	443,811	-	5,402,476
Machinery and equipment	2,737,740	288,123	-	3,025,863
Infrastructure	27,603,995	1,217,999	-	28,821,994
Total accumulated depreciation	<u>35,300,400</u>	<u>1,949,933</u>	<u>-</u>	<u>37,250,333</u>
Net capital assets being depreciated	<u>47,439,777</u>	<u>(1,632,057)</u>	<u>577,400</u>	<u>46,385,120</u>
Total Capital Assets	<u><u>\$ 52,479,874</u></u>	<u><u>\$ (1,535,082)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 50,944,792</u></u>

Depreciation was charged to business-type activities as follows:

Water and Wastewater	\$ 1,408,248
Storm Water Drainage	274,458
Airport	121,561
Sanitary Landfill	145,666
Total Business-type Activities Depreciation Expense	<u><u>\$ 1,949,933</u></u>

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

D. Long-term Debt

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2018. In general, the City uses the debt service fund and general 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>
Governmental Activities:					
Bonds, notes and other payables:					
General Obligation Bonds	\$ 610,000	\$ -	\$ (300,000)	\$ 310,000	\$ 310,000
Certificates of Obligation	2,920,000	-	(65,000)	2,855,000	70,000
Capital lease obligations	525,318	215,371	(195,879)	544,810	193,237
Less deferred amounts:					
For discounts	(1,922)	-	133	(1,789)	-
For premiums	16,605	-	(1,145)	15,460	-
Total Bonds Payable	<u>4,070,001</u>	<u>215,371</u>	<u>(561,891)</u>	<u>3,723,481</u>	<u>573,237</u>
Compensated Absences	431,029	401,913	(357,563)	475,379	427,841
Total Governmental Activities	<u>\$ 4,501,030</u>	<u>\$ 617,284</u>	<u>\$ (919,454)</u>	<u>\$ 4,198,860</u>	<u>\$ 1,001,078</u>
			Long-term liabilities due in more than one year	<u>\$ 3,197,782</u>	
Business-Type Activities:					
General Obligation Bonds	\$ 6,743,827	\$ -	\$ (1,703,827)	\$ 5,040,000	\$ 1,715,000
Certificates of Obligation	5,545,000	17,030,000	(235,000)	22,340,000	240,000
Capital lease obligations	3,131,369	-	(1,102,734)	2,028,635	297,806
Less deferred amounts:					
For discounts	(24,459)	-	1,578	(22,881)	-
For premiums	211,326	-	(13,634)	197,692	-
Total Bonds Payable	<u>15,607,063</u>	<u>17,030,000</u>	<u>(3,053,617)</u>	<u>29,583,446</u>	<u>2,252,806</u>
Estimated landfill closure and postclosure cost	177,210	-	(30,692)	146,518	-
Compensated Absences	78,370	57,315	(78,291)	57,394	51,655
Total Business-Type Activities	<u>\$ 15,862,643</u>	<u>\$ 17,087,315</u>	<u>\$ (3,162,600)</u>	<u>\$ 29,787,358</u>	<u>\$ 2,304,461</u>
			Long-term liabilities due in more than one year	<u>\$ 27,482,897</u>	
Component Unit Activities:					
Compensated Absences	\$ 3,846	\$ 3,704	\$ -	\$ 7,550	\$ 6,795
Total Component Unit Activities	<u>\$ 3,846</u>	<u>\$ 3,704</u>	<u>\$ -</u>	<u>\$ 7,550</u>	<u>\$ 6,795</u>
			Long-term liabilities due in more than one year	<u>\$ 755</u>	

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

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

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

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
Certificates of Obligation:			
\$4,000,000 Certificates of Obligation, Series 2011, due in annual installments through 2031, interest at 1.75-4.25%	\$ 2,855,000	\$ -	\$ 2,855,000
\$4,300,000 Certificates of Obligation, Series 2006A, due in annual installments through 2027, interest at 3.92% semi-annually	-	2,350,000	2,350,000
\$1,000,000 Certificates of Obligation, Series 2013 due in annual installments through 2024, interest at 2.49% semi-annually	-	920,000	920,000
\$2,040,000 Certificates of Obligation Bonds, Series 2016 due in annual installments through 2027, interest at 1.84% semi-annually	-	2,040,000	2,040,000
\$17,030,000 Certificates of Obligation Bonds, Series 2018 due in annual installments through 2039, interest at 0.18% to 1.33% semi-annually	-	17,030,000	17,030,000
Total Certificates of Obligation	<u>\$ 2,855,000</u>	<u>\$ 22,340,000</u>	<u>\$ 25,195,000</u>
General Obligation Bonds:			
\$6,490,000 Refunding & Improvement Bond, Series 2014, due in installments through 2019, interest at 1.19%	\$ 310,000	\$ 1,640,000	\$ 1,950,000
\$4,775,000 General Obligation Refunding, Series 2013, due in annual installments through 2033, interest at 2.0% to 4.0%	-	3,400,000	3,400,000
Total General Obligation Bonds	<u>\$ 310,000</u>	<u>\$ 5,040,000</u>	<u>\$ 5,350,000</u>
Less deferred amounts:			
Issuance premium	\$ 15,460	\$ 197,692	\$ 213,152
Issuance discounts	(1,789)	(22,881)	(24,670)
Total deferred amounts	<u>\$ 13,671</u>	<u>\$ 174,811</u>	<u>\$ 188,482</u>
Capital lease obligations	544,810	2,028,635	2,573,445
Compensated absences	475,379	57,394	532,773
Landfill closure costs	-	146,518	146,518
Total Long-Term Debt	<u>\$ 4,198,860</u>	<u>\$ 29,787,358</u>	<u>\$ 33,986,218</u>

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

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

Combination Tax and Revenue Certificates of Obligations

<u>Year ending</u> <u>September 30,</u>	<u>Governmental Activites</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 70,000	\$ 84,600	\$ 154,600
2020	180,000	80,850	260,850
2021	190,000	75,300	265,300
2022	200,000	83,294	283,294
2023	205,000	89,781	294,781
2024	215,000	80,856	295,856
2025	225,000	71,506	296,506
2026	235,000	61,731	296,731
2027	245,000	51,531	296,531
2028	255,000	40,906	295,906
2029	265,000	29,856	294,856
2030	280,000	18,275	298,275
2031	290,000	6,163	296,163
	<u>\$ 2,855,000</u>	<u>\$ 774,650</u>	<u>\$ 3,629,650</u>

General Obligation Bonds

<u>Year ending</u> <u>September 30,</u>	<u>Governmental Activites</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 310,000	\$ 1,845	\$ 311,845
	<u>\$ 310,000</u>	<u>\$ 1,845</u>	<u>\$ 311,845</u>

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Combination Tax and Revenue Certificates of Obligations

<u>Year ending</u> <u>September 30,</u>	<u>Business-Type Activites</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 240,000	\$ 323,252	\$ 563,252
2020	1,240,000	295,368	1,535,368
2021	1,250,000	279,208	1,529,208
2022	1,280,000	261,767	1,541,767
2023	1,265,000	243,345	1,508,345
2024	1,285,000	223,826	1,508,826
2025	1,695,000	199,761	1,894,761
2026	1,730,000	171,085	1,901,085
2027	1,755,000	140,876	1,895,876
2028	830,000	121,510	951,510
2029	840,000	113,368	953,368
2030	845,000	104,731	949,731
2031	855,000	95,635	950,635
2032	865,000	86,088	951,088
2033	875,000	76,082	951,082
2034	885,000	65,565	950,565
2035	895,000	54,528	949,528
2036	910,000	43,020	953,020
2037	920,000	31,125	951,125
2038	935,000	18,881	953,881
2039	945,000	6,332	951,332
	<u>\$ 22,340,000</u>	<u>\$ 2,955,352</u>	<u>\$ 25,295,352</u>

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

General Obligation Bonds

<u>Year ending September 30,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,715,000	\$ 127,508	\$ 1,842,508
2020	75,000	116,250	191,250
2021	75,000	114,750	189,750
2022	80,000	113,200	193,200
2023	80,000	111,200	191,200
2024	80,000	108,800	188,800
2025	85,000	106,325	191,325
2026	85,000	103,775	188,775
2027	90,000	101,150	191,150
2028	405,000	93,725	498,725
2029	420,000	80,825	500,825
2030	440,000	65,200	505,200
2031	450,000	47,400	497,400
2032	470,000	29,000	499,000
2033	490,000	9,800	499,800
	<u>\$ 5,040,000</u>	<u>\$ 1,328,908</u>	<u>\$ 6,368,908</u>

The annual requirements to amortize capital leases outstanding at year ending were as follows:

<u>Year ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 193,237	\$ 17,642	\$ 210,879
2020	187,862	11,332	199,195
2021	139,812	5,697	145,510
2022	23,898	989	24,888
Total	<u>\$ 544,810</u>	<u>\$ 35,660</u>	<u>\$ 580,470</u>

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Year ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2019	\$ 297,806	\$ 49,994	\$ 347,800
2020	315,811	42,263	358,074
2021	334,608	34,066	368,674
2022	328,729	25,545	354,274
2023	371,065	16,868	387,934
2024	380,615	7,317	387,932
Total	\$ 2,028,635	\$ 176,052	\$ 2,204,687

E. Deferred Charges on Refunding

Deferred charges resulting from the issuance of 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 and business-type activities totaled \$16,218 and \$49,473, respectively. Current year amortization expense for governmental and business-type activities totaled \$1,119 and \$4,764, respectively.

G. Interfund Transactions

Transfers between the primary government funds during the 2018 year were as follows:

Transfer out:	Transfer In:			Total
	General	Nonmajor Governmental	Water & Wastewater	
General	\$ -	\$ 915,216	\$ -	\$ 915,216
Water & Wastewater	672,130	-	-	672,130
Sanitary Landfill	52,182	-	-	52,182
Stormwater Drainage	26,540	-	18,213	44,753
Total	\$ 750,852	\$ 915,216	\$ 18,213	\$ 1,684,281

Transfers between funds were primarily to support capital projects and operation of funds.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

The compositions of interfund balances as of the year ended September 30, 2018 were as follows:

Payable:	Receivable:	
	Water &	
	Wastewater	Total
General	383,978	383,978
Nonmajor governmental	3,456	3,456
Stephenville EDA (Component unit)	21,697	21,697
Total	\$ 409,131	\$ 409,131

Interfund receivables and payables related to negative cash positions in pooled cash equity and various amounts used to cover operational and capital expenditures. All balances are expected to be resolved in the subsequent year.

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's 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. Commitments and 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.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's management that the resolution of these matters will not have a material adverse effect on the financial condition of the City. During the year, the City became aware of misuse of purchase cards by an employee. The exact amount of unapproved charges is unknown but is estimated to be approximately \$50,000 over the past 4 years. This matter is currently under investigation and charges have been filed against this former employee.

The City had the following construction commitments as of year end:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Eastside Sewer Project	\$ 448,500	\$ 252,500
Airport Extension	281,232	13,721
Primary Sludge Improvements	-	105,906
6" Pipe Burst Project	-	206,139
	<u>\$ 729,732</u>	<u>\$ 578,265</u>

C. Municipal Solid Waste Landfill Closure and Post Closure Costs

The City has constructed a Type IV sanitary landfill, which began operations on December 1, 1995. This facility is permitted to accept only brush and/or construction demolition wastes and rubbish free of household wastes.

State and federal laws and regulation require the City to place a final cover on the landfill site when it stops accepting waste to perform certain maintenance and monitoring functions at the site for a period of five years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City will report a portion of these closure and post closure costs as an operating expense in each period based on landfill capacity used to date. Estimated closure and 5-year post closure costs are approximately \$424,852. The landfill site has an estimate net capacity of 1,216,156 cubic yards and is expected to be closed within the next 20-30 years; approximately 34.49% of the landfill was used at yearend. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City has received written authorization from the state that no annual contributions are required, thus the intent of the City is to fund the required expenses as incurred.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

D. Defined Benefit Pension Plans

1. Plan Description

The City of Stephenville, Texas participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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.

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

The general and enterprise funds have typically been used to liquidate the liability for pension and OPEB balances.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Plan provisions for the City were as follows:

	<u>Plan Year 2017</u>	<u>Plan Year 2016</u>
Employee deposit rate	6%	6%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	0% of CPI	70% of CPI
Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

Employees covered by benefit terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	89
Inactive employees entitled to but not yet receiving benefits	96
Active employees	<u>156</u>
Total	<u>341</u>

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 Stephenville, Texas were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Stephenville, Texas were 14.29% and 6.78% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018, were \$746,654, and were equal to the required contributions.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2017, 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 (Asset) in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0%
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.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 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%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	<u>5.0%</u>	7.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability (Asset) 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 (Asset).

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Changes in the Net Pension Liability (Asset)

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset)</u>	<u>Primary Government</u>	<u>Component Unit</u>
Balance at 12/31/16	\$ 42,312,797	\$ 36,188,342	\$ 6,124,455	\$ 6,046,674	\$ 77,781
Changes for the year:					
Service cost	1,250,973	-	1,250,973	1,235,086	15,887
Interest	2,424,723	-	2,424,723	2,393,929	30,794
Change in benefit terms	(6,087,924)	-	(6,087,924)	(6,010,607)	(77,317)
Difference between expected and actual experience	(149,716)	-	(149,716)	(147,815)	(1,901)
Changes of assumptions	-	-	-	-	-
Contributions – employer	-	1,163,749	(1,163,749)	(1,148,969)	(14,780)
Contributions – employee	-	488,628	(488,628)	(482,422)	(6,206)
Net investment income	-	5,016,931	(5,016,931)	(4,953,216)	(63,715)
Benefit payments, including refunds of emp. contributions	(1,857,064)	(1,857,064)	-	-	-
Administrative expense	-	(25,993)	25,993	25,663	330
Other changes	-	(1,321)	1,321	1,304	17
Net changes	(4,419,008)	4,784,930	(9,203,938)	(9,087,048)	(116,890)
Balance at 12/31/17	<u>\$ 37,893,789</u>	<u>\$ 40,973,272</u>	<u>\$ (3,079,483)</u>	<u>\$ (3,040,374)</u>	<u>\$ (39,109)</u>

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

The following presents the net pension liability (asset) 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:

Primary Government

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 1,753,581	\$ (3,040,374)	\$ (7,031,722)

Component Unit

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 22,557	\$ (39,109)	\$ (90,452)

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

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.

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

For the year ended September 30, 2018, the City recognized a pension gain of \$5,265,076. Of this amount, \$5,198,210 is related to the primary government and \$66,866 is attributable to discretely presented component unit.

During the year, the City amended the TMRS retiree Cost of Living Adjustments from 70% to 0% of the Consumer Price Index (inflation adjustment). This resulted in a significant onetime adjustment to the net pension liability and resulted in a net pension asset. Due to the significance of this adjustment to governmental activities, the net effect of \$5,110,168 has been reported as a Special Item and reported separately from normal operations.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government:		
Difference between projected and actual investment earnings	\$ 1,004,742	\$ (2,035,092)
Differences between expected and actual economic experience	198,698	(223,195)
Difference in assumption changes	31,329	-
Contributions subsequent to the measurement date	455,283	-
Component Unit:		
Difference between projected and actual investment earnings	12,925	(26,178)
Differences between expected and actual economic experience	2,556	(2,871)
Difference in assumption changes	403	-
Contributions subsequent to the measurement date	5,856	-
Total	\$ 1,711,792	\$ (2,287,336)

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

The City reported \$461,139 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 (asset) for the year ending September 30, 2019.

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:	
2018	\$ 27,803
2019	(37,982)
2020	(484,663)
2021	(541,841)
2022	-
Thereafter	-
	\$ (1,036,683)

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 offers supplemental death to:	Plan Year 2016	Plan Year 2015
Active employees (yes or no)	Yes	Yes
Retirees (yes or no)	Yes	Yes

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.

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Employees covered by benefit terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	71
Inactive employees entitled to but not yet receiving benefits	17
Active employees	156
Total	244

The City's contributions to the TMRS SDBF for the years ended 2018 and 2017 were \$4,263, and \$4,021, respectively, which equaled the required contributions each year.

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

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2016	0.05%	0.05%	100.0%
2017	0.05%	0.05%	100.0%
2018	0.05%	0.05%	100.0%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2017, 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, 2017 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	3.31%
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

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

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 3.31%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

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 3.31%, 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 (2.31%) or 1-percentage-point higher (4.31%) than the current rate:

<u>Primary Government</u>		
1% Decrease (2.31%)	Current Single Rate Assumption 3.31%	1% Increase (4.31%)
\$ 547,219	\$ 458,407	\$ 388,801
<u>Component Unit</u>		
1% Decrease (2.31%)	Current Single Rate Assumption 3.31%	1% Increase (4.31%)
\$ 7,039	\$ 5,897	\$ 5,001

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>	<u>Primary Government</u>	<u>Component Unit</u>
Balance at 12/31/16	\$ 401,442	\$ 396,344	\$ 5,098
Changes for the year:			
Service Cost	16,268	16,061	207
Interest	15,405	15,209	196
Change in benefit terms	-	-	-
Changes of assumptions	35,257	34,809	448
Contributions – employer	-	-	-
Contributions – employee	-	-	-
Net investment income	-	-	-
Benefit payments	(4,068)	(4,016)	(52)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	<u>62,862</u>	<u>62,064</u>	<u>798</u>
Balance at 12/31/17	<u>\$ 464,304</u>	<u>\$ 458,407</u>	<u>\$ 5,897</u>

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$36,920. Of this amount, \$36,451 is related to the primary government and \$469 is attributable to discretely presented component unit.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

<u>Primary Government</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual economic experience	\$ 29,628
Contributions subsequent to measurement date	3,100
Total	<u>\$ 32,728</u>

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

<u>Component Unit</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual economic experience	\$ 381
Contributions subsequent to measurement date	40
Total	\$ 421

The City reported \$3,140 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2019.

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

Year ended December 31:	
2018	\$ 5,247
2019	5,247
2020	5,247
2021	5,247
2022	5,247
Thereafter	3,774
	<u>\$ 30,009</u>

E. Tax Abatement Disclosures

The City negotiates property tax abatement agreements on an individual basis. The City has tax abatement agreements with one entity as of September 30, 2018:

<u>Purpose</u>	<u>Percentage of Taxes Abated during the Fiscal Year</u>	<u>Amount of Taxes Abated during the Fiscal Year</u> <u>Property Tax</u>	<u>Amount of Taxes Abated during the Fiscal Year</u> <u>Sales Tax</u>
Construction of a well service pump facility by F.M.C. Technologies, Inc. for commercial or industrial purposes.	50%	\$ 30,000	\$ -
Purchase of capital machine tools and modification of existing structure by F.M.C. Technologies, Inc. This agreement is between F.M.C. Technologies Inc. and Erath County.	60%	43,200	-
Total		<u>\$ 73,200</u>	<u>\$ -</u>

City of Stephenville, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2018

Each agreement was negotiated under Article III, Section 52-a, Texas Constitution, and Chapter 312, Texas Tax Code, stating that the City may establish and provide for the administration of a program for making loans and grants of public money to promote state or local economic development and to stimulate business and commercial activity in the municipality. Taxes were abated through a reduction of taxes owed.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City has chosen to disclose information about its tax abatement agreements individually. It established a quantitative threshold of 100% percent of the total dollar amount of taxes abated during the year.

F. Restatement

Due to the implementation of GASB No. 75, the City restated its beginning net position within governmental activities and business-type activities to properly reflect the total OPEB liability and related deferred outflows and inflows of resources, as prescribed by this accounting standard. This adjustment was recorded at the fund level for proprietary funds only, and recorded at the government-wide level for both governmental and business-type activities. In addition, the City restated beginning net position and fund balance within business-type activities in order to correct the prior year inventory balance in the water and wastewater fund.

The below tables summarize the changes to net position and fund balance as a result of this change.

	Governmental Activities	Business-Type Activities	Water & Wastewater	Sanitary Landfill	Discretely Presented Component Unit
Prior year ending net position/ fund balance as reported	\$ 25,660,473	\$ 43,194,375	\$ 31,293,100	\$ 1,571,334	\$ 437,166
Implementation of GASB 75	(339,480)	(53,956)	(47,620)	(6,336)	(5,060)
Correction to inventory	-	232,160	232,160	-	-
Restated beginning net position/ fund balance	<u>\$ 25,320,993</u>	<u>\$ 43,372,579</u>	<u>\$ 31,477,640</u>	<u>\$ 1,564,998</u>	<u>\$ 432,106</u>

G. Subsequent Events

There were no material subsequent events through March 18, 2019, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

City of Stephenville, Texas
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 1 of 2)
For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 5,254,270	\$ 5,254,270	\$ 5,277,928	\$ 23,658
Sales tax	5,300,000	5,300,000	5,644,834	344,834
Franchise and other taxes	1,202,000	1,202,000	1,199,890	(2,110)
License and permits	211,620	211,620	246,891	35,271
Charges for services	346,900	349,064	371,636	22,572
Emergency services	571,750	752,016	607,337	(144,679)
Fines and forfeitures	170,200	170,200	137,184	(33,016)
Intergovernmental	72,000	94,035	72,111	(21,924)
Contributions and donations	105,525	300,704	265,868	(34,836)
Investment income	37,500	37,500	122,346	84,846
Other revenues	70,100	77,511	150,649	73,138
Total Revenues	13,341,865	13,748,920	14,096,674	347,754
Expenditures				
Current:				
General government				
City council	68,918	80,282	79,644	638
City administrator	247,618	253,318	248,947	4,371
City secretary	111,815	111,815	111,427	388
Emergency management	20,576	20,576	19,903	673
Financial services	427,502	417,607	378,638	38,969
Municipal building	162,789	168,589	152,132	16,457
Municipal services center	91,995	91,995	89,961	2,034
Purchasing	74,476	74,476	71,075	3,401
Information technology	272,130	272,130	241,507	30,623
Legal counsel	132,097	132,097	107,695	24,402
Human resources	108,714	132,914	121,872	11,042
Tax	155,926	155,926	154,145	1,781
Total general government	1,874,556	1,911,725	1,776,946	134,779
Culture and recreation				
Cemeteries	166,940	166,940	131,521	35,419
Library	243,526	256,114	256,524	(410)
Parks and recreation	549,310	610,840	586,584	24,256
Parks maintenance	729,076	852,422	695,600	156,822
Senior citizens	128,138	138,446	137,955	491
Community services	153,988	153,988	152,743	1,245
Aquatic	275,430	304,371	300,338	4,033
Total culture and recreation	2,246,408	2,483,121	2,261,265	221,856

City of Stephenville, Texas
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 2 of 2)
For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community development				
Inspections	\$ 262,562	\$ 262,562	\$ 257,883	\$ 4,679
Code enforcement	68,834	68,834	60,172	8,662
Planning and development	144,357	207,051	167,225	39,826
Total community development	<u>475,753</u>	<u>538,447</u>	<u>485,280</u>	<u>53,167</u>
Public safety				
Municipal court	166,000	166,000	155,032	10,968
Animal control	138,846	138,846	128,388	10,458
Fire department	1,597,012	1,641,424	1,597,748	43,676
Fire prevention/investigation	203,741	210,241	205,393	4,848
Volunteer fire	20,338	20,338	17,010	3,328
Emergency medical services	1,244,473	1,359,334	1,354,405	4,929
Public safety	155,539	155,539	146,714	8,825
Professional standards	274,622	219,622	207,713	11,909
Communications	729,139	669,139	662,460	6,679
Support services	84,571	83,371	78,118	5,253
Police department	3,506,992	3,938,728	3,880,643	58,085
Total public safety	<u>8,121,273</u>	<u>8,602,582</u>	<u>8,433,624</u>	<u>168,958</u>
Public works				
Street maintenance	986,531	986,531	842,916	143,615
Total public works	<u>986,531</u>	<u>986,531</u>	<u>842,916</u>	<u>143,615</u>
Debt service:				
Principal retirement	159,260	195,879	195,879	-
Interest and fiscal charges	-	15,000	15,000	-
Total debt service	<u>159,260</u>	<u>210,879</u>	<u>210,879</u>	<u>-</u>
Total Expenditures	<u>13,863,781</u>	<u>14,733,285</u>	<u>14,010,910</u>	<u>722,375</u>
Revenues Over (Under) Expenditures	<u>(521,916)</u>	<u>(984,365)</u>	<u>85,764</u>	<u>1,070,129</u>
Other Financing Sources (Uses)				
Transfers in	729,635	729,635	750,852	21,217
Transfers (out)	(875,000)	(915,216)	(915,216)	-
Capital lease proceeds	-	215,371	215,371	-
Proceeds from sale of assets	20,000	20,000	22,639	2,639
Total Other Financing Sources (Uses)	<u>(125,365)</u>	<u>49,790</u>	<u>73,646</u>	<u>23,856</u>
Net Change in Fund Balance	<u>\$ (647,281)</u>	<u>\$ (934,575)</u>	<u>159,410</u>	<u>\$ 1,093,985</u>
Beginning fund balance			8,091,641	
Ending Fund Balance			<u>\$ 8,251,051</u>	

Notes to Required Supplementary Information

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

See Notes to Financial Statements

City of Stephenville, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

Years Ended:

	12/31/2014	12/31/2015	12/31/2016	12/31/2017 ¹
Total pension liability				
Service cost	\$ 992,735	\$ 1,076,600	\$ 1,240,408	\$ 1,250,973
Interest	2,494,034	2,637,868	2,673,757	2,424,723
Changes in benefit terms	-	-	-	(6,087,924) ²
Differences between expected and actual experience	(36,585)	(270,060)	341,014	(149,716)
Changes of assumptions	-	86,443	-	-
Benefit payments, including refunds of participant contributions	(1,370,731)	(1,503,966)	(1,866,778)	(1,857,064)
Net change in total pension liability	<u>2,079,453</u>	<u>2,026,885</u>	<u>2,388,401</u>	<u>(4,419,008)</u>
Total pension liability - beginning	<u>35,818,058</u>	<u>37,897,511</u>	<u>39,924,396</u>	<u>42,312,797</u>
Total pension liability - ending (a)	<u>37,897,511</u>	<u>39,924,396</u>	<u>42,312,797</u>	<u>37,893,789</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,060,235	\$ 1,056,595	\$ 1,152,678	\$ 1,163,749
Contributions - members	436,423	439,450	487,390	488,628
Net investment income	1,840,969	50,357	2,307,288	5,016,931
Benefit payments, including refunds of participant contributions	(1,370,731)	(1,503,966)	(1,866,778)	(1,857,064)
Administrative expenses	(19,219)	(30,670)	(26,054)	(25,993)
Other	(1,580)	(1,514)	(1,403)	(1,321)
Net change in plan fiduciary net position	<u>1,946,097</u>	<u>10,252</u>	<u>2,053,121</u>	<u>4,784,930</u>
Plan fiduciary net position - beginning	<u>32,178,872</u>	<u>34,124,969</u>	<u>34,135,221</u>	<u>36,188,342</u>
Plan fiduciary net position - ending (b)	<u>\$ 34,124,969</u>	<u>\$ 34,135,221</u>	<u>\$ 36,188,342</u>	<u>\$ 40,973,272</u>
Fund's net pension liability(asset) - ending (a) - (b)	<u>\$ 3,772,542</u>	<u>\$ 5,789,175</u>	<u>\$ 6,124,455</u>	<u>\$ (3,079,483)</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.05%	85.50%	85.53%	108.13%
Covered payroll	\$ 6,901,589	\$ 7,215,815	\$ 8,123,168	\$ 8,133,762
Fund's net pension liability as a percentage of covered payroll	54.66%	80.23%	75.39%	-37.86%

Notes to schedule:

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

2) During the year, the City amended the retiree Cost of Living Adjustments from 70% to 0% of the Consumer Price Index.

City of Stephenville, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2018	9/30/2017	9/30/2016	9/30/2015 ¹
Actuarially determined employer contributions	\$ 746,654	\$ 1,147,185	\$ 1,105,140	\$ 1,050,537
Contributions in relation to the actuarially determined contribution	\$ 746,654	\$ 1,147,185	\$ 1,105,140	\$ 1,050,537
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 8,525,408	\$ 8,042,962	\$ 7,752,867	\$ 7,179,688
Employer contributions as a percentage of covered payroll	8.76%	14.26%	14.25%	14.63%

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 10.5% 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 109% and projected on a fully generational basis with scale BB

Other Information:

Notes Rescinded 70% repeating COLA

City of Stephenville, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended:

	12/31/2017 ¹
Total OPEB liability	
Service cost	\$ 16,268
Interest	15,405
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	35,257
Benefit payments, including refunds of participant contributions	(4,068)
Net change in total OPEB liability	62,862
Total OPEB liability - beginning	401,442
Total OPEB liability - ending (a)	\$ 464,304 ²
Covered payroll	\$ 8,133,762
City's total OPEB liability as a percentage of covered payroll	5.71%

Notes to schedule:

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

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

***COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES***

City of Stephenville, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

	<u>Hotel/ Motel Tax</u>	<u>Child Safety</u>	<u>Public Safety</u>	<u>Municipal Court Technology</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 175,871	\$ 9,611	\$ 42,858	\$ 18,905
Accounts receivable, net	79,264	-	-	-
Total Assets	\$ 255,135	\$ 9,611	\$ 42,858	\$ 18,905
<u>Liabilities</u>				
Accounts payable	\$ 33,847	\$ -	\$ 209	\$ 249
Due to other funds	-	-	3,456	-
Total Liabilities	33,847	-	3,665	249
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property tax	-	-	-	-
<u>Fund Balances</u>				
Committed for:				
Capital projects	-	-	-	-
Restricted for:				
Tourism	221,288	-	-	-
Municipal court	-	-	-	18,656
Public safety	-	9,611	39,193	-
Debt service	-	-	-	-
Total Fund Balances	221,288	9,611	39,193	18,656
Total Liabilities and Fund Balances	\$ 255,135	\$ 9,611	\$ 42,858	\$ 18,905

<u>Total Nonmajor Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental</u>
\$ 247,245	\$ 197,498	\$ 442,063	\$ 886,806
79,264	6,073	-	85,337
<u>\$ 326,509</u>	<u>\$ 203,571</u>	<u>\$ 442,063</u>	<u>\$ 972,143</u>
\$ 34,305	\$ -	\$ -	\$ 34,305
3,456	-	-	3,456
<u>37,761</u>	<u>-</u>	<u>-</u>	<u>37,761</u>
-	4,161	-	4,161
-	-	442,063	442,063
221,288	-	-	221,288
18,656	-	-	18,656
48,804	-	-	48,804
-	199,410	-	199,410
<u>288,748</u>	<u>199,410</u>	<u>442,063</u>	<u>930,221</u>
<u>\$ 326,509</u>	<u>\$ 203,571</u>	<u>\$ 442,063</u>	<u>\$ 972,143</u>

City of Stephenville, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2018

	Hotel/ Motel Tax	Child Safety	Public Safety	Municipal Court Technology
Revenues				
Hotel occupancy tax	\$ 474,199	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
Fines and fees	-	5,582	-	4,832
Intergovernmental	-	-	6,379	-
Investment income	2,350	94	637	271
Total Revenues	476,549	5,676	7,016	5,103
Expenditures				
General government	397,246	-	-	11,004
Public safety	-	-	1,865	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	397,246	-	1,865	11,004
Revenues Over (Under) Expenditures	79,303	5,676	5,151	(5,901)
Other Financing Sources				
Transfers in	216	-	-	-
Total Other Financing Sources (Uses)	216	-	-	-
Net Change in Fund Balances	79,519	5,676	5,151	(5,901)
Beginning fund balances	141,769	3,935	34,042	24,557
Ending Fund Balances	\$ 221,288	\$ 9,611	\$ 39,193	\$ 18,656

<u>Total Nonmajor Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental</u>
\$ 474,199	\$ -	\$ -	\$ 474,199
-	492,536	-	492,536
10,414	-	-	10,414
6,379	-	-	6,379
3,352	2,927	10,400	16,679
<u>494,344</u>	<u>495,463</u>	<u>10,400</u>	<u>1,000,207</u>
408,250	-	-	408,250
1,865	-	-	1,865
-	365,000	-	365,000
-	92,099	-	92,099
-	-	899,080	899,080
<u>410,115</u>	<u>457,099</u>	<u>899,080</u>	<u>1,766,294</u>
<u>84,229</u>	<u>38,364</u>	<u>(888,680)</u>	<u>(766,087)</u>
216	-	915,000	915,216
216	-	915,000	915,216
84,445	38,364	26,320	149,129
204,303	161,046	415,743	781,092
<u>\$ 288,748</u>	<u>\$ 199,410</u>	<u>\$ 442,063</u>	<u>\$ 930,221</u>

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX FUND
For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Hotel occupancy tax	\$ 400,000	\$ 400,000	\$ 474,199	\$ 74,199
Investment income	-	-	2,350	2,350
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>476,549</u>	<u>76,549</u>
<u>Expenditures</u>				
General government	460,000	460,000	397,246	62,754
Total Expenditures	<u>460,000</u>	<u>460,000</u>	<u>397,246</u>	<u>62,754</u>
Excess of Revenues Over (Under) Expenditures	<u>(60,000)</u>	<u>(60,000)</u>	<u>79,303</u>	<u>139,303</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	216	216	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>216</u>	<u>216</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (60,000)</u>	<u>\$ (59,784)</u>	<u>79,519</u>	<u>\$ 139,303</u>
Beginning fund balance			141,769	
Ending Fund Balance			<u>\$ 221,288</u>	

Notes to Supplementary Information

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

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CHILD SAFETY
For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Fines and forfeitures	\$ 3,500	\$ 3,500	\$ 5,582	\$ 2,082
Investment income	-	-	94	94
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>5,676</u>	<u>2,176</u>
Excess of Revenues Over (Under) Expenditures				
	<u>3,500</u>	<u>3,500</u>	<u>5,676</u>	<u>2,176</u>
Net Change in Fund Balance	<u>\$ 3,500</u>	<u>\$ 3,500</u>	5,676	<u>\$ 2,176</u>
Beginning fund balance			<u>3,935</u>	
Ending Fund Balance			<u>\$ 9,611</u>	

Notes to Supplementary Information

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

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC SAFETY
For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 3,700	\$ 3,700	\$ 6,379	\$ 2,679
Interest income	-	-	637	637
Total Revenues	<u>3,700</u>	<u>3,700</u>	<u>7,016</u>	<u>3,316</u>
Expenditures				
General government	3,700	7,299	1,865	5,434
Total Expenditures	<u>3,700</u>	<u>7,299</u>	<u>1,865</u>	<u>5,434</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>(3,599)</u>	<u>5,151</u>	<u>8,750</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (3,599)</u>	<u>5,151</u>	<u>\$ 8,750</u>
Beginning fund balance			34,042	
Ending Fund Balance			<u>\$ 39,193</u>	

Notes to Supplementary Information

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

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT TECHNOLOGY
For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and forfeitures	\$ 4,000	\$ 4,000	\$ 4,832	\$ 832
Interest income	-	-	271	271
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>5,103</u>	<u>1,103</u>
<u>Expenditures</u>				
General government	-	11,122	11,004	118
Capital outlay	-	8,000	-	8,000
Total Expenditures	<u>-</u>	<u>19,122</u>	<u>11,004</u>	<u>8,118</u>
Net Change in Fund Balance	<u>\$ 4,000</u>	<u>\$ (15,122)</u>	<u>(5,901)</u>	<u>\$ 9,221</u>
Beginning fund balance			<u>24,557</u>	
Ending Fund Balance			<u>\$ 18,656</u>	

Notes to Supplementary Information

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

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property taxes	\$ 491,993	\$ 491,993	\$ 492,536	\$ 543
Interest income	500	500	2,927	2,427
Total Revenues	<u>492,493</u>	<u>492,493</u>	<u>495,463</u>	<u>2,970</u>
<u>Expenditures</u>				
General government	1,000	1,000	-	1,000
Debt service				
Principal	365,000	365,000	365,000	-
Interest	128,193	128,193	92,099	36,094
Total Expenditures	<u>494,193</u>	<u>494,193</u>	<u>457,099</u>	<u>37,094</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,700)</u>	<u>(1,700)</u>	<u>38,364</u>	<u>40,064</u>
Net Change in Fund Balance	<u>\$ (1,700)</u>	<u>\$ (1,700)</u>	<u>38,364</u>	<u>\$ 40,064</u>
Beginning fund balance			161,046	
Ending Fund Balance			<u>\$ 199,410</u>	

Notes to Supplementary Information

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

City of Stephenville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Interest income	\$ 1,000	\$ 1,000	\$ 10,400	\$ 9,400
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>10,400</u>	<u>9,400</u>
<u>Expenditures</u>				
Capital outlay	1,296,627	1,336,627	899,080	437,547
Total Expenditures	<u>1,296,627</u>	<u>1,336,627</u>	<u>899,080</u>	<u>437,547</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,295,627)</u>	<u>(1,335,627)</u>	<u>(888,680)</u>	<u>446,947</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	875,000	915,000	915,000	-
Total Other Financing Sources (Uses)	<u>875,000</u>	<u>915,000</u>	<u>915,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (420,627)</u>	<u>\$ (420,627)</u>	26,320	<u>\$ 446,947</u>
Beginning fund balance			415,743	
Ending Fund Balance			<u>\$ 442,063</u>	

Notes to Supplementary Information

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

City of Stephenville, Texas
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
September 30, 2018

		Stephenville Economic Development Authority
<u>Assets</u>		
Cash and cash equivalents	\$	654,898
Receivables, net		95,546
Total Assets		<u>750,444</u>
 <u>Liabilities</u>		
Accounts payable and accrued liabilities	\$	10,827
Due to primary government		21,697
Total Liabilities		<u>32,524</u>
 <u>Fund Balances</u>		
Restricted for:		
Economic development		717,920
Total Fund Balance		<u>717,920</u>
Total Liabilities and Fund Balance	\$	<u>750,444</u>

See Notes to Financial Statements.

City of Stephenville, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION DISCRETELY PRESENTED COMPONENT UNIT

September 30, 2018

Fund Balance	\$	717,920
<p>Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.</p>		
Net pension asset		39,109
<p>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.</p>		
Deferred pension outflows		21,740
Deferred OPEB outflows		421
<p>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.</p>		
Deferred pension inflows		(29,049)
<p>Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.</p>		
OPEB Liability		(5,897)
Non-current liabilities due in one year		(6,795)
Non-current liabilities due in more than one year		(755)
Net Position of the Discretely Presented Component Unit	\$	<u>736,694</u>

See Notes to Financial Statements.

City of Stephenville, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE DISCRETELY PRESENTED COMPONENT UNIT

For the Year Ended September 30, 2017

		<u>Stephenville Economic Development Authority</u>
<u>Revenues</u>		
Sales tax	\$	513,167
Investment income		8,582
	Total Revenues	<u>521,749</u>
<u>Expenditures</u>		
Current:		
Economic development		<u>290,794</u>
	Total Expenditures	<u>290,794</u>
	Net Change in Fund Balance	230,955
Beginning fund balance		486,965
	Ending Fund Balance	<u><u>\$ 717,920</u></u>

See Notes to Financial Statements.

City of Stephenville, Texas
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE DISCRETELY PRESENTED
COMPONENT UNIT TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

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

Net changes in fund balance	\$	230,955
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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.

Pension expense		77,752
Other post employment benefits		(415)
Compensated absences		(3,704)
Change in Net Position of the Discretely Presented Component Unit	\$	<u>304,588</u>

See Notes to Financial Statements.

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STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a

Contents **Page**

Financial Trends 107

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

Revenue Capacity 117

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity 124

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

Demographic and Economic Information 131

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

Operating Information 133

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

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City of Stephenville, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Invested in capital assets, net of related debt	\$ 18,471,335	\$ 16,763,870	\$ 16,605,859	\$ 17,500,689	\$ 17,032,179	\$ 18,024,389	\$ 18,038,284	\$ 19,789,241	\$ 19,963,873	20,176,273
Restricted	434,394	405,640	420,877	450,527	870,780	523,019	427,493	593,600	581,054	2,621,264
Unrestricted	<u>5,252,462</u>	<u>7,952,264</u>	<u>8,156,696</u>	<u>7,680,873</u>	<u>8,355,906</u>	<u>9,150,340</u>	<u>8,142,434</u>	<u>5,976,217</u>	<u>5,115,547</u>	<u>7,993,562</u>
Total governmental activities net position	<u>\$ 24,158,191</u>	<u>\$ 25,121,774</u>	<u>\$ 25,183,432</u>	<u>\$ 25,632,089</u>	<u>\$ 26,258,865</u>	<u>\$ 27,697,748</u>	<u>\$ 26,608,211</u>	<u>\$ 26,359,058</u>	<u>\$ 25,660,474</u>	<u>\$ 30,791,099</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 23,495,495	\$ 25,323,978	\$ 26,538,623	\$ 28,438,665	\$ 30,014,882	\$ 32,099,918	\$ 33,151,854	\$ 34,339,443	\$ 36,926,841	\$ 38,037,374
Restricted	710,870	690,998	714,547	842,224	2,706,411	1,023,271	1,019,719	1,054,111	1,456,900	2,477,403
Unrestricted	<u>5,974,684</u>	<u>4,566,114</u>	<u>5,548,656</u>	<u>5,243,744</u>	<u>3,030,924</u>	<u>4,112,342</u>	<u>4,382,362</u>	<u>4,795,330</u>	<u>4,810,634</u>	<u>5,312,381</u>
Total business-type activities net position	<u>\$ 30,181,049</u>	<u>\$ 30,581,090</u>	<u>\$ 32,801,826</u>	<u>\$ 34,524,633</u>	<u>\$ 35,752,217</u>	<u>\$ 37,235,531</u>	<u>\$ 38,553,935</u>	<u>\$ 40,188,884</u>	<u>\$ 43,194,375</u>	<u>\$ 45,827,158</u>
Primary government:										
Invested in capital assets, net of related debt	\$ 41,966,830	\$ 42,087,848	\$ 43,144,482	\$ 45,939,354	\$ 47,047,061	\$ 50,124,307	\$ 51,190,138	\$ 54,128,684	\$ 56,890,714	\$ 58,213,647
Restricted	1,145,264	1,096,638	1,135,424	1,292,751	3,577,191	1,546,290	1,447,212	1,647,711	2,037,954	5,098,667
Unrestricted	<u>11,227,146</u>	<u>12,518,378</u>	<u>13,705,352</u>	<u>12,924,617</u>	<u>11,386,830</u>	<u>13,262,682</u>	<u>12,524,796</u>	<u>10,771,547</u>	<u>9,926,181</u>	<u>13,305,943</u>
Total primary government net position	<u>\$ 54,339,240</u>	<u>\$ 55,702,864</u>	<u>\$ 57,985,258</u>	<u>\$ 60,156,722</u>	<u>\$ 62,011,082</u>	<u>\$ 64,933,279</u>	<u>\$ 65,162,146</u>	<u>\$ 66,547,942</u>	<u>\$ 68,854,849</u>	<u>\$ 76,618,257</u>

Source: City Audited Financials.

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City of Stephenville, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
EXPENSES										
Governmental activities:										
General government	\$ 1,309,902	\$ 1,412,441	\$ 1,374,221	\$ 1,518,207	\$ 2,076,100	\$ 2,353,191	\$ 1,922,897	\$ 2,004,366	\$ 1,999,694	\$ 2,271,044
Public Safety	6,043,653	6,252,861	6,274,700	6,496,290	6,786,524	6,948,549	7,879,067	7,929,307	8,617,164	2,467,345
Streets	1,210,135	1,426,590	1,479,381	1,567,117	1,432,818	1,274,173	1,462,172	1,604,054	1,566,786	486,602
Culture and recreation	2,340,312	2,438,756	2,522,284	2,509,599	2,157,175	2,037,539	1,705,654	2,254,963	2,457,781	8,561,797
Community development	408,144	427,769	374,335	433,360	521,710	444,401	471,855	980,992	1,031,830	1,507,920
Interest on long-term debt	72,220	141,220	97,809	151,197	128,398	108,289	77,063	68,008	100,245	107,588
Total governmental activities expenses	<u>11,384,366</u>	<u>12,099,637</u>	<u>12,122,730</u>	<u>12,675,770</u>	<u>13,102,725</u>	<u>13,166,142</u>	<u>13,518,708</u>	<u>14,841,690</u>	<u>15,773,500</u>	<u>15,402,296</u>
Business-type activities:										
Water & Wastewater	4,819,886	5,054,152	4,846,996	4,833,953	5,018,940	5,237,160	5,326,721	5,690,857	5,688,473	5,032,780
Airport	346,159	580,590	313,982	313,978	282,952	305,179	395,474	442,822	465,063	542,252
Sanitary landfill	527,255	294,407	160,803	181,904	183,145	193,368	207,538	224,233	256,121	194,000
Storm water drainage	170,287	158,085	600,859	562,207	535,056	528,208	558,501	505,829	546,509	415,779
Total business-type activities expenses	<u>5,863,587</u>	<u>6,087,234</u>	<u>5,922,640</u>	<u>5,892,042</u>	<u>6,020,093</u>	<u>6,263,915</u>	<u>6,488,234</u>	<u>6,863,741</u>	<u>6,956,166</u>	<u>6,184,811</u>
Total primary government program revenues	<u>\$ 17,247,953</u>	<u>\$ 18,186,871</u>	<u>\$ 18,045,370</u>	<u>\$ 18,567,812</u>	<u>\$ 19,122,818</u>	<u>\$ 19,430,057</u>	<u>\$ 20,006,942</u>	<u>\$ 21,705,431</u>	<u>\$ 22,729,666</u>	<u>\$ 21,587,107</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General Government	\$ 231,122	\$ 215,757	\$ 216,870	\$ 219,082	\$ 217,686	\$ 205,782	\$ 22,648	\$ 8,274	\$ 5,704	\$ 11,141
Public Safety	677,662	834,180	893,207	1,077,514	959,364	1,073,838	989,630	817,156	721,112	289,065
Streets	21,472	24,713	24,419	95,954	30,443	28,170	42,749	15,567	15,352	245,391
Culture and recreation	221,589	317,917	338,662	363,650	346,442	288,540	321,565	377,192	347,603	664,449
Community development	126,186	177,401	249,501	193,592	413,762	265,863	217,805	320,353	215,731	20,836
Operating grants and contributions	109,861	43,417	40,015	29,142	53,796	63,038	147,200	160,504	514,199	219,853
Capital grants and contributions	740,974	1,602,301	258,933	159,402	188,262	188,262	3,654	3,596	49,905	170,239
Total governmental activities program revenue	<u>2,128,866</u>	<u>3,215,686</u>	<u>2,021,607</u>	<u>2,138,336</u>	<u>2,021,493</u>	<u>2,113,493</u>	<u>1,745,251</u>	<u>1,702,642</u>	<u>1,869,606</u>	<u>1,620,974</u>
Business-type activities:										
Charges for services:										
Water and Wastewater	5,492,233	5,396,349	\$ 6,147,606	\$ 6,055,936	\$ 6,443,152	\$ 6,708,108	\$ 6,485,177	\$ 7,014,095	\$ 7,264,479	\$ 7,596,037
Sanitary landfill	414,503	175,153	277,985	200,546	297,650	457,086	955,391	856,649	665,681	628,731
Municipal airport	73,180	72,408	76,015	93,493	110,200	104,440	107,544	111,088	107,484	108,097
Storm water drainage	584,439	588,141	591,326	604,231	620,595	618,993	611,827	632,583	629,673	657,356
Operating grants and contributions	20,062	17,808	5,184	7,868	-	-	17,857	7,086	-	-
Capital grants and contributions	249,253	402,702	528,471	813,212	27,652	109,614	175,651	48,054	1,672,182	175,274
Total business-type activities program revenue	<u>6,833,670</u>	<u>6,652,561</u>	<u>7,626,587</u>	<u>7,775,286</u>	<u>7,499,249</u>	<u>7,998,241</u>	<u>8,335,590</u>	<u>8,680,326</u>	<u>10,346,585</u>	<u>9,165,495</u>
Total primary government program revenues	<u>\$ 8,962,536</u>	<u>\$ 9,868,247</u>	<u>\$ 9,648,194</u>	<u>\$ 9,913,622</u>	<u>\$ 9,520,742</u>	<u>\$ 10,111,734</u>	<u>\$ 10,080,841</u>	<u>\$ 10,382,968</u>	<u>\$ 12,216,191</u>	<u>\$ 10,786,469</u>

Source: City Audited Financials.

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City of Stephenville, Texas
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
NET (EXPENSE) REVENUES										
Governmental activities	\$(9,255,500)	\$(8,883,951)	\$(10,101,123)	\$(10,537,434)	\$(11,081,232)	\$(11,052,649)	\$(11,773,457)	\$(13,139,048)	\$(13,903,894)	\$(13,781,322)
Business-type activities	970,083	565,327	1,703,947	1,883,244	1,479,156	1,734,326	1,847,356	1,816,585	3,390,419	2,980,684
Total primary government net expense	<u>(8,285,417)</u>	<u>(8,318,624)</u>	<u>(8,397,176)</u>	<u>(8,654,190)</u>	<u>(9,602,076)</u>	<u>(9,318,323)</u>	<u>(9,926,101)</u>	<u>(11,322,463)</u>	<u>(10,513,475)</u>	<u>(10,800,638)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property -general purposes	3,382,272	3,371,138	3,595,948	3,787,828	4,049,755	4,321,370	4,386,134	4,715,959	4,806,351	5,286,326
Property -debt services	536,671	608,404	526,519	593,543	589,867	595,444	576,847	484,490	481,603	492,536
Sales	4,622,690	4,275,545	4,616,312	5,191,213	5,281,663	5,485,705	5,718,579	5,285,142	5,264,443	5,644,834
Franchise	1,186,650	1,018,036	1,120,678	1,122,934	1,097,564	1,166,503	1,525,602	1,501,457	1,381,186	1,199,890
Other	372,815	341,456	363,645	393,461	374,806	450,456	502,017	480,036	515,043	474,199
Gain on sale of capital assets		323,641	12,159		10,056	110,122		16,162	30,274	-
Investment earnings	108,218	32,294	13,517	14,651	11,546	6,157	5,990	52,123	68,163	139,025
Insurance Proceeds							63,740	58,576	18,537	-
Miscellaneous	124,613	14,190	26,870	18,320	35,902	100,731	164,842	37,080	135,230	153,598
Transfers	6,771	(112,834)	(137,203)	21,161	256,849	255,044	208,824	258,870	504,479	750,852
Special item - change in employee benefits	-	-	-	-	-	-	-	-	-	5,110,168
Total governmental activities	<u>10,340,700</u>	<u>9,871,870</u>	<u>10,138,445</u>	<u>11,143,111</u>	<u>11,708,008</u>	<u>12,491,532</u>	<u>13,152,575</u>	<u>12,889,895</u>	<u>13,205,309</u>	<u>19,251,428</u>
Business-type activities:										
Investment earnings	68,079	6,714	5,151	7,716	6,780	4,032	4,891	23,477	49,082	118,108
Gain on Sale of Capital Assets							17,106	8,630	(1,600)	-
Miscellaneous	7,888	-	-	-	(1,504)		33,292	45,127	72,069	106,639
Transfers	(6,771)	112,834	137,203	(21,161)	(256,849)	(255,044)	(208,824)	(258,870)	(504,479)	(750,852)
Total business-type activities	<u>69,196</u>	<u>119,548</u>	<u>142,354</u>	<u>(13,445)</u>	<u>(251,573)</u>	<u>(251,012)</u>	<u>(153,535)</u>	<u>(181,636)</u>	<u>(384,928)</u>	<u>(526,105)</u>
Total primary government	<u>10,409,896</u>	<u>9,991,418</u>	<u>10,280,799</u>	<u>11,129,666</u>	<u>11,456,435</u>	<u>12,240,520</u>	<u>12,999,040</u>	<u>12,708,259</u>	<u>12,820,381</u>	<u>18,725,323</u>
CHANGE IN NET POSITION										
Governmental activities	1,085,200	987,919	37,322	605,677	626,776	1,438,883	1,379,118	(249,153)	(698,585)	5,470,106
Business-type activities	<u>1,039,279</u>	<u>684,875</u>	<u>1,846,301</u>	<u>1,869,799</u>	<u>1,227,583</u>	<u>1,483,314</u>	<u>1,693,821</u>	<u>1,634,949</u>	<u>3,005,491</u>	<u>2,454,579</u>
Total primary government	<u>\$ 2,124,479</u>	<u>\$ 1,672,794</u>	<u>\$ 1,883,623</u>	<u>\$ 2,475,476</u>	<u>\$ 1,854,359</u>	<u>\$ 2,922,197</u>	<u>\$ 3,072,939</u>	<u>\$ 1,385,796</u>	<u>\$ 2,306,906</u>	<u>\$ 7,924,685</u>

Source: City Audited Financials.

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City of Stephenville, Texas
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General fund										
Reserved	\$ 12,680	\$ 9,148	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	\$ 7,358,831	\$ 7,196,152	-	-	-	-	-	-	-	-
Nonspendable	-	-	18,836	\$ 17,399	\$ 19,417	\$ 10,995	\$ 7,016	\$ 20,955	\$ 8,760	\$ 11,609
Assigned/committed	-	-	3,750,000	\$ 1,989,442	\$ 2,400,000	\$ 3,000,000	\$ 3,000,000	\$ 1,150,000	\$ 950,609	\$ 950,609
Unassigned	-	-	<u>3,779,268</u>	<u>5,113,489</u>	<u>5,246,245</u>	<u>5,868,872</u>	<u>6,786,574</u>	<u>7,154,643</u>	<u>7,132,272</u>	<u>7,288,833</u>
Total general fund	<u>\$ 7,371,511</u>	<u>\$ 7,205,300</u>	<u>\$ 7,548,104</u>	<u>\$ 7,120,330</u>	<u>\$ 7,665,662</u>	<u>\$ 8,879,867</u>	<u>\$ 9,793,590</u>	<u>\$ 8,325,598</u>	<u>\$ 8,091,641</u>	<u>\$ 8,251,051</u>
All other governmental funds										
Reserved										
Debt service funds	\$ 96,071	\$ 93,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	332,799	337,679	-	-	-	-	-	-	-	-
Capital projects funds	1,676,876	1,155,196	-	-	-	-	-	-	-	-
Restricted	-	-	424,194	4,206,447	1,201,698	824,262	702,559	434,914	365,349	488,158
Assigned/committed	-	-	<u>486,235</u>	<u>529,093</u>	<u>416,371</u>	<u>416,371</u>	<u>416,727</u>	<u>417,929</u>	<u>415,743</u>	<u>442,063</u>
Total all other governmental funds	<u>\$ 2,105,746</u>	<u>\$ 1,586,142</u>	<u>\$ 910,429</u>	<u>\$ 4,735,540</u>	<u>\$ 1,618,069</u>	<u>\$ 1,240,633</u>	<u>\$ 1,119,286</u>	<u>\$ 852,843</u>	<u>\$ 781,092</u>	<u>\$ 930,221</u>

Note:

The City implemented GASB Statement 54 in fiscal year 2011. Prior year balances have not been restated to conform to GASB Statement 54.

Source: City Audited Financials.

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City of Stephenville, Texas
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Taxes	\$ 10,104,779	\$ 9,570,777	\$ 10,251,019	\$ 11,062,514	\$ 11,394,371	\$ 12,014,282	\$ 12,733,241	\$ 12,455,045	\$ 12,460,952	\$ 13,089,387
Charges for services	948,049	1,178,800	1,076,971	1,291,337	1,198,408	1,131,850	1,111,193	1,022,624	958,249	978,973
Licenses, fees and permits	131,341	138,675	295,075	318,899	361,236	294,084	258,384	186,925	143,903	246,891
Fines and penalties	226,083	229,357	255,269	182,517	398,093	261,126	227,979	316,343	210,015	147,598
Intergovernmental	124,581	1,366,544	147,510	233,670	65,465	127,751	200,634	218,054	613,744	344,358
Investment earnings	108,218	32,294	13,517	14,651	11,546	6,157	5,990	52,123	68,163	139,025
Miscellaneous	35,189	19,269	37,977	18,189	75,550	103,838	167,941	40,054	135,230	150,649
Total revenues	<u>11,678,240</u>	<u>12,535,716</u>	<u>12,077,338</u>	<u>13,121,777</u>	<u>13,504,669</u>	<u>13,939,088</u>	<u>14,705,362</u>	<u>14,291,168</u>	<u>14,590,256</u>	<u>15,096,881</u>
EXPENDITURES										
General government	1,355,822	1,359,012	1,319,243	1,504,855	1,997,675	2,289,098	1,922,184	1,904,340	1,870,697	2,145,014
Public Safety	5,827,418	6,048,150	6,084,813	6,210,892	6,410,938	6,725,152	7,668,000	7,428,899	7,820,377	8,066,721
Streets	845,429	850,428	937,367	968,236	920,417	780,006	968,092	997,520	818,913	768,153
Parks and recreation	2,006,999	2,072,331	2,189,768	2,268,386	1,859,640	1,795,809	1,853,439	1,936,112	2,104,892	2,163,873
Community development	407,208	420,982	367,228	414,769	514,474	419,054	456,196	968,197	1,003,655	485,280
Capital outlay	5,265,493	2,099,912	889,326	1,793,507	4,076,340	985,179	859,897	3,053,778	1,532,290	1,480,185
Debt service										
Principal	425,000	460,000	420,000	440,000	455,000	465,000	505,000	415,000	469,243	560,879
Interest	99,652	144,279	98,117	139,305	126,693	120,261	77,845	66,375	85,322	107,099
Bond Issuance Costs	25,000	-	-	45,000	5,312	11,027	-	-	-	-
Advance Refunding Escrow	-	-	-	-	382,370	1,323,441	-	-	-	-
Total expenditures	<u>16,258,021</u>	<u>13,455,094</u>	<u>12,305,862</u>	<u>13,784,950</u>	<u>16,748,859</u>	<u>14,914,027</u>	<u>14,310,653</u>	<u>16,770,221</u>	<u>15,705,389</u>	<u>15,777,204</u>
EXCESS OF REVENUES										
OVER (UNDER) EXPENDITURES	<u>\$(4,579,781)</u>	<u>\$(919,378)</u>	<u>\$(228,524)</u>	<u>\$(663,173)</u>	<u>\$(3,244,190)</u>	<u>\$(974,939)</u>	<u>\$ 394,709</u>	<u>\$(2,479,053)</u>	<u>\$(1,115,133)</u>	<u>\$(680,323)</u>
OTHER FINANCING SOURCES (USES)										
Debt issued	1,500,000	-	-	4,000,000	370,000	1,336,841	-	-	-	215,371
Premium on Bonds	-	-	-	-	22,904	-	-	-	-	-
Discount on Bonds	-	-	-	-	(2,651)	-	113,938	349,833	168,051	-
Sale of Fixed Assets	21,881	338,054	27,316	27,851	24,950	219,822	11,165	77,340	118,358	22,639
Proceeds from insurance	94,497	8,343	5,502	11,498	-	-	63,740	58,576	18,537	-
Transfers in	2,461,037	204,320	292,052	741,161	506,849	1,196,840	208,824	633,870	729,968	1,666,068
Transfers out	(2,454,266)	(317,154)	(429,255)	(720,000)	(250,000)	(941,796)	-	(375,000)	(225,489)	(915,216)
Total other financing sources (uses)	<u>1,623,149</u>	<u>233,563</u>	<u>(104,385)</u>	<u>4,060,510</u>	<u>672,052</u>	<u>1,811,707</u>	<u>397,667</u>	<u>744,619</u>	<u>809,425</u>	<u>988,862</u>
NET CHANGE IN FUND BALANCES	<u>\$(2,956,632)</u>	<u>\$(685,815)</u>	<u>\$(332,909)</u>	<u>\$ 3,397,337</u>	<u>\$(2,572,138)</u>	<u>\$ 836,768</u>	<u>\$ 792,376</u>	<u>\$(1,734,434)</u>	<u>\$(305,708)</u>	<u>\$ 308,539</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>5.0%</u>	<u>5.3%</u>	<u>4.5%</u>	<u>5.2%</u>	<u>7.6%</u>	<u>13.8%</u>	<u>4.3%</u>	<u>3.5%</u>	<u>3.9%</u>	<u>4.7%</u>

Source: City Audited Financials.

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City of Stephenville, Texas
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years (Unaudited)

Tax Year	Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2008	2008-2009	\$ 530,504,500	\$ 521,967,390	\$ 134,864,860	\$ 296,981,931	\$ 890,354,819	\$ 0.4350	\$ 890,354,819	100%
2009	2009-2010	541,059,730	514,106,150	145,588,370	305,171,070	895,583,180	0.4435	895,583,180	100%
2010	2010-2011	546,372,660	514,213,740	127,553,350	302,938,397	885,201,353	0.4600	885,201,353	100%
2011	2011-2012	555,032,740	511,780,800	148,096,980	317,517,724	897,392,796	0.4850	897,392,796	100%
2012	2012-2013	561,570,020	546,842,640	225,183,450	384,611,442	948,984,668	0.4850	948,984,668	100%
2013	2013-2014	567,670,640	562,727,447	297,556,973	441,606,152	986,348,908	0.4950	986,348,908	100%
2014	2014-2015	601,105,080	750,961,010	245,239,590	590,694,529	1,006,611,151	0.4900	1,006,611,151	100%
2015	2015-2016	636,597,500	768,186,520	268,319,490	609,847,714	1,063,255,796	0.4900	1,063,255,796	100%
2016	2016-2017	657,717,227	785,853,463	259,118,010	627,870,983	1,074,817,717	0.4900	1,074,817,717	100%
2017	2017-2018	753,358,500	824,711,040	245,604,310	617,069,492	1,206,604,358	0.4800	1,206,604,358	100%

Source: Erath County Appraisal District.

Source: TaxCollection FY17-18 State Report

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City of Stephenville, Texas
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years (Unaudited)

Tax Year	Fiscal Year	City Direct Rates			Overlapping Rates			Total Direct and Overlapping Rates
		Basic Rate	General Obligation Debt Service	Total Direct Rate	Stephenville School District	Middle Trinity Water District	Erath County	
2008	2008-2009	0.3762	0.0588	0.4350	1.1470	0.0150	0.3915	1.9885
2009	2009-2010	0.3762	0.0673	0.4435	1.1470	0.0150	0.3900	1.9955
2010	2010-2011	0.4015	0.0585	0.4600	1.1470	0.0150	0.4500	2.0720
2011	2011-2012	0.4194	0.0656	0.4850	1.1700	0.0150	0.4700	2.1400
2012	2012-2013	0.4235	0.0615	0.4850	1.1940	0.0145	0.4700	2.1635
2013	2013-2014	0.4357	0.0593	0.4950	1.2170	0.0125	0.4700	2.1945
2014	2014-2015	0.4330	0.0570	0.4900	1.2349	0.0120	0.4700	2.2069
2015	2015-2016	0.4450	0.0450	0.4900	1.2349	0.0115	0.4700	2.2064
2016	2016-2017	0.4454	0.0446	0.4900	1.2349	0.0112	0.4700	2.2061
2017	2017-2018	0.4391	0.0409	0.4800	1.2349	0.0103	0.4700	2.1952

Source: Erath County Tax Office

Notes: The City's basic property tax rate may be increased only by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

Overlapping rates are those of local and county governments that apply to property owners within the City of Stephenville, Texas.

City of Stephenville, Texas

PRINCIPAL PROPERTY TAX PAYERS

Current and Nine Years Ago (Unaudited)

Taxpayer	Tax Year 2017		Tax Year 2009	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
FMC Company	\$ 65,934,085	5.46%	\$ 32,311,337	1 3.95%
Stephenville Campus Crest	24,028,820	1.99%	-	- %
Mustang Ranch	20,406,420	1.69%	-	- %
FMC Technologies	14,937,880	1.24%	-	- %
DB Bosque LLC	14,208,940	1.18%	-	- %
Oncor Electric Delivery	11,318,840	0.94%	-	- %
Tejas Tubular Inc.	10,324,763	0.86%	-	- %
MIMG LXI Oak Tree Sub LLC	9,825,560	0.81%	-	- %
NJH Investment Corp	9,629,810	0.80%	-	- %
Wal-Mart Stores, Inc. #1	8,245,470	0.68%	7,926,540	6 0.97%
Saint Gobain Abrasives #1	-	- %	12,599,041	2 1.54%
Rayloc Genaut	-	- %	9,453,949	3 1.16%
Bosque River Associates	-	- %	9,349,200	4 1.14%
TXU Electric Delivery	-	- %	8,519,590	5 1.04%
Saint Gobain Abrasives #2	-	- %	7,047,610	7 0.86%
United Telephone Company (Century Link)	-	- %	6,850,950	8 0.84%
Wilmington Trust (Wal-Mart #2)	-	- %	6,307,740	9 0.77%
Stam LTD	-	- %	5,536,000	10 0.68%
Subtotal	<u>\$ 188,860,588</u>	<u>15.65%</u>	<u>\$ 105,901,957</u>	<u>12.95%</u>
Remaining Roll	<u>1,017,743,770</u>	<u>84.35%</u>	<u>712,444,134</u>	<u>87.05%</u>
Total	<u>\$ 1,206,604,358</u>	<u>100.00%</u>	<u>\$ 818,346,091</u>	<u>100.00%</u>

Source: Erath County Appraisal District State Property Tax Board Report

City of Stephenville, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years (Unaudited)

Tax Year	Fiscal Year	Taxes Levied for the Fiscal Year	Collected With the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding as of 9/30/18
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2008	2008-2009	\$ 3,874,843	\$ 3,822,492	98.65%	\$ 50,839	\$ 3,873,331	99.96%	\$ 1,512
2009	2009-2010	3,965,938	3,887,038	98.01%	74,904	3,961,942	99.90%	3,996
2010	2010-2011	4,059,655	4,007,449	98.71%	49,228	4,056,677	99.93%	2,978
2011	2011-2012	4,343,596	4,302,513	99.05%	38,217	4,340,730	99.93%	2,866
2012	2012-2013	4,594,127	4,554,491	99.14%	36,616	4,591,107	99.93%	3,020
2013	2013-2014	4,868,772	4,820,901	99.02%	42,363	4,863,264	99.89%	5,508
2014	2014-2015	4,914,157	4,889,253	99.49%	16,955	4,906,208	99.84%	7,949
2015	2015-2016	5,173,332	5,130,875	99.18%	24,810	5,155,685	99.66%	17,647
2016	2016-2017	5,250,713	5,204,383	99.12%	28,160	5,232,543	99.65%	18,170
2017	2017-2018	5,774,003	5,718,051	99.03%	-	5,718,051	99.03%	55,952

Sources: Erath County Appraisal District and Erath County Tax Assessor-Collector.

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City of Stephenville, Texas
TAXABLE SALES BY CATEGORY
Last Ten Calendar Years (Unaudited)

Category	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Services	\$ 49,193,540	\$ 86,982,895	\$ 82,499,237	\$ 80,715,109	\$ 80,104,182	\$ 82,376,390	\$ 85,032,661	\$ 84,604,921	\$ 87,831,034	\$ 81,276,073
Misc Retail	44,489,869	48,279,279	50,223,257	57,031,030	51,246,891	52,221,686	54,975,621	54,751,164	54,321,288	50,773,645
Eat/Drink Places	42,711,764	48,849,862	45,659,353	48,634,297	51,945,376	55,015,006	60,296,991	57,700,419	68,762,227	70,136,317
HomeFurnishings	16,871,237	13,568,590	13,494,549	13,893,238	7,144,077	7,209,200	7,246,403	6,660,673	6,162,365	7,046,159
Apparel Stores	10,484,097	9,075,222	8,174,834	8,341,058	8,639,294	8,799,575	10,578,892	10,324,254	10,257,542	9,645,246
Automotive Stores	81,500,893	66,976,599	83,707,882	92,836,643	115,540,159	113,933,329	123,712,193	115,703,501	107,067,897	144,126,333
Food Stores	95,208,346	87,040,250	49,273,894	57,733,375	56,734,012	57,179,417	59,377,144	63,577,869	59,091,905	59,400,532
General Merchandise Building/Garden	111,619,423	112,954,176	114,441,489	121,061,076	120,479,906	120,780,721	123,134,874	126,719,228	121,170,557	123,107,302
Supplies	34,620,369	25,243,662	27,131,515	28,142,214	27,030,238	28,455,504	31,727,307	37,693,956	35,695,603	36,386,966
Wholesale Trade	60,058,266	45,407,615	53,330,189	54,781,219	53,509,172	47,091,948	45,902,673	48,009,817	46,967,803	51,525,032
Manufacturing	44,918,121	27,630,740	24,080,368	20,743,984	23,103,447	27,220,571	51,074,808	44,597,329	36,916,496	41,376,240
Construction	23,019,467	22,107,859	26,360,348	24,673,453	20,487,172	23,399,150	29,565,160	39,838,703	36,567,165	32,516,125
Other	19,568,861	17,355,540	18,688,413	20,498,610	24,770,674	31,521,635	29,361,821	42,437,131	32,920,411	37,214,389
Agriculture	445,684	497,983	192,638	310,294	227,301	346,309	157,377	131,950	87,089	-
Total	\$ 634,709,937	\$ 611,970,272	\$ 597,257,966	\$ 629,395,600	\$ 640,961,901	\$ 655,550,441	\$ 712,143,925	\$ 732,750,915	\$ 703,819,382	\$ 744,530,359
Direct Sales Tax Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

Source: Office of the Comptroller of the State of Texas

City of Stephenville, Texas
DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Fiscal Years (Unaudited)

	General Municipal Sales Tax	Sales Tax for Property Tax Relief	Sales Tax for Economic/ Industrial Dev Sec 4B
2009	1.00%	0.50%	-
2010	1.00%	0.50%	-
2011	1.00%	0.50%	-
2012	1.00%	0.50%	-
2013	1.00%	0.50%	-
2014	1.00%	0.50%	-
2015	1.00%	0.50%	-
2016	1.000%	0.375%	0.125%
2017	1.000%	0.375%	0.125%
2018	1.000%	0.375%	0.125%

Source: Texas Comptroller.

City of Stephenville, Texas
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Unamortized Premiums (Discounts)	Capital Leases	Water Revenue Bonds	Certificates of Participation	Unamortized Premiums (Discounts)	Capital Leases			
2009	\$ 2,550,000	\$ 515,000	\$ -	\$ -	\$ 4,585,000	\$ 19,456,865	\$ -	\$ 499,724	\$ 27,606,589	5.96%	\$ 1,538
2010	2,255,000	350,000	-	-	4,250,000	18,179,865	-	364,740	25,399,605	5.21%	1,483
2011	2,185,000	-	-	-	3,895,000	16,866,865	-	194,121	23,140,986	4.39%	1,324
2012	5,745,000	-	-	-	3,520,000	15,507,865	-	99,661	24,872,526	4.42%	1,360
2013	5,300,000	-	19,746	-	3,130,000	13,922,865	239,090	-	22,611,701	3.73%	1,157
2014	4,840,000	-	18,734	-	2,135,000	14,101,827	220,290	-	21,315,851	3.17%	1,098
2015	4,335,000	-	17,721	113,938	1,095,000	13,150,827	210,978	3,161,834	22,085,298	3.22%	1,129
2016	3,920,000	-	16,709	436,510	-	12,164,827	198,922	2,833,134	19,570,101	2.52%	904
2017	610,000	2,920,000	14,683	525,318	-	12,288,827	186,866	3,131,370	19,677,064	2.38%	896
2018	310,000	2,855,000	13,671	544,810	-	27,380,000	174,811	2,028,635	33,306,927	N/A	1,495

Notes: See page 131 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

City of Stephenville, Texas
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligations	Total		
2009	\$ 2,550,000	\$ 515,000	\$ 3,065,000	0.34%	171
2010	2,255,000	350,000	2,605,000	0.29%	152
2011	2,185,000	-	2,185,000	0.25%	125
2012	5,745,000	-	5,745,000	0.64%	314
2013	5,300,000	-	5,300,000	0.56%	274
2014	4,840,000	-	4,840,000	0.49%	249
2015	4,335,000	-	4,335,000	0.43%	222
2016	3,920,000	-	3,920,000	0.37%	181
2017	624,683	2,920,000	3,544,683	0.33%	161
2018	323,671	2,855,000	3,178,671	0.26%	143

Notes:

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

See page 120 for property value data.

Population data can be found on page 131.

City of Stephenville, Texas
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2018 (Unaudited)

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes:			
Overlapping			
Stephenville Independent School District	\$ 22,510,000	69.31%	\$ 15,601,681
Erath County	\$ 3,264,000	39.87%	<u>1,301,357</u>
Subtotal, overlapping debt			16,903,038
Direct			
City of Stephenville	\$ 3,723,481	100.00%	<u>3,723,481</u>
Total Direct and Overlapping Debt			<u>\$ 20,626,519</u>

Sources:

Assessed value data used to estimate applicable percentages provided by the Erath County Appraisal District and Assessment Debt outstanding data provided by each governmental

Notes:

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

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City of Stephenville, Texas

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years (Unaudited)

(amounts expressed in thousands)

Tax Year Fiscal year	2017 <u>2017-2018</u>	2016 <u>2016-2017</u>	2015 <u>2015-2016</u>	2014 <u>2014-2015</u>	2013 <u>2013-2014</u>	2012 <u>2012-2013</u>	2011 <u>2011-2012</u>	2010 <u>2010-2011</u>	2009 <u>2009-2010</u>	2008 <u>2008-2009</u>
Debt limit	\$ 135,754	\$ 124,250	\$ 122,554	\$ 116,345	\$ 116,885	\$ 107,470	\$ 98,743	\$ 96,046	\$ 98,833	\$ 97,101
Total net debt applicable to limit	<u>2,981</u>	<u>3,389</u>	<u>3,793</u>	<u>4,213</u>	<u>4,718</u>	<u>5,191</u>	<u>5,627</u>	<u>2,083</u>	<u>2,516</u>	<u>2,972</u>
Legal debt margin	<u>\$ 132,773</u>	<u>\$ 120,861</u>	<u>\$ 118,762</u>	<u>\$ 112,132</u>	<u>\$ 112,167</u>	<u>\$ 102,279</u>	<u>\$ 93,116</u>	<u>\$ 93,963</u>	<u>\$ 96,317</u>	<u>\$ 94,129</u>
Total net debt applicable to limit as a percentage of debt limit	2.20%	2.73%	3.09%	3.62%	4.04%	4.83%	5.70%	2.17%	2.55%	3.06%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	\$ 1,206,604
Add back: exempt real property	<u>150,934</u>
Total assessed value	<u>1,357,538</u>
Debt limit (10% of total assessed value)	135,754
Debt applicable to limit:	
General obligation	3,179
Less: Amount set aside for repayment of general obligation debt	<u>(197)</u>
Total net debt applicable to limit	<u>2,981</u>
Legal debt margin	<u>\$ 132,773</u>

Note: There is no direct debt limitation in the City Charter or under state law. The City operates under a Home Rule Charter (Article XI, Section 5, Texas Constitution), that limits the maximum tax rate, for all city purposes, to \$2.50 per \$100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax

Source: City of Stephenville, TX and Erath County Appraisal District.

City of Stephenville, Texas

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years (Unaudited)

Water and Wastewater Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	\$ 5,492,233	\$ 3,060,691	\$ 2,431,542	\$ 1,340,000	\$ 652,120	1.22
2010	5,396,349	3,283,861	2,112,488	1,390,000	600,240	1.06
2011	6,147,606	3,106,016	3,041,590	1,435,000	543,290	1.54
2012	6,055,936	3,106,535	2,949,401	1,490,000	487,964	1.49
2013	6,443,151	3,282,484	3,160,667	1,555,000	407,502	1.61
2014	6,700,902	3,491,792	3,209,110	1,600,000	364,559	1.63
2015	6,485,177	3,631,614	2,853,563	1,715,000	218,597	1.48
2016	7,014,095	4,115,398	2,898,697	1,790,000	123,036	1.52
2017	7,264,479	4,095,335	3,169,144	1,615,000	102,321	1.85
2018	7,694,695	3,022,451	4,672,244	1,630,000	124,371	2.66

Notes: Operating expenses do not include interest, depreciation, or amortization expenses.

Source City CAFR.

City of Stephenville, Texas
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years (Unaudited)

Calendar Year	Population	Personal Income	Per Capita Personal Income	School Enrollment	College Enrollment	Unemployment Rate
2009	17,950	\$ 463,433,100	\$ 25,818	3,553	8,242	7.1%
2010	17,123	487,286,334	28,458	3,794	8,896	7.0%
2011	17,480	527,616,320	30,184	3,584	9,575	6.5%
2012	18,290	562,600,400	30,760	3,702	10,227	5.2%
2013	19,320	605,701,320	31,351	3,731	10,903	5.5%
2014	19,410	673,022,340	34,674	3,656	11,681	4.7%
2015	19,560	686,556,000	35,100	3,702	12,396	3.8%
2016	21,640	777,417,000	35,925	3,614	12,333	4.7%
2017	21,950	825,846,800	37,624	3,671	13,052	3.9%
2018	22,280	N/A	N/A	3,711	13,019	3.2%

Sources: Population, median age, and education level information provided by the State Department of Planning. Personal income and unemployment data provided by the State Department of Commerce and Labor. School enrollment data provided by the Stephenville Independent School District and Tarleton State University.

Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

Note: Personal income is not available for 2018.

City of Stephenville, Texas

PRINCIPAL EMPLOYERS

Current and Nine Years Ago (Unaudited)

Employer	2018			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Tarleton State University	1,285	1	6.31%	895	1	4.91%
FMC Company	719	2	3.53%	630	2	3.46%
Stephenville Independent School District	490	3	2.41%	468	4	2.57%
Saint Gobain Abrasives	480	4	2.36%	575	3	3.16%
Scheiber Foods	460	5	2.26%	446	6	2.45%
Wal-Mart Stores, Inc.	325	6	1.60%	450	5	2.47%
Texas Health Harris Methodist Stephenville	260	7	1.28%	255	7	1.40%
Erath County	215	8	1.06%	179	10	0.98%
HEB	208	9	1.02%			
The Rock House	204	10	1.00%			
Western Dairy Transport	200	*	0.98%	197	8	1.08%
Tejas Tubular (Caporal Forging)	155	12	0.76%			
Appleton Electric Co.	153	13	0.75%	150	11	0.82%
City of Stephenville	150	14	0.74%			
Outlaw Conversions	145	15	0.71%	190	9	1.04%
Fibergrate Composite Structures	140	16	0.69%	115	15	0.63%
Stephenville Medical & Surgical Clinic	121	17	0.59%	148	13	0.81%
Bruner Motors	108	18	0.53%	101	17	0.55%
Prime Buildings	86	19	0.42%			
Mulberry Manor	80	20	0.39%			
PalCon	75	21	0.37%			
Senior Care at Stephenville	71	22	0.35%			
Texstar Ford	60	23	0.29%	35	19	0.19%
Wolfe Nursery Direct	40	24	0.20%			
United Cooperative Services	39	25	0.19%	150	12	0.82%
Caporal Forging				120	14	0.66%
Associated Milk Producers				110	16	0.60%
Southwestern Linen				38	18	0.21%
USTRA				18	20	0.10%
Subtotal	6,269		30.80%	5,270		28.92%
Remaining Employers (County)	14,088		69.20%	12,950		71.08%
Total	20,357		100.00%	18,220		100.00%

Source: City Human Resources Department. Total employee data is provided by the State Department of Commerce and Labor.

Notes:

Total employee information is based on entire Erath County. Principal employers are only those that operate from within the corporate city limits of Stephenville.

*Number of employees are for 2017 as 2018 numbers were unavailable.

City of Stephenville, Texas

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Management services	4	4	4	4	4	4	4	5	5	5
Finance	7	7	7	7	7	7	7	7	7	7
Planning	2	2	2	2	2	2	2	2	3	3
Building	2	2	2	2	2	2	2	2	2	2
Other	1	1	1	2	2	2	2	2	2	3
Police										
Officers	38	38	38	39	39	39	39	39	39	39
Civilians	12	12	12	12	12	16	16	15	17	17
Fire										
Firefighters and officers	31	31	31	31	31	31	31	31	31	31
Civilians	-	-	-	-	-	-	-	1	1	1
Parks and recreation	13	13	13	13	13	13	13	12	14	14
Library	3	3	3	3	3	3	3	3	3	4
Streets	7	7	7	7	7	7	7	7	7	7
Water	13	13	13	13	13	13	13	16	15	15
Wastewater	5	5	5	5	5	5	5	5	6	6
Landfill	2	2	2	2	2	2	3	3	3	3
Total	140	140	140	142	142	146	147	150	155	157

Source: Current Year Approved Budget

Notes: A full time employee is scheduled to work 2080 hours per year (including vacation and sick leave).

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City of Stephenville, Texas
OPERATING INDICATORS BY FUNCTIONS/PROGRAM
Last Ten Fiscal Years (Unaudited)

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Building permits issued	109	90	148	96	113	90	93	146	127	197
Building permits value	\$11,978,341	\$8,456,287	\$29,365,010	\$11,174,610	\$49,204,311	\$19,061,275	\$10,829,426	\$41,143,042	\$22,331,535	\$24,569,365
Building inspections conducted										
Police										
Calls for service	12,730	13,424	17,278	11,166	10,566	9,836	14,631	12,378	12,044	13,785
Physical arrests	953	916	717	882	1,123	846	806	643	696	742
Parking violations (1)	206	346	401	417	520	258	467	858	830	177
Traffic violations	1,634	1,478	4,639	2,035	5,357	7,338	5,665	3,816	3,470	3,767
Fire										
Ambulance responses	1,502	1,442	1,524	1,517	1,555	1,592	1,733	1,897	1,767	1,842
Fires responses	230	241	282	229	276	251	294	303	313	385
Inspections	326	359	316	289	551	456	444	400	393	392
Refuse collection										
Refuse collected (tons)		15,984	15,538	16,930	18,393	21,729	22,494	21,676	19,229	19,689
Recyclables collected (tons per day)										
Other public works										
Street resurfacing (miles)	2.68	1.25	0.90	1.30	1.32	-	-	17.90	8.77	10.62
Library										
Volumes in collection	44,200	39,333	33,709	32,504	33,316	35,171	36,759	37,416	38,685	40,041
Total volumes borrowed	227	129	132	161	25	6	12	37	199	138
Water										
Active connections	5,700	5,624	5,698	5,920	6,181	6,000	6,442	6,495	6,625	6,813
Water main breaks	61	62	70	80	47	59	57	39	30	23
Average daily consumption (thousands of gallons)	2,004,000	1,970,000	2,447,000	2,115,000	2,107,000	1,983,000	1,945,000	1,997,000	1,932,000	2,117,000
Peak daily consumption (thousands of gallons)	3,663,000	3,666,000	4,765,000	3,937,000	3,937,000	3,176,000	3,505,000	3,872,000	2,985,000	3,703,000
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,518,000	1,745,000	1,395,000	1,610,000	1,453,000	1,433,000	1,444,000	1,720,000	1,380,000	1,310,000
WW Peak			2,716,000	4,494,000	3,158,000	2,737,000	7,106,000	9,350,000	6,597,000	6,800,000
Airport										
Landings	2,986	3,235	3,655	3,637	3,574	3,384	3,233	3,008	2,862	2,765
Take-offs	2,988	3,234	3,657	3,631	3,572	3,383	3,239	3,010	2,862	2,765

(1) 2009 through 2017 represents the calls for parking violations, which could be significantly higher than actual citations issued. Due to new software, 2018 represents the actual citations issued for parking violations.

Source: Various City departments

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City of Stephenville, Texas
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years (Unaudited)

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	10	10	10	10	10	10	10	10	11	11
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Other public works										
Streets (miles)	92	92	92	92	92	92	92	93	93	93
Highways (miles)	21	23	23	23	23	23	23	23	23	23
Streetlights	1,096	1,119	1,121	1,125	1,127	1,139	1,145	1,149	1,156	1,164
Parks and recreation										
Acreage	130	130	130	130	130	130	130	142	142	142
Playgrounds	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	9	11	11	11	11	11	11	11	11	11
Soccer/football fields	1	1	1	1	1	1	1	1	1	1
Community centers	2	2	2	2	2	2	2	2	2	2
Water										
Water mains (miles)	125	125	126	126	126	126	126	126	128	131
Fire hydrants	735	771	788	798	798	798	798	801	816	816
Storage capacity (thousands of gallons)	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000
Wastewater										
Sanitary sewers (miles)	115	115	116	116	116	116	116	116	116	117
Storm sewers (miles)	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5
Treatment capacity (thousands of gallons)	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000

Source: Various City departments

Note: No capital asset indicators are available for the general government or library function

ORDINANCE NO. 2019-O-__

**AN ORDINANCE OF THE CITY OF STEPHENVILLE, TEXAS, AMENDING FEES FOR SERVICES;
AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the rates and charges and procedures relative to the collection thereof shall be established by the Council from time to time by ordinance; and

WHEREAS, the fee schedule for FY2018-2019 was adopted by Ordinance No. 2018-O-34 on September 4, 2018 with an effective date of October 1, 2018.

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

SECTION 1. Landfill Fees shall hereby be amended as follows:

4471	LANDFILL		
	Regular Rate Gate Fees:		
	Minimum (Up to 800 lbs.)	\$	20.00 25.00
	Per Ton	\$	50.00 60.00
	Inadequate Containment		Fee Doubled
	Pull Off (Per Each)	\$	25.00
	After Hours Fee		Fee +10%
		Min.	\$ 20.00

SECTION 2. This ordinance shall become effective on May 7, 2019.

SECTION 3. It is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and that public notice of the time, place and purpose of the said meeting was given as required.

PASSED and APPROVED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS, this the 2nd day of April, 2019, at which meeting quorum was present and voting.

Doug Svien, Mayor

ATTEST:

Staci L. King, City Secretary

Reviewed by Allen L. Barnes,
City Administrator

Approved as to form and legality
Randy Thomas, City Attorney

Public Works Committee
COMMITTEE REPORT



MEETING: Council Committee Meetings - 19 Mar 2019

Present: P6 Alan Nix, Chair; P1 Mark McClinton; P5 Rhett Harrison; P8 Brandon Huckabee

Absent: None

DEPARTMENT: Public Works

STAFF CONTACT: Nick Williams

Agenda Item: Landfill Master Plan

Discussion: The Statements of Qualifications from qualified solid waste firms to develop a landfill master plan was discussed. It was noted that a proposal, with the highest ranked firm, SCS Engineers, Inc., would be negotiated and brought back to the Public Works Committee for review prior to presenting to council for consideration.

Committee Action: Following discussion, a motion was made by Mr. McClinton, seconded by Mr. Huckabee, to direct staff to begin negotiations with SCS Engineers.

Recommendation: The committee voted unanimously to direct staff to negotiate a professional services proposal with SCS Engineers, Inc. for a landfill master plan.

Agenda Item: 2020 Pavement and Utility Coordination Project Funding

Discussion: The Graham Avenue coordination project was reviewed. It was noted that by coordinating with TXDOT, the city would save a substantial project cost, as TXDOT would cover the cost of engineering design overlap, environmental review, construction coordination, as well as the full cost of repaving.

Committee Action: Following discussion, a motion was made by Mr. McClinton, seconded by Mr. Huckabee, to recommend council approve a resolution for funding from the State Infrastructure Bank.

Recommendation: The committee voted unanimously to recommend approval of a resolution authorizing the filing of an application for financial assistance from the State Infrastructure Bank.

Update: In the March 19, 2019 committee meeting, it was noted the preliminary, estimated cost to replace water and sewer lines was \$1.2 million and therefore the request should be for \$1.5 million. An updated opinion of probable construction cost was provided by Burns & McDonnell on Wednesday, March 27, 2019 with a recommendation to request \$2.0 million through the SIB program to address replacement of water, sewer, and stormwater lines under Graham Avenue.

Agenda Item: Eastside Sewer Project Update

- Discussion:** An Eastside Sewer project update was presented indicating an alternate alignment, to a portion of the Phase I original alignment, may provide some advantages in terms of construction time and improved service areas, but the associated cost implications would affect the overall cost of the project and would limit or remove the scope of Phases II and III. It was noted the discussion of the alternative alignment was being discussed due to concerns expressed by property owners.
- It was noted that the estimated cost of the original phase I alignment is approximately \$8.5 million. It was noted the estimated cost of the alternate alignment is approximately \$10 million, with favorable soil conditions, and approximately \$12 million in unfavorable soil conditions. The soil boring analysis will provide the city and potential contractors with a more accurate cost estimation.
- Committee Action:** Staff will provide an update upon receipt of the soil boring results, which will more accurately predict cost estimates for the alternate alignment. No committee action was necessary.
- Recommendation:** As the agenda item is an update, no recommendation was necessary.
- Update:** Boring is scheduled to begin on April 8, 2019 with the analysis report expected within three weeks.

Personnel Committee
COMMITTEE REPORT



MEETING: Council Committee Meetings - 19 Mar 2019

Present: P7 Sherry Zachery, Chair; P6 Alan Nix; P8 Brandon Huckabee

Absent: None

DEPARTMENT: Public Works

STAFF CONTACT: Nick Williams

Agenda Item: Landfill Supervisor Position

Discussion: The vacancy in the Landfill Supervisor position was discussed. It was noted the position has been open for over 6 months, has been extensively advertised, and the position has been offered to four (4) candidates, but has been turned down due to salary constraints.

It was noted the Texas Commission on Environmental Quality requires the landfill to be overseen by an individual with a Class-A Municipal Solid Waste Operator license and that there are approximately 647 licensed individuals in Texas.

It was further noted that changing the position from a non-exempt supervisor level position to an exempt superintendent level position could be offset by changing the "minimum charge" fee from \$20 per load to \$25 per load and that discussion would be held in the Finance Committee immediately following the Personnel Committee Meeting.

Committee Action: Following discussion, a motion was made by Mr. Nix, seconded by Mr. Huckabee, to recommend to the full council to modify the position title from Landfill Supervisor and Landfill Superintendent.

Recommendation: The committee voted unanimously to recommend to the full council to modify the position title from Landfill Supervisor to Landfill Superintendent.

Finance Committee

COMMITTEE REPORT

MEETING: Council Committee Meetings - 19 Mar 2019

Present: P1 Mark McClinton, Chair; P2 Carla Trussell

Absent: P4 Brady Pendleton

DEPARTMENT: Public Works

STAFF CONTACT: Nick Williams

Agenda Item: Landfill Gate Fees

Discussion: The previous Personnel Committee Meeting was referenced and the vacancy in the Landfill Supervisor position was discussed. It was noted the position has been open for over 6 months, has been extensively advertised, and the position has been offered to four (4) candidates, but has been turned down due to salary constraints.

It was noted that a \$10,000 increase in the Landfill Supervisor position's base salary range would be consistent with other superintendent level positions in the city and could be offset by changing the landfill's "minimum charge" fee from \$20 per load to \$25 per load to remain budget neutral.

Upcoming site improvements, necessary to keep the facility open, specifically the construction of Cells 5 and 6 in the next 24 months was discussed. It was stated that the intent of any gate rate changes, although unwanted, was intended to offset the costs necessary to operate the facility and further, that the facility is an enterprise fund and is to be operated in a self-sufficient manner.

The point was made that if the facility improvements were not funded, the facility would be closed and the cost of construction disposal would rise significantly due to debris having to be transported to other facilities outside Erath County.

It was noted the current gate rate of \$50 per ton was set in 2013.

Committee Action: Following discussion, a motion was made by Ms. Trussell, seconded by Mr. McClinton, to recommend to the full council to adopt the landfill fees discussed as presented in the memorandum.

Recommendation: The committee voted unanimously to recommend to the full council the implementation of a minimum charge fee increase from \$20 per load to \$25 per load and to increase the per ton rate from \$50 per ton to \$60 per ton.

Update: In the March 19, 2019 committee meeting, it was noted the cost to repair the failed transmission of the CAT D6 Dozer was estimated at \$70,000 and therefore \$150,000 was estimated to refurbish the machine. On March 26, 2019, a quote was received from CAT recommending the machine's entire powertrain be rebuilt at a cost of \$213,561. Further, independent research supports the refurbishment of the full powertrain as the most cost-effective approach for a machine with similar age and wear as well as provides the highest level of confidence versus buying a used machine.

Multiple equipment websites list D6 dozers with varying ages, hours, and prices ranging from under \$150,000 to over \$400,000. A new, same-sized, same-type landfill dozer was verbally quoted at \$420,000. The rebuild is recommended, as it essentially provide a new machine with the exception of the undercarriage, new paint, decals, lights, cab glass, seat and other more aesthetic features. The state-issued landfill permit from the Texas Commission on Environmental Quality lists the dozer as a required equipment. The dozer is a staple of the process and is used multiple times throughout daily operations. CAT representatives did perform an onsite evaluation of the machine.

RESOLUTION NO. 2019-R-__

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR FINANCIAL ASSISTANCE FROM THE STATE INFRASTRUCTURE BANK; AUTHORIZING DOUG SVIEN, HONORABLE MAYOR, TO ACT ON BEHALF OF THE CITY OF STEPHENVILLE IN ALL MATTERS RELATING TO THE APPLICATION

WHEREAS, the State Infrastructure Bank, operated by the Texas Department of Transportation, is a revolving loan fund; and

WHEREAS, the City of Stephenville deems it proper and in the best interest of the City of Stephenville to apply for a loan from the State Infrastructure Bank in the amount of \$2,000,000 to be used for utility rehabilitation in coordination with the Texas Department of Transportation's 2020 project to repave State Highway 108, also known as Graham Avenue; and

WHEREAS, the City of Stephenville is qualified to apply for and obtain financial assistance from the State Infrastructure Bank for this purpose;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL:

Section 1.

That the city council of the City of Stephenville believes that it is in the best interest of the City of Stephenville to apply for a loan from the State Infrastructure Bank in the amount of \$2,000,000, based upon opinions of probable cost received from the city's engineering consultant, to finance a utility rehabilitation project in coordination with the Texas Department of Transportation's 2020 project to repave State Highway 108, also known as Graham Avenue.

Section 2.

That the City of Stephenville city council hereby authorizes Doug Svien, Honorable Mayor to execute an application for financial assistance from the State Infrastructure Bank and to submit the application, together with all required documentation, to the Texas Department of Transportation for consideration.

Section 3.

That the application to be submitted is attached hereto as Exhibit A and made a part hereof for all purposes.

PASSED and APPROVED this 2nd day of April, 2019.

Doug Svien, Mayor

Attest:

Staci L. King, City Secretary

Reviewed by Allen L. Barnes,
City Administrator

Approved as to form and legality by
Randy Thomas, City Attorney

Public Health and Safety Committee
COMMITTEE REPORT



MEETING: City Council Committee Meetings - 19 Mar 2019

Present: Rhett Harrison, Alan Nix

Absent: Brady Pendleton, Chair

DEPARTMENT: Administration

STAFF CONTACT: Allen L. Barnes

Municipal Court:

Staff was notified in December that Justice of the Peace Shawnee Bass would no longer be providing municipal court services after September 30, 2019. Staff has been speaking to other similarly-sized cities to determine costs for municipal court operation. Allen Barnes, City Manager, explained that until the court was in place and running, we would not know how many hours a judge would be needed. This number varied greatly among the cities surveyed, as did the salaries.

Mr. Barnes recommended that the following personnel positions be established:

Municipal Judge - salary to be determined

Court Administrator - \$36,000 maximum

Court Clerk - \$30,000 maximum

Mr. Barnes explained that bailiff services would be contracted with the Precinct 1 Constable at \$12,000 per year. Monica Harris, Director of Finance, was negotiating with Incode to see if the price for court software could be reduced from \$49,000. Miscellaneous start-up costs (computers, office supplies, training, etc.) are estimated at \$10,000.

Motion by Alan Nix, second by Rhett Harrison, to make a favorable recommendation to council for the implementation of a municipal court.

Regular City Council Meeting
COMMITTEE REPORT



MEETING: Regular City Council Meeting - 02 Apr 2019

Present: Chair Brandon Huckabee, Mark McClintion and Rhett Harrison

Absent: Brady Pendleton

DEPARTMENT: Development Services

STAFF CONTACT: Jeremy Allen

Discussion On Future Development Projects:

In the previous 2-3 months Brandon Huckabee, Jeff Sanford, and Jeremy Allen met with developers and/or Land Owners that have significant interest in land and/or development.

As the City continues to grow, it is recognized that planning plays a key role. The goal would be to mesh the goals of the city's growth to that of the developers and to find ways the City can help promote development and growth while keeping in mind the limited resources. The goal is to utilize tools and resources to make Stephenville a better place by planning for growth.

The following projects were identified as key projects that will be needed or can be used to stimulate growth for our community in the future. These projects are not prioritized but merely identified in this document to help deliver a prioritized list in the future. The members will work on prioritizing, options, and the feasibility of these projects.

South Harbin/South of Railroad Tracks
 Wolf Nursery/Lockhart
 West Washington/Frey Street
 Forest Lane
 North Forest/Lingleville
 River North/Lingleville
 281/Lingleville
 East Washington
 Downtown Revitalization
 Harbin Drive

ATTACHMENTS:

[Staff Report - Future Development Projects](#)

Planning and Development Committee
STAFF REPORT



SUBJECT: Discussion On Future Development Projects
MEETING: City Council Committee Meetings - 19 Mar 2019
DEPARTMENT: Development Services
STAFF CONTACT: Jeremy Allen

BACKGROUND:

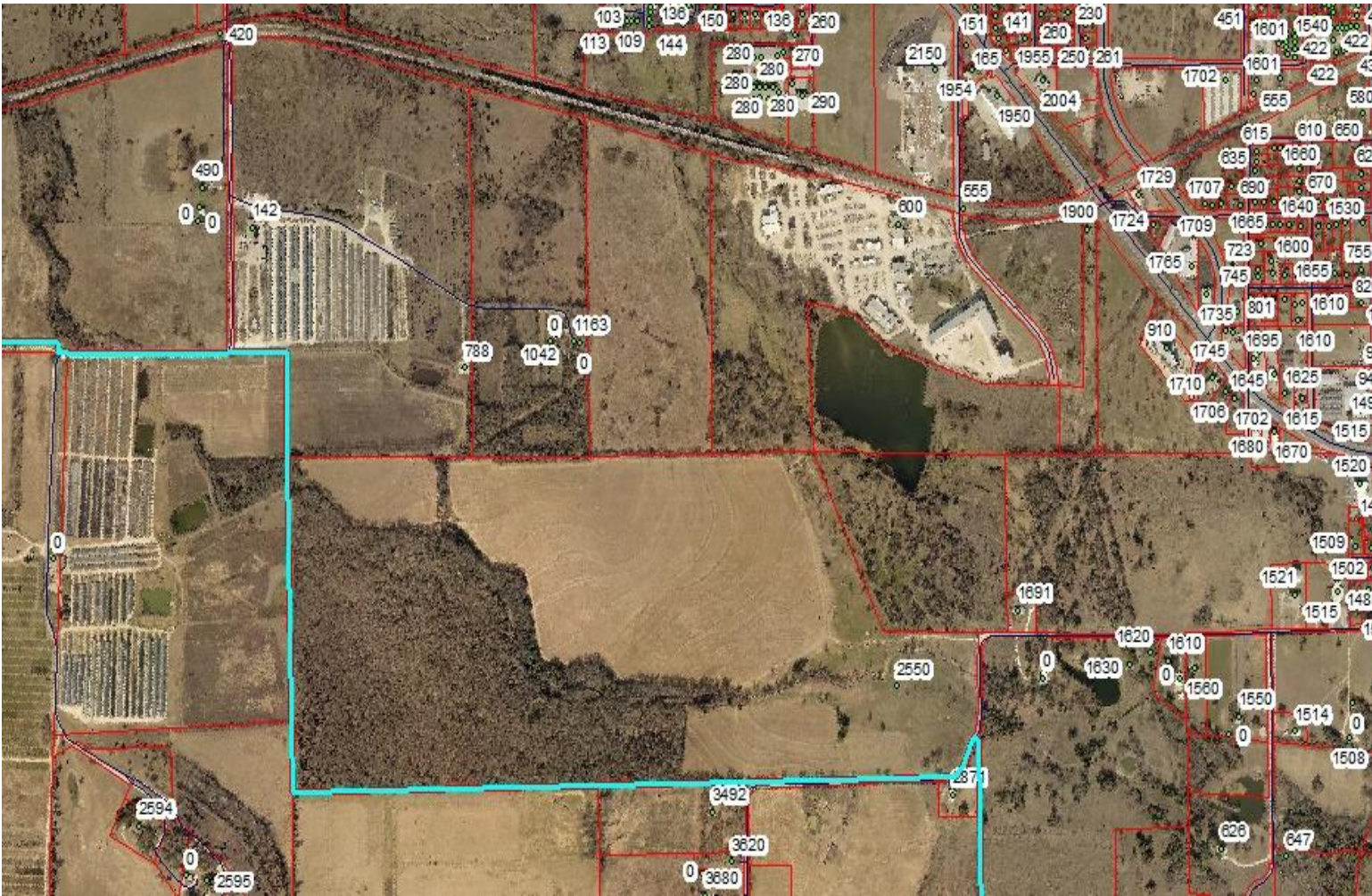
Brandon Huckabee, Jeff Sanford, and Jeremy Allen met with developers and/or Land Owners that have significant interest in land and/or development over a period of 5-6 weeks.

As the City continues to grow, planning plays a key role. The goal would be to mesh the goals of the city's growth to that of the developers. Find ways the City can help promote development and growth while keeping in mind the limited resources. Our goal is to utilize tools and resources to make Stephenville a better place by planning for growth.

The following projects were identified as key projects that will be needed or can be used to stimulate growth for our community in the future. These projects are not prioritized but merely identified in this document to help deliver a prioritized list in the future.

South Harbin/South of Railroad Tracks

With the proposed developments on Harbin and the possible project to improve Harbin this area is an area that is believed to be a key area for growth. There is an abundance of land to the South of the Railroad tracks but very little access south. Most of this land has ag exemption.

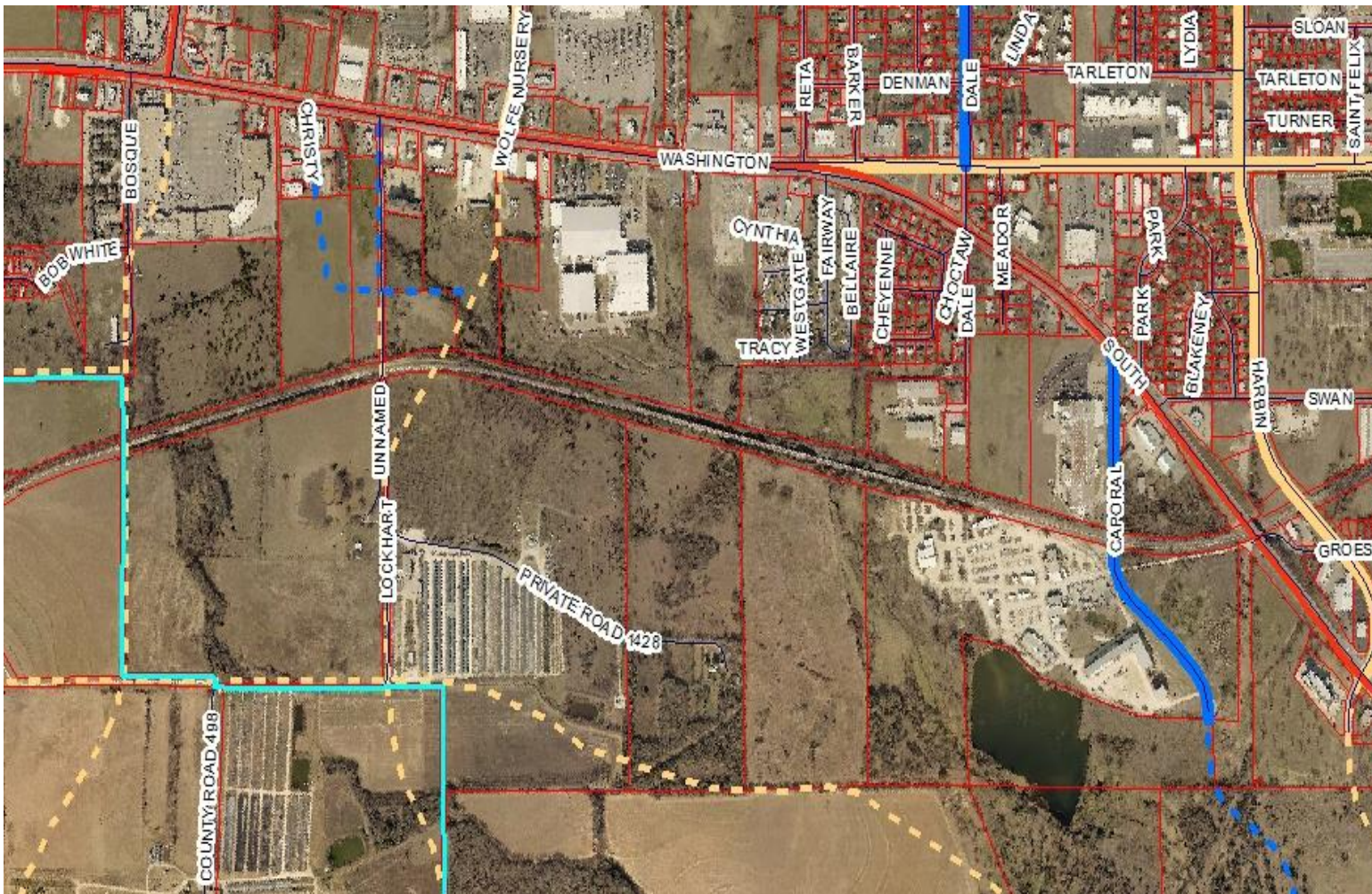


Suggestions:

1. Bruener and Allen have both suggested they would dedicate the ROW to continue Harbin South to Cedar. Neither are looking to develop the land themselves. Staking and Grading a road to the South could help promote growth.
2. Could extend Harbin through a project from Loop to Cedar -
3. Utilize a TIRZ district on Harbin to help pay for infrastructure South on Harbin.
4. Harbin/Sixth/Fifth Street improvements may be incentive to encourage Bruener to expand dealership.
5. With development look for East West Route to tie Harbin to Lockhart
6. Caporal is also an option to extend South

Wolf Nursery/Lockhart

Project Blue as well as possible development with Mr. Brook's property, Lockhart and Wolf Nursery plays a huge role in providing a thoroughfare plan south of the Railroad. Northwest Loop dead ends into Bosque River Center which leaves one major crossing of the railroad on West Washington where much of our development has happened over the years.

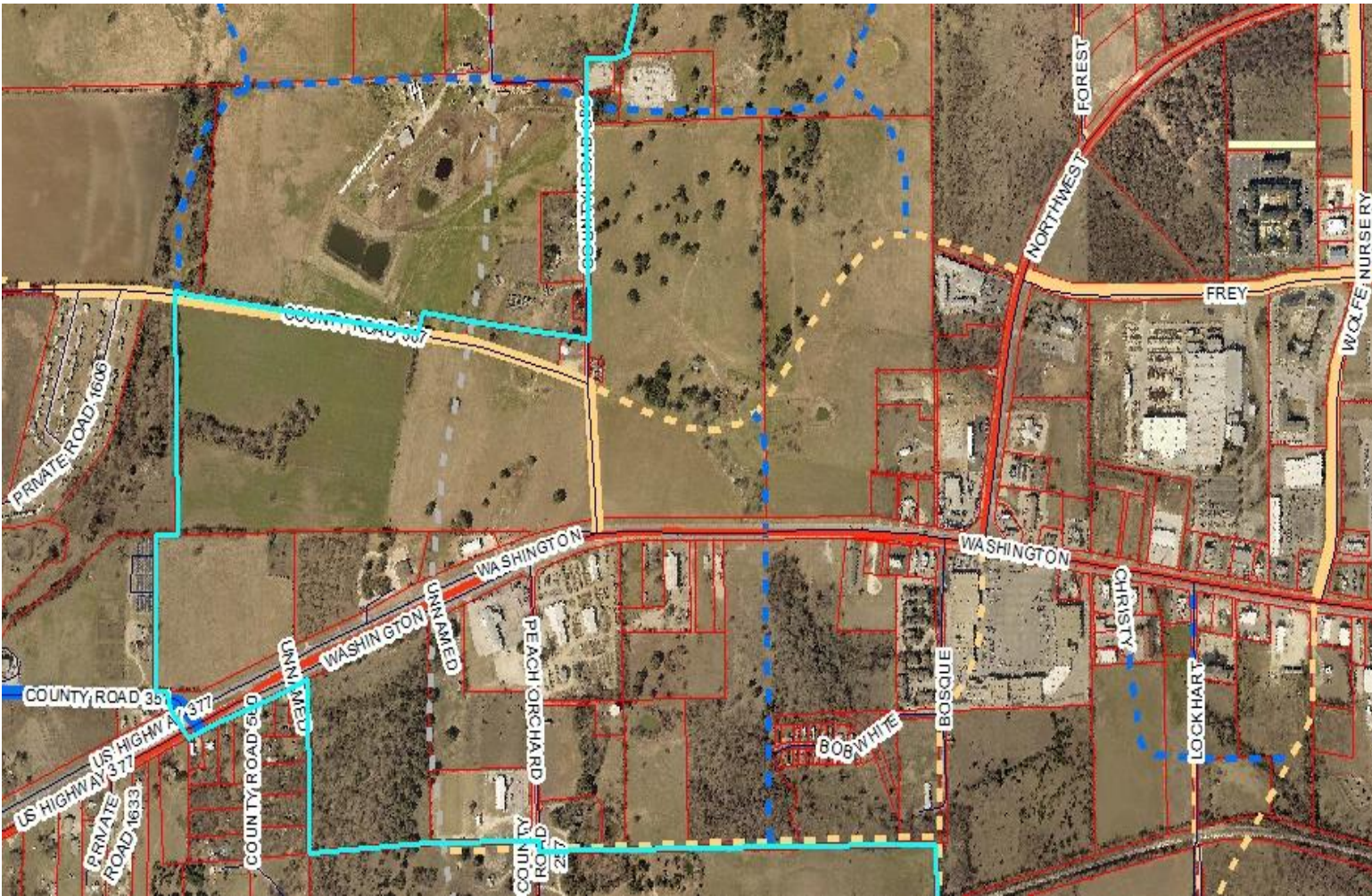


Suggestions:

1. Create a TIRZ in this area that encompasses project blue, Christy Plaza, Mr. Brooks property, south of the railroad with Mr. Allen's property. Infrastructure projects would include, Lockhart, extension of Wolf Nursery, Railroad crossing, drainage, South Corridor which includes an East and West Arterial road.

West Washington/Frey Street

In the past few years the development on West Washington has been a catalyst to look at the future expansion of Frey Street. Extend Frey and creating a collector south including south of Washington would open up some key development areas. There have been some inquiries from a few Box Stores, small commercial developments, and a housing development.

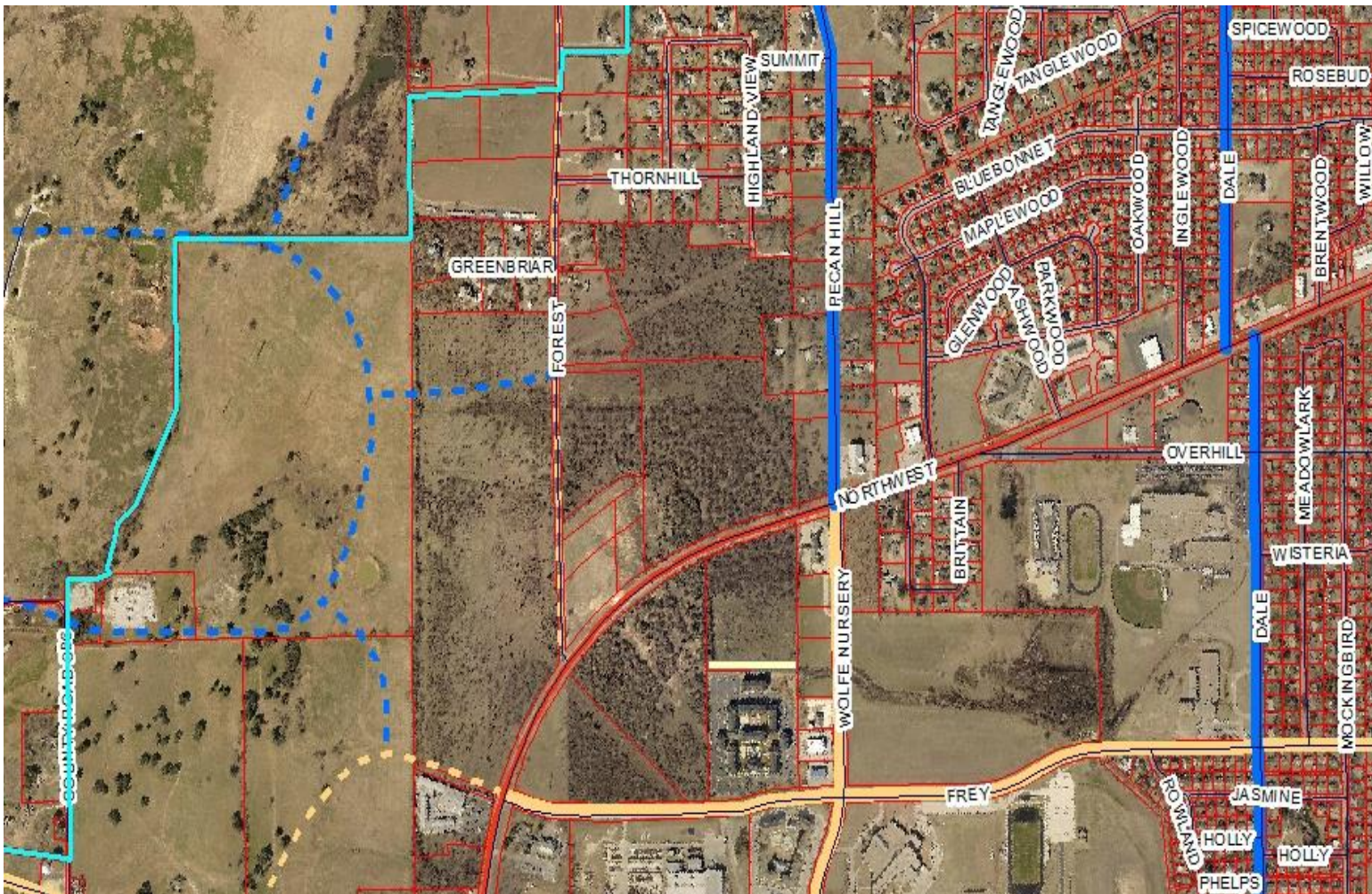


Suggestions:

1. Look to extend Frey in future capital projects or in partnerships with developers. Offer incentives to help provide an arterial road.
2. Extend a collector road from Frey Street (extension) to South of Washington to Bob White Trail.

Forest Lane

We have missed some housing developments and possible commercial developments because of the road requirements to improve Forest. With the extension of Frey Street and some City participation on Forest Commercial and Residential development could take place. Could open the South of Northwest loop near the Grove. One of the busier areas in Stephenville (Traffic Count).

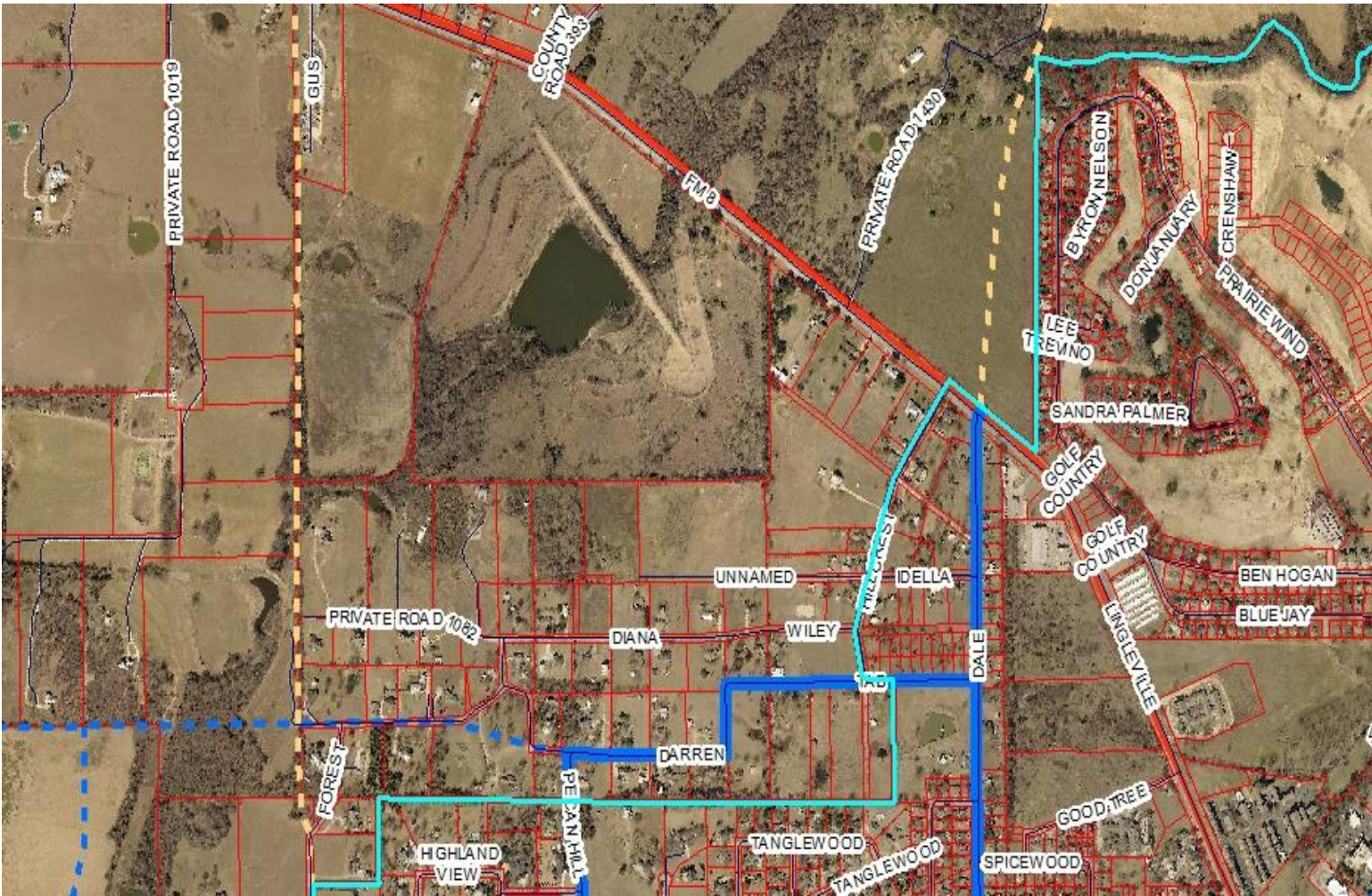


Suggestions:

1. Improve Forest or provide incentives for developers
2. Extend Frey
3. Dedication of ROW heading West off of Forest

North Forest/Lingleville

We do need another major road moving from North to South. Need to look to extend a road to Lingleville Road. A thoroughfare running North and South from Lingleville to West Washington will help flow of traffic and open areas for development.

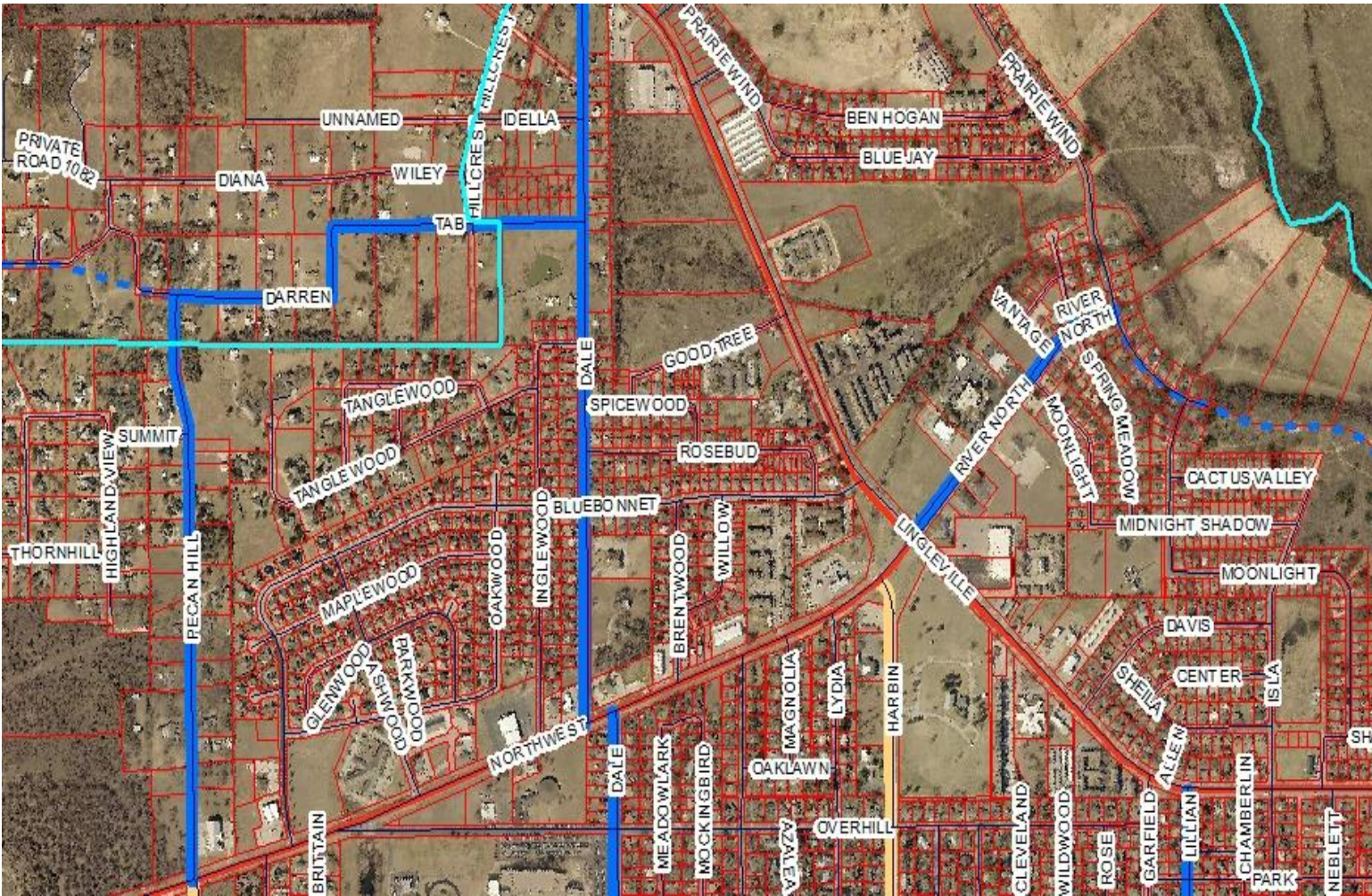


Suggestions:

- 1. Extend Forest North to Lingleville

River North/Lingleville

There is some possible development off Lingleville. We do lack utilities in this area. The extension of the Bosque River Trail coupled with a TxDOT sidewalk program and some work to improve utilities will make this area very attractive.



Suggestions:

1. Improve utilities
2. Extend Bosque River Trail
3. Partner with Allen/IP to extend Tab Street (previous agreement)

281/Lingleville

This has been a target of an industrial/commercial park for some time. This area is a major gateway into the City. As the Eastside Sewer project gets constructed it is important the City look to extend the sewer to this area. We should be looking to partner with this development group so that we can help determine which developments get built here to protect our gateways.

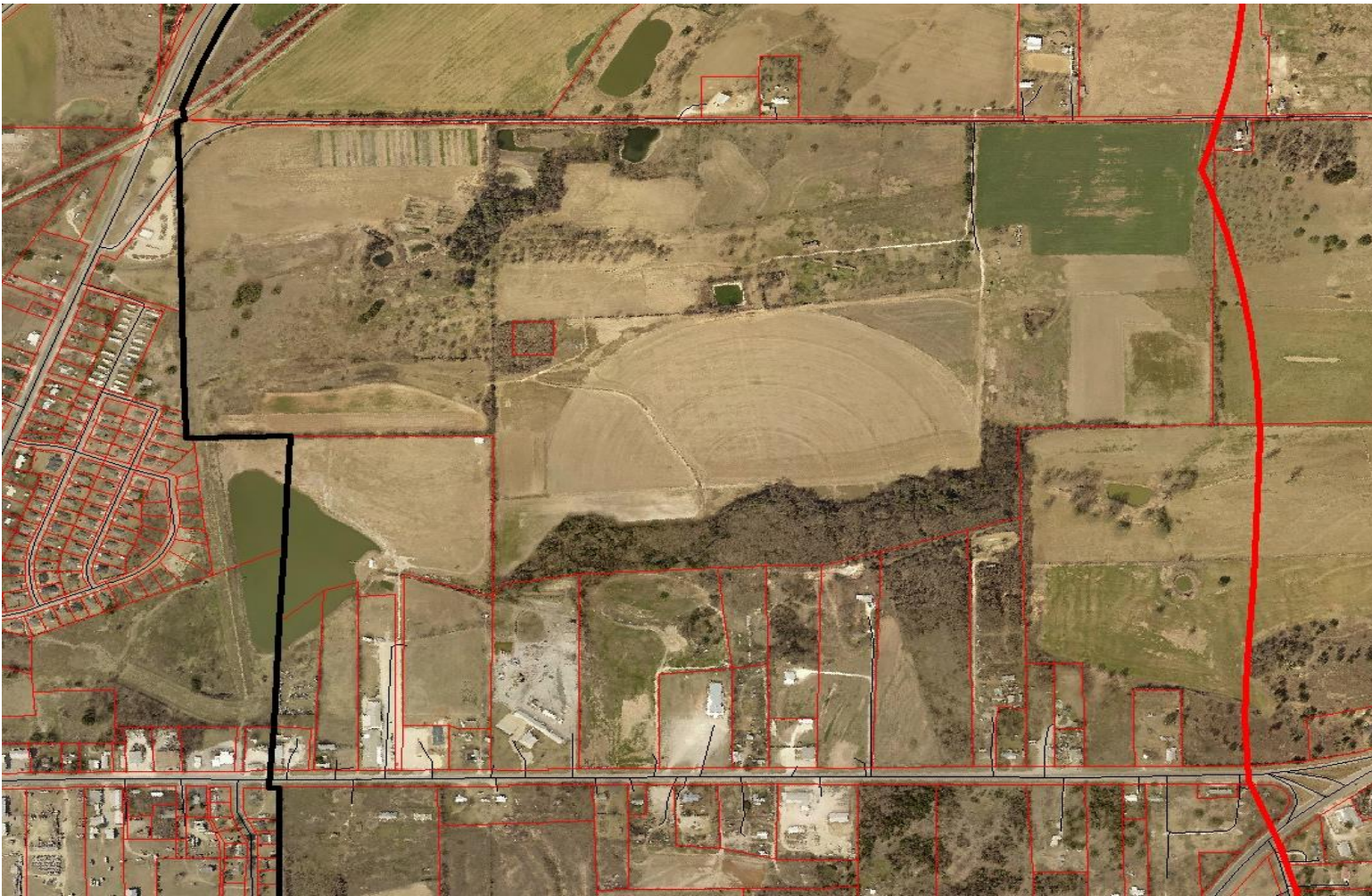


Suggestions:

1. Extend Eastside Sewer
2. Offer incentives to help jump start this area
3. Protect this gateway into the city with aestically pleasing developments.

East Washington

Lone Star Arena has been a maintain and is our identity. Twisted J has become very popular and is in this region. City Limits and Purple goat continue their popularity. Lack of utilities to Lone Star and Twisted J along with other businesses are preventing development



Suggestions:

1. To extend utilities on 377 to Lonestar giving access to everyone along the route would cost an estimated 5 million dollars.
2. Could create a Special Utilities District and level tax to these owners to help pay for the infrastructure.

Downtown Revitalization

The Downtown area is what Stephenville is known for. It hosts numerous events and all the major roads converge downtown. Over the past 5-7 years close to 20 businesses have located downtown.



Suggestions:

1. Lighting
2. Sidewalks
3. Incentive Programs to develop downtown

Harbin Drive

With future development that has agreed to come there is a need to improve Harbin. There could be some possibilities to reduce some of the zoning restrictions to create an atmosphere near the development.



Suggestions:

1. Improve Harbin
2. Improve Swan
3. City Property
4. Change Zoning Requirements (Overlay)



Regular City Council Meeting

STAFF REPORT

SUBJECT: Monthly Budget Report for the Period Ending February 28, 2019
MEETING: Regular City Council Meeting - 02 Apr 2019
DEPARTMENT: Finance
STAFF CONTACT: Monica Harris

BACKGROUND:

In reviewing the financial statements ending February 28, 2019, the financial indicators are as or better than expected.

- **Property Tax**

We received \$141K in property taxes in the month of February, resulting in a \$311K or 5.62% increase over funds collected through February last year.

- **Sales Tax**

We received \$600K in sales tax in February, resulting in \$152K over the target budget through February. We received \$205K or 7.97% more than the funds received through February last year.

- **HOT Funds**

We received \$136K in Hotel Occupancy Tax revenue through February, an 18% over the \$115K in Hotel Occupancy Tax revenue received last year. We spent \$117K in Hotel Occupancy Tax funds through February as compared to \$129K last year.

- **Revenue (Budgetary comparison)**

The target budget for operating revenue is \$10.6 million. We received \$13.6 million in revenue through February, resulting in \$3 million over budget. This is a result of property taxes; which were due by January 1st and delinquent if not paid by January 31st.

- **Expenditures (Budgetary comparison)**

The target budget for operating expenditures is \$8.4 million. We expended \$7.6 million through February, resulting in \$822K under budget.

- **Revenue (Prior year comparison)**

Operating revenue received last year was \$12.9 million as compared to the current year's \$13.7 million, resulting in a \$766K increase due to property taxes, sales taxes, and investment interest.

- **Expenditures (Prior year comparison)**

Operating expenditures last year were \$7.4 million as compared to the current year's \$7.6 million, resulting in a \$177K increase. Additional expenditures included the Balanced Scorecard Training, the salary survey, the special election, outside professional fees, maintenance, Child Safety grants, wages and advertising in the HOT Fund, and wages and economic development programs in the SEDA Fund.

- **New Programs**

Purchase orders have been issued for the equipment for the four Police Tahoes and for the engineering for the Lennox, Dodge, and Fairfax utility improvements CDBG project.

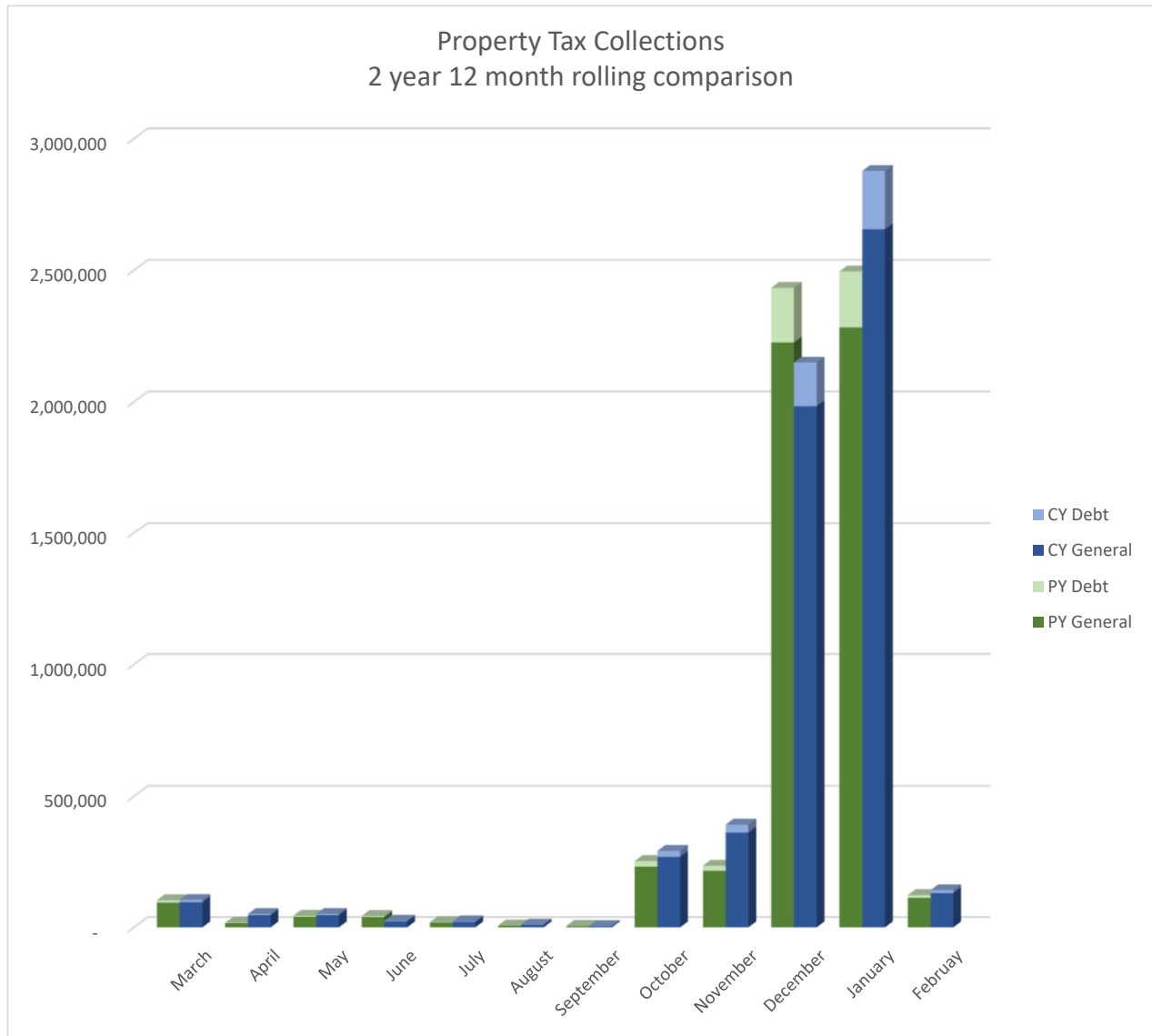
ATTACHMENTS:

[Property Tax 2 yr chart 02-28-19](#)

[Sales tax 2 yr chart 02-28-19](#)

[Budget Review 2-28-19](#)

City of Stephenville



Month	General	Debt	Total	Month	General	Debt	Total
Mar-17	93,850	9,383	103,232	Mar-18	95,300	8,935	104,235
Apr-17	15,840	1,628	17,468	Apr-18	46,517	4,352	50,868
May-17	40,351	3,881	44,232	May-18	46,500	4,442	50,942
Jun-17	39,217	4,044	43,261	Jun-18	22,980	2,181	25,161
Jul-17	17,966	1,800	19,766	Jul-18	20,682	1,967	22,649
Aug-17	6,505	667	7,172	Aug-18	9,440	925	10,365
Sep-17	5,138	534	5,673	Sep-18	4,709	463	5,172
Oct-17	231,252	21,596	252,848	Oct-18	268,841	22,491	291,332
Nov-17	215,061	20,059	235,119	Nov-18	361,433	30,263	391,696
Dec-17	2,225,566	207,425	2,432,991	Dec-18	1,983,034	165,658	2,148,692
Jan-18	2,282,519	212,607	2,495,126	Jan-19	2,655,314	221,696	2,877,010
Feb-18	112,531	10,481	123,012	Feb-19	130,747	10,942	141,690

City of Stephenville



Month	General	4B	Total	Month	General	4B	Total
Mar-17	413,247	37,568	450,815	Mar-18	431,457	39,223	470,680
Apr-17	328,490	32,590	361,080	Apr-18	369,877	33,625	403,502
May-17	479,646	43,604	523,250	May-18	526,667	47,879	574,546
Jun-17	398,862	36,260	435,123	Jun-18	483,697	43,973	527,670
Jul-17	407,826	37,075	444,901	Jul-18	432,023	39,275	471,298
Aug-17	455,305	41,391	496,696	Aug-18	523,524	47,593	571,117
Sep-17	436,452	39,677	476,129	Sep-18	413,856	37,623	451,479
Oct-17	458,630	41,694	500,324	Oct-18	537,226	48,839	586,065
Nov-17	492,913	44,810	537,724	Nov-18	513,778	46,707	560,485
Dec-17	463,711	42,156	505,867	Dec-18	475,555	43,232	518,787
Jan-18	426,509	38,774	465,283	Jan-19	475,476	43,225	518,702
Feb-18	522,509	47,501	570,010	Feb-19	550,600	50,055	600,655

**City of Stephenville
Budget vs. YTD Actual
February 28, 2019**

Date Prepared: March 18, 2019

Source of Funds	Approved Budget 2018-19	42% Target Budget	02/28/19 Current YTD Actual	Dollar Variance Positive(Negative)	Percent Variance	Notes
Property Taxes	\$ 6,074,561	\$ 2,531,067	\$ 5,807,318	\$ 3,276,251	129.44%	Due by January 1, delinquent February 1
Sales Taxes	6,317,110	2,632,129	2,784,693	152,564	5.80%	
Other Taxes	2,014,009	839,170	519,187	(319,983)	(38.13%)	Quarterly & annual payments
Licenses and permits	231,870	96,613	101,697	5,084	5.26%	Seasonal
Fines and forfeitures	180,450	75,188	53,132	(22,056)	(29.33%)	Fluctuating revenue source
Intergovernmental grants	226,240	94,267	63,202	(31,065)	(32.95%)	Annual and reimbursement based revenue
Service charges	9,912,280	4,130,117	3,927,250	(202,867)	(4.91%)	Seasonal
Interest on investments	377,000	157,083	296,740	139,657	88.91%	Fluctuating maturities and rates
Other Income	144,226	60,095	138,967	78,872	131.24%	K-9 donation, Ins proceeds, CH2MHill refund
Total Operating Revenue	25,477,746	10,615,729	13,692,185	3,076,456	28.98%	
Intergovernmental grants	270,019	112,508	0	(112,508)	(100.00%)	Annual & reimbursement based revenue
Debt Proceeds	0	0	0	0	0.00%	
Total Revenue	25,747,765	10,728,237	13,692,185	2,963,948	27.63%	
Transfers-In	\$ 1,671,349	\$ 696,395	\$ 1,671,349	\$ 974,954	140.00%	Transfers done annually
Transfers-Out	(1,671,349)	(696,395)	(1,671,349)	\$ (974,954)	(140.00%)	Transfers done annually
Expenditures						
General Fund	\$ 14,099,204	\$ 5,874,669	\$ 5,370,725	\$ (503,944)	(8.58%)	
Utility Fund	4,576,161	1,906,734	1,796,818	(109,916)	(5.76%)	
Landfill Fund	335,826	139,928	144,410	4,482	3.20%	Annual insurance & maintenance
Airport Fund	81,032	33,763	24,003	(9,760)	(28.91%)	
Storm Water Drainage Fund	125,000	52,083	15,393	(36,690)	(70.45%)	
Special Revenue Funds	452,628	188,596	147,229	(41,367)	(21.93%)	
Stephenville Economic Dev Authority	583,315	243,048	117,558	(125,490)	(51.63%)	
Total Operating Expenditures	20,253,166	8,438,821	7,616,137	(822,684)	(9.75%)	
Capital	20,220,563	8,425,235	1,035,803	(7,389,432)	(87.71%)	
Debt Service	3,431,888	1,429,955	2,878,062	1,448,107	101.27%	Semi-annual payments
Total Expenditures	43,905,617	18,294,011	11,530,001	(6,764,010)	(36.97%)	

City of Stephenville
Prior YTD Actual vs Current YTD Actual
February 28, 2019

Date Prepared: March 18, 2019

Source of Funds	Prior YTD Actual	Current YTD Actual	Variance Positive (Negative)	% Variance Positive (Negative)	Notes
Property Taxes	\$ 5,534,190	\$ 5,807,318	\$ 273,127	4.94%	
Sales Taxes	2,579,207	2,784,693	205,486	7.97%	
Other Taxes	471,682	519,187	47,505	10.07%	
Licenses and permits	120,117	101,697	(18,420)	(15.33%)	Building permits
Fines and forfeitures	79,259	53,132	(26,127)	(32.96%)	Fluctuating revenue source
Intergovernmental grants	113,912	63,202	(50,710)	(44.52%)	Grants differ from year to year
Service charges	3,885,919	3,927,250	40,619	1.05%	
Interest on investments	59,414	296,740	238,037	400.64%	Fluctuating maturities and rates
Other Income	81,808	138,967	57,159	69.87%	K-9 donations, Insurance proceeds, Sale of equipment
Total Operating Revenue	<u>12,925,508</u>	<u>13,692,185</u>	<u>766,677</u>	<u>5.93%</u>	
Intergovernmental grants	905	0	(905)	(100.00%)	PY-Reveral of Year End Adjustment.
Debt Proceeds	0	0	0	0.00%	
Total Revenue	<u>12,926,413</u>	<u>13,692,185</u>	<u>765,772</u>	<u>5.92%</u>	
Transfers-In	\$ -	\$ 1,671,349	1,671,349	100.00%	Transfers completed earlier this year
Transfers-Out	\$ -	\$ (1,671,349)	(1,671,349)	(100.00%)	Transfers completed earlier this year
Expenditures					
General Fund	\$ 5,206,075	\$ 5,370,725	\$ 164,650	3.16%	Outside Professionals, Election, Balanced Scorecard Training, Salary Survey, P/T position moved to F/T
Utility Fund	1,850,670	1,796,818	(53,852)	(2.91%)	
Landfill Fund	122,588	144,410	21,822	17.80%	Fuel, Maintenance
Airport Fund	32,547	24,003	(8,544)	(26.25%)	
Storm Water Drainage Fund	1,200	15,393	14,193	1182.73%	Master Plan
Special Revenue Funds	138,921	147,229	8,308	5.98%	Child safety grants
Stephenville Economic Dev Authority	87,034	117,558	30,524	35.07%	Wages, Economic Development Programs
Total Operating Expenditures	<u>7,439,036</u>	<u>7,616,137</u>	<u>177,100</u>	<u>2.38%</u>	
Capital	250,885	1,035,803	794,644	316.74%	Capital purchases differ from year to year
Debt Service	3,258,505	2,878,062	(380,443)	(11.68%)	Debt service differs from year to year.
Total Expenditures	<u>10,948,427</u>	<u>11,530,001</u>	<u>591,301</u>	<u>5.40%</u>	

City of Stephenville
 Summary of Revenues
 February 28, 2019

Date Prepared: March 18, 2019

Source of Funds	Approved Budget 2018-19	42% Target Budget	02/28/19 Current YTD Actual	Dollar Variance Positive/(Negative)	Percent Variance	Notes
General Funds						
Taxes						
Property Taxes	5,608,116	2,336,715	5,354,988	3,018,273	129.17%	Due by January 1, delinquent February 1
Sales Tax	5,790,679	2,412,783	2,552,635	139,852	5.80%	
Other taxes	1,585,009	660,420	382,377	(278,043)	(42.10%)	Quarterly & annual payments
Licenses and permits	231,870	96,613	101,697	5,084	5.26%	Food service permits annual payments
Fines and forfeitures	170,200	70,917	52,934	(17,983)	(25.36%)	Fluctuating revenue source
Intergovernmental	216,240	90,100	63,202	(26,898)	(29.85%)	Annual and reimbursement based revenue
Service charges	942,336	392,640	350,786	(41,854)	(10.66%)	Seasonal
Interest on investments	76,000	31,667	62,673	31,006	97.91%	Fluctuating maturities and rates
Other Income	78,422	32,676	72,496	39,820	121.86%	K-9 Donations & Insurance proceeds
Total Operating Revenue	14,698,872	6,124,531	8,993,789	2,869,258	46.85%	
Debt Proceeds	0	0	0	0	0.00%	
Total General Fund	14,698,872	6,124,531	8,993,789	2,869,258	46.85%	
Utility Fund						
Water sales	4,574,640	1,906,100	1,625,830	(280,270)	(14.70%)	Seasonal
Wastewater charges	2,868,376	1,195,157	1,260,971	65,814	5.51%	
Service and delinquent charges	257,157	107,149	106,372	(777)	(0.72%)	Immaterial
Interest on investments	287,000	119,583	206,477	86,894	72.66%	Fluctuating maturities and rates
Other Income	56,754	23,648	57,633	33,985	143.71%	CH2MHILL refund
Total Operating Revenue	8,043,927	3,351,637	3,257,284	(94,353)	(2.82%)	
Intergovernmental	0	0	0	0	0.00%	
Debt Proceeds	0	0	0	0	0.00%	
Total Utility Fund	8,043,927	3,351,637	3,257,284	(94,353)	(2.82%)	
Landfill Fund						
Gate fees	500,000	208,333	267,510	59,177	28.41%	Seasonal
Interest on investments	5,000	2,083	3,267	1,184	56.84%	Fluctuating maturities and rates
Other Income	5,350	2,229	4,904	2,675	120.01%	Scrap metal revenue & credit card fees
Total Operating Revenue	510,350	212,645	275,681	63,036	29.64%	
Debt Proceeds	0	0	0	0	0.00%	
Total Landfill Fund	510,350	212,645	275,681	63,036	29.64%	
Airport Fund						
Hangar rental	106,380	44,325	44,080	(245)	(0.55%)	Immaterial
Service and delinquent charges	1,440	600	800	200	33.33%	
Intergovernmental Grants	10,000	4,167	0	(4,167)	(100.00%)	Annual reimbursement based receipt
Gasoline Sales	3,000	1,250	1,132	(118)	(9.43%)	Timing of revenue recognition
Other Income	0	0	0	0	0.00%	
Total Operating Revenue	120,820	50,342	46,012	(4,330)	(8.60%)	
Intergovernmental Grants	270,019	112,508	0	(112,508)	(100.00%)	Project driven revenue
Debt Proceeds	0	0	0	0	0.00%	
Total Airport Fund	390,839	162,850	46,012	(116,838)	(71.75%)	
Storm Water Drainage Fund						
Storm water drainage fee	638,697	266,124	269,057	2,933	1.10%	
Interest on investments	5,000	2,083	11,444	9,361	449.40%	Fluctuating maturities and rates
Total Stormwater Fund	643,697	268,207	280,501	12,294	4.58%	
Special Revenue Funds						
Hotel/Motel Tax	429,000	178,750	136,810	(41,940)	(23.46%)	Quarterly receipts
Child Safety	5,000	2,083	89	(1,994)	(95.71%)	Fluctuating revenue source
Municipal Court Technology	5,250	2,188	109	(2,079)	(95.02%)	Fluctuating revenue source
Public Safety	3,700	1,542	3,934	2,392	155.11%	Annual receipts & forfeitures
Total Special Revenue Funds	442,950	184,563	140,942	(43,621)	(23.63%)	
Other Funds						
Capital Projects Fund						
Service charges	20,254	8,439	711	(7,728)	(91.57%)	Project driven revenue
Interest	1,000	417	4,190	3,773	904.74%	Fluctuating maturities and rates
Debt Service Fund						
Property Taxes	466,445	194,352	452,329	257,977	132.74%	Due by January 1, delinquent February 1
Interest	1,000	417	2,063	1,646	394.83%	Fluctuating maturities and rates
Stephenville Economic Dev Authority						
Sales Tax 4B	526,431	219,346	232,058	12,712	5.80%	
Interest	2,000	833	6,625	5,792	695.34%	Fluctuating maturities and rates
Total Other Funds	1,017,130	423,804	697,977	274,173	64.69%	
Total Funds	25,747,765	10,728,237	13,692,185	2,963,948	27.63%	

Summary of Transfers

Transfers In						
General Fund	634,289	264,287	634,289	370,002	140.00%	Transfers done annually
Utility Fund	16,616	6,923	16,616	9,693	140.00%	Transfers done annually
Capital Projects Fund	1,020,444	425,185	1,020,444	595,259	140.00%	Transfers done annually
Total Transfers In	1,671,349	696,395	1,671,349	974,954	140.00%	
Transfers Out						
General Fund	(1,020,444)	(425,185)	(1,020,444)	(595,259)	(140.00%)	Transfers done annually
Utility Fund	(580,472)	(241,863)	(580,472)	(338,609)	(140.00%)	Transfers done annually
Landfill Fund	(23,047)	(9,603)	(23,047)	(13,444)	(140.00%)	Transfers done annually
Storm Water Drainage Fund	(47,386)	(19,744)	(47,386)	(27,642)	(140.00%)	Transfers done annually
Total Transfers Out	(1,671,349)	(696,395)	(1,671,349)	(974,954)	(140.00%)	

City of Stephenville
 Summary of Expenditures
 February 28, 2019

Date Prepared: March 18, 2019

Source of Funds	Approved Budget 2018-19	42% Target Budget	02/28/19 Current YTD Actual	Dollar Variance Positive/(Negative)	Percent Variance	Notes	
General Government:							
City council	90,779	37,825	63,210	25,385	67.11%	Outside professionals & special election	
City administrator	251,071	104,613	96,777	(7,836)	(7.49%)		
City secretary	114,125	47,552	44,358	(3,194)	(6.72%)		
Human resources	256,189	106,745	103,622	(3,123)	(2.93%)		
Total General Government	712,164	296,735	307,966	11,231	3.78%		
Finance and Administration:							
Emergency management	21,122	8,801	11,365	2,564	29.13%	Annual software payment	
Municipal building	128,638	53,599	48,385	(5,214)	(9.73%)	Fuel-adjustment to inventory & allocation	
Municipal Service Center	93,055	38,773	48,913	10,140	26.15%		
Financial administration and accounting	511,047	212,936	193,203	(19,733)	(9.27%)	Computer equipment maintenance Quarterly payments in advance	
Information Technology	290,499	121,041	121,741	700	0.58%		
Tax	164,476	68,532	81,437	12,905	18.83%		
Legal counsel	130,683	54,451	37,309	(17,142)	(31.48%)		
Municipal court	172,069	71,695	65,445	(6,250)	(8.72%)		
Total Finance and Administration	1,511,589	629,828	607,798	(22,030)	(3.50%)		
Parks & Leisure Services:							
Parks & Leisure Services Administration	134,134	55,889	50,272	(5,617)	(10.05%)	Food svcs inspections, mowing, postage	
Recreation	605,670	252,363	197,801	(54,562)	(21.62%)		
Park maintenance	773,111	322,130	283,367	(38,763)	(12.03%)		
Library	246,095	102,540	91,603	(10,937)	(10.67%)		
Senior citizens center	141,928	59,137	55,605	(3,532)	(5.97%)		
Aquatic Center	233,227	97,178	22,732	(74,446)	(76.61%)		
Total Community Services	2,134,165	889,237	701,380	(187,857)	(21.13%)		
Public Works:							
Street maintenance	942,476	392,698	315,474	(77,224)	(19.67%)		
Fire Department:							
Total Fire Department	3,095,282	1,289,701	1,183,971	(105,730)	(8.20%)		
Police Department:							
Total Police Department	5,196,529	2,165,220	2,041,413	(123,807)	(5.72%)		
Development Services							
Total Development Services	506,999	211,250	212,724	1,474	0.70%		
Total Operating General Fund	14,099,204	5,874,669	5,370,725	(503,944)	(8.58%)		
Debt Service							
Fire department	124,475	51,865	232,825	180,960	348.91%	Annual payment & fire truck down pmnt	
Police department	86,406	36,003	24,888	(11,115)	(30.87%)		
Total Debt Service	210,881	87,868	257,713	169,845	193.30%		
Capital							
City secretary	15,000	6,250	0	(6,250)	(100.00%)	Carpet Server Bill Johnson Park Asphalt Distributor Trailer K-9 program	
Municipal buildings	30,000	12,500	14,687	2,187	17.50%		
Information Technogoy	20,000	8,333	13,580	5,247	62.96%		
Park maintenance	135,000	56,250	5,352	(50,898)	(90.48%)		
Library	5,000	2,083	0	(2,083)	(100.00%)		
Street maintenance	103,000	42,917	15,358	(27,559)	(64.21%)		
Fire department	32,275	13,448	0	(13,448)	(100.00%)		
Police department	148,900	62,042	7,957	(54,085)	(87.17%)		
Total Capital	489,175	203,823	56,935	(146,888)	(72.07%)		
Total General Fund	14,799,260	6,166,360	5,685,373	(480,987)	(7.80%)		
Utility Fund							
Utilities administration	498,438	207,683	153,137	(54,546)	(26.26%)	Annual raw water charge to ULRMWD, ins Overtime, insurance, meter maintenance Annual Insurance, prof fees, maintenance Annual software maintenance, audit	
Water production	875,025	364,594	431,420	66,826	18.33%		
Water distribution	690,086	287,536	182,604	(104,932)	(36.49%)		
Water customer service	283,939	118,308	149,384	31,076	26.27%		
Wastewater collection	535,861	223,275	192,256	(31,019)	(13.89%)		
Wastewater treatment	1,042,826	434,511	444,877	10,366	2.39%		
Billing and collections	266,977	111,240	116,361	5,121	4.60%		
Non-Departmental	383,009	159,587	126,778	(32,809)	(20.56%)		
Total Operating Utility Fund	4,576,161	1,906,734	1,796,818	(109,916)	(5.76%)		
Capital							
Utilities administration	550,000	229,167	14,750	(214,417)	(93.56%)	CDBG Lennox Dodge Fairfax	
Water production	0	0	66,918	66,918	100.00%	536 Well Development Project	
Water distribution	795,000	331,250	514,132	182,882	55.21%	Garfield tank	
Wastewater collection	16,887,560	7,036,483	316,562	(6,719,921)	(95.50%)	6" pipe burst	
Wastewater treatment	153,000	63,750	6,500	(57,250)	(89.80%)	Equipment	
Total Capital	18,385,560	7,660,650	918,862	(6,741,788)	(88.01%)		
Total Utility Fund	2,253,004	938,752	1,795,369	856,617	91.25%		
Total Utility Fund	25,214,725	10,506,136	4,511,049	(5,995,087)	(57.06%)		
Landfill Fund							
Operations	335,826	139,928	144,410	4,482	3.20%	Annual Insurance & maintenance	
Capital	16,500	6,875	16,170	9,295	135.20%	Pressure washer trailer	
Total Landfill Fund	352,326	146,803	160,580	13,777	9.38%		
Airport Fund							
Operations	81,032	33,763	24,003	(9,760)	(28.91%)		
Capital	288,630	120,263	0	(120,263)	(100.00%)		
Total Airport Fund	369,662	154,026	24,003	(130,023)	(84.42%)		
Storm Water Drainage Fund							
Operations	125,000	52,083	15,393	(36,690)	(70.45%)	Spring Bouquet engineering	
Capital	0	0	42,055	42,055	100.00%	Semi-annual payments	
Debt Service	500,558	208,566	400,310	191,744	91.93%		
Total Storm Water Drainage Fund	625,558	260,649	457,757	197,108	75.62%		

City of Stephenville
 Summary of Expenditures
 February 28, 2019

Date Prepared: March 18, 2019

Source of Funds	Approved Budget 2018-19	42% Target Budget	02/28/19 Current YTD Actual	Dollar Variance Positive/(Negative)	Percent Variance	Notes
Special Revenue Fund						
Hotel/Motel Operations	425,407	177,253	117,823	(59,430)	(33.53%)	
ChildSafety	11,970	4,988	11,970	6,982	139.98%	Grants paid annually
Court Technology	11,551	4,813	17,437	12,624	262.28%	Annual software maintenance
Public Safety	3,700	1,542	0	(1,542)	(100.00%)	
Total Special Revenue Fund	<u>452,628</u>	<u>188,596</u>	<u>147,229</u>	<u>(41,367)</u>	<u>(21.93%)</u>	
Debt Service Fund						
Total Debt Service Fund	<u>467,445</u>	<u>194,769</u>	<u>424,670</u>	<u>229,901</u>	<u>118.04%</u>	Semi-annual payments
Capital Projects Fund						
Streets	1,040,698	433,624	1,782	(431,842)	(99.59%)	
BRT Phase II	0	0	0	0	0.00%	
Total Capital Project Fund	<u>1,040,698</u>	<u>433,624</u>	<u>1,782</u>	<u>(431,842)</u>	<u>(99.59%)</u>	
Stephenville Economic Dev Authority						
	<u>583,315</u>	<u>243,048</u>	<u>117,558</u>	<u>(125,490)</u>	<u>(51.63%)</u>	
Total Expenditures	<u>43,905,617</u>	<u>18,294,011</u>	<u>11,530,001</u>	<u>(6,764,010)</u>	<u>(36.97%)</u>	

**City of Stephenville
Summary of Revenues
February 28, 2019**

Date Prepared: March 18, 2019

Source of Funds	Prior YTD Actual	Current YTD Actual	Dollar Variance Positive/(Negative)	Percent Variance	Notes
General Funds					
Taxes					
Property Taxes	5,062,022	5,354,988	292,966	5.79%	
Sales Tax	2,364,273	2,552,635	188,363	7.97%	
Other taxes	356,141	382,377	26,236	7.37%	
Licenses and permits	120,117	101,697	(18,420)	(15.33%)	Building permits
Fines and forfeitures	79,145	52,934	(26,211)	(33.12%)	Fluctuating revenue source
Intergovernmental	113,912	63,202	(50,710)	(44.52%)	Grants
Service charges	281,561	350,786	69,226	24.59%	
Interest on investments	23,974	62,673	38,699	161.42%	Fluctuating maturities and rates
Other Income	44,897	72,496	27,599	61.47%	K-9 Donations
Total Operating Revenue	8,446,041	8,993,789	547,748	6.49%	
Debt Proceeds	0	0	0	0.00%	
Total General Fund	8,446,041	8,993,789	547,748	6.49%	
Utility Fund					
Water sales	1,752,094	1,625,830	(126,263)	(7.21%)	Consumption down
Wastewater charges	1,218,349	1,260,971	42,622	3.50%	
Service and delinquent charges	113,590	106,372	(7,218)	(6.35%)	Penalties and tap fees
Interest on investments	21,407	206,477	185,070	864.52%	Interest on TWDB escrow account
Other Income	28,851	57,633	28,781	99.76%	Sale of equipment
Total Operating Revenue	3,134,292	3,257,284	122,992	3.92%	
Intergovernmental	905	0	(905)	(100.00%)	
Debt Proceeds	0	0	0	0.00%	
Total Utility Fund	3,135,197	3,257,284	122,087	3.89%	
Landfill Fund					
Gate fees	207,649	267,510	59,862	28.83%	
Interest on investments	2,919	3,267	348	11.90%	Fluctuating maturities and rates
Other Income	4,306	4,904	598	13.89%	
Total Operating Revenue	214,874	275,681	60,807	28.30%	
Debt Proceeds	0	0	0	0.00%	
Total Landfill Fund	214,874	275,681	60,807	28.30%	
Airport Fund					
Hangar rental	43,955	44,080	125	0.28%	
Service and delinquent charges	800	800	0	0.00%	
Intergovernmental Grants	0	0	0	0.00%	
Gasoline Sales	1,137	1,132	(5)	(0.40%)	Immaterial
Other Income	0	0	0	0.00%	
Total Operating Revenue	45,892	46,012	120	0.26%	
Intergovernmental Grants	0	0	0	0.00%	
Debt Proceeds	0	0	0	0.00%	
Total Airport Fund	45,892	46,012	120	0.26%	
Storm Water Drainage Fund					
Storm water drainage fee	266,786	269,057	2,271	0.85%	
Interest on investments	5,673	11,444	5,771	101.72%	Fluctuating maturities and rates
Total Stormwater Fund	272,459	280,501	8,042	2.95%	
Special Revenue Funds					
Hotel/Motel Tax	115,541	136,810	21,269	18.41%	
Child Safety	19	89	71	375.72%	Interest
Municipal Court Technology	95	109	14	14.89%	Interest
Public Safety	3,754	3,934	180	4.79%	Interest
Total	119,409	140,942	21,533	18.03%	
Other Funds					
Capital Projects Fund					
Interest	2,055	4,901	2,846	138.53%	Fluctuating maturities and rates
Debt Service Fund					
Property Taxes	472,168	452,329	(19,839)	(4.20%)	Debt tax rate decreased
Interest	1,163	2,063	901	77.46%	Fluctuating maturities and rates
Stephenville Economic Dev Authority					
Sales Tax 4B	214,934	232,058	17,124	7.97%	
Interest	2,223	6,625	4,402	198.05%	Fluctuating maturities and rates
Total Other Funds	692,542	697,977	5,434	0.78%	
Total Funds	12,926,413	13,692,185	765,772	5.92%	

Summary of Transfers

Transfers In					
General Fund	0	634,289	634,289	100.00%	Transfers completed earlier this year
Utility Fund	0	16,616	16,616	100.00%	Transfers completed earlier this year
Capital Projects Fund	0	1,020,444	1,020,444	100.00%	Transfers completed earlier this year
Total Transfers In	0	1,671,349	1,671,349	100.00%	
Transfers Out					
General Fund	0	(1,020,444)	(1,020,444)	100.00%	Transfers completed earlier this year
Utility Fund	0	(580,472)	(580,472)	100.00%	Transfers completed earlier this year
Landfill Fund	0	(23,047)	(23,047)	100.00%	Transfers completed earlier this year
Storm Water Drainage Fund	0	(47,386)	(47,386)	100.00%	Transfers completed earlier this year
Total Transfers Out	0	(1,671,349)	(1,671,349)	100.00%	

**City of Stephenville
Summary of Expenditures
February 28, 2019**

Date Prepared: March 18, 2019

Source of Funds	Prior YTD Actual	Current YTD Actual	Dollar Variance Positive/(Negative)	Percent Variance	Notes
General Government:					
City council	27,125	63,210	36,084	133.03%	Outside prof., Election, Software maint.
City administrator	93,971	96,777	2,806	2.99%	Sick time buy back & 1% adjustment
City secretary	55,216	44,358	(10,859)	(19.67%)	
Human resources	55,141	103,622	48,481	87.92%	Balanced Scorecard, Salary Survey
Total General Government	231,454	307,966	76,513	33.06%	
Finance and Administration:					
Emergency management	16,064	11,365	(4,700)	(29.26%)	
Municipal building	53,324	48,385	(4,939)	(9.26%)	
Municipal Service Center	50,037	48,913	(1,124)	(2.25%)	
Financial administration and accounting	190,228	193,203	2,974	1.56%	Supplies
Information Technology	69,587	121,741	52,154	74.95%	Salaries-P/T position made F/T, maint.
Tax	79,421	81,437	2,016	2.54%	County fee increased
Legal counsel	32,348	37,309	4,961	15.34%	City Attorney fees
Municipal court	61,759	65,445	3,686	5.97%	Higher County fees
Total Finance and Administration	552,767	607,798	55,031	9.96%	
Parks & Leisure Services:					
Parks & Leisure Services Administration	57,709	50,272	(7,436)	(12.89%)	
Recreation	209,414	197,801	(11,613)	(5.55%)	
Park maintenance	282,206	283,367	1,161	0.41%	Chemicals
Library	101,576	91,603	(9,973)	(9.82%)	
Senior citizens center	54,651	55,605	954	1.75%	Supplies and maintenance
Aquatic Center	21,842	22,732	889	4.07%	Wages related to maintenance.
Total Community Services	727,397	701,380	(26,018)	(3.58%)	
Public Works:					
Street maintenance	291,418	315,474	24,055	8.25%	Maintenance
Fire Department:					
Total Fire Department	1,231,094	1,183,971	(47,123)	(3.83%)	
Police Department:					
Total Police Department	1,966,100	2,041,413	75,313	3.83%	Training, Rent, Maintenance
Development Services					
Total Development Services	205,846	212,724	6,879	3.34%	Asst. City Manager moved from Leisure.
Total Operating General Fund	5,206,075	5,370,725	164,650	3.16%	
Debt Service					
Fire department	93,890	232,825	138,936	147.98%	
Police department	34,785	24,888	(9,897)	0.00%	
Total Debt Service	128,674	257,713	129,039	100.00%	
Capital					
City Council	9,727	0	(9,727)	(100.00%)	
City secretary	0	0	0	0.00%	
Municipal building	18,673	14,687	(3,986)	(21.35%)	Carpet
Information Technology	0	13,580	13,580	100.00%	Server
Park maintenance	14,986	5,352	(9,633)	(64.28%)	Bill Johnson Park
Library	0	0	0	0.00%	
Street maintenance	0	15,358	15,358	100.00%	Asphalt Distributor Trailer
Fire department	7,045	0	(7,045)	(100.00%)	
Police department	104,396	7,957	(96,438)	(92.38%)	K-9 program
Total Capital	154,826	56,935	(88,165)	(56.94%)	
Total General Fund	5,489,576	5,685,373	205,523	3.74%	
Utility Fund					
Utilities administration	129,951	153,137	23,186	17.84%	Const positions moved from Distribution
Water production	433,308	431,420	(1,887)	(0.44%)	
Water distribution	251,985	182,604	(69,381)	(27.53%)	Const positions moved to Administration
Water customer service	105,199	149,384	44,185	42.00%	Meter maintenance
Wastewater collection	199,596	192,256	(7,340)	(3.68%)	
Wastewater treatment	469,209	444,877	(24,332)	(5.19%)	
Billing and collections	136,813	116,361	(20,452)	(14.95%)	
Non-Departmental	124,609	126,778	2,169	1.74%	Franchise fee
Total Operating Utility Fund	1,850,670	1,796,818	(53,852)	(2.91%)	
Capital					
Utilities administration	37,875	14,750	(23,125)	(61.06%)	CDBG Lennox Dodge Fairfax
Water production	0	66,918	66,918	100.00%	536 Well Development Project
Water distribution	20	514,132	514,112	2570561.35%	Garfield Tank
Wastewater collection	0	316,562	316,562	100.00%	Line replacement
Wastewater treatment	3,149	6,500	3,351	106.41%	Equipment
Total Capital	41,044	918,862	877,818	2138.74%	
Debt Service					
Total Debt Service	1,680,740	1,795,369	114,629	0.00%	
Total Utility Fund	3,572,454	4,511,049	938,595	26.27%	

**City of Stephenville
Summary of Expenditures
February 28, 2019**

Date Prepared: March 18, 2019

Source of Funds	Prior YTD Actual	Current YTD Actual	Dollar Variance Positive/(Negative)	Percent Variance	Notes
Landfill Fund					
Operations	122,588	144,410	21,822	17.80%	Fuel, Maintenance
Capital	6,462	16,170	9,708	100.00%	Pressure Washer Trailer
Debt Service	641,437	0	(641,437)	(100.00%)	PY-pay off debt
Total Landfill Fund	770,487	160,580	(609,908)	(79.16%)	
Airport Fund					
Operations	32,547	24,003	(8,544)	(26.25%)	
Capital	11,391	0	(11,391)	(100.00%)	PY - Airport Expansion
Debt Service	0	0	0	0.00%	
Total Airport Fund	43,938	24,003	(19,935)	(45.37%)	
Storm Water Drainage Fund					
Operations	1,200	15,393	14,193	1182.73%	Outside Professional fees
Capital	0	42,055	42,055	100.00%	Spring Bouquet engineering
Debt Service	395,224	400,310	5,086	1.29%	
Total Storm Water Drainage Fund	396,424	457,757	61,333	15.47%	
Special Revenue Fund					
Hotel/Motel Operations	129,269	117,823	(11,447)	(8.86%)	
ChildSafety	0	11,970	11,970	100.00%	Child safety grants
Court Technology	9,652	17,437	7,785	80.65%	Equipment
Public Safety	0	0	0	0.00%	
Total Special Revenue Fund	138,921	147,229	8,308	5.98%	
Debt Service Fund					
Total Debt Service Fund	412,430	424,670	12,240	2.97%	
Capital Projects Fund					
Streets	20,282	1,782	(18,500)	(91.21%)	
BRT Phase II	16,880	0	(16,880)	(100.00%)	
Total Capital Project Fund	37,162	1,782	(35,380)	(95.20%)	
Stephenville Economic Dev Authority					
	87,034	117,558	30,524	35.07%	Wages, Economic development program
Total Expenditures	10,948,427	11,530,001	591,301	5.40%	

City of Stephenville Capital Requests

FUND	DEPT	DESCRIPTION	COUNCIL APPROVED FY18-19	YTD Expenditure	Anticipated Completion Date	Notes
GENERAL						
01-5103-516	CITY SECRETARY	LASERFICHE UPGRADE	15,000			PO #10629 issued for \$15,000 on 10/1/18
01-5105-520	MUNICIPAL BUILDING	CARPET UPSTAIRS, BATHROOMS	30,000	14,687	9/30/2019	
01-5203-516	INFORMATION TECHNOLOGY	REPLACE CITY HALL SERVER	15,000	13,560	10/31/2018	
01-5203-516	INFORMATION TECHNOLOGY	ADD STORAGE TO CITY HALL STORAGE CENTER	5,000			
01-5502-527	PARK MAINTENANCE	RESURFACE BASKETBALL COURTS AT CITY PARK	15,000		8/31/2019	
01-5502-527	PARK MAINTENANCE	BOSQUE RIVER BANK EROSION	15,000		8/31/2019	
01-5502-527	PARK MAINTENANCE	SEVEN (7) SHADE STRUCTURES OVER BLEACHERS AT FIELD	80,000		4/30/2019	
01-5502-528	CEMETERY	ROADS	25,000			
01-5504-516	LIBRARY	GENEALOGY SOFTWARE OR SUBSCRIPTION	5,000			
01-5402-514	STREET	SEALMASTER ASPHALT DISTRIBUTOR TRAILER	18,000	15,336	10/31/2018	
01-5402-514	STREET	DUMP TRUCK (REPLACE UNIT 29 - 1999 CHEVROLET)	85,000		5/15/2019	PO #10743 issued 12/12/19 for \$89,530, overage covered by sell of vehicle being replaced
01-5601-514	FIRE	RESCUE JACKS WITH ACCESSORIES	11,000		3/31/2019	PO #10778 issued 1/17/19 for \$10,504
01-5601-514	FIRE SUPPRESSION	REPLACEMENT OF OUTDATED SCBA BOTTLES	21,275			
01-5701-514	POLICE	REPLACE L-3 STORAGE DEVICE	28,000		5/31/2019	
01-5701-511	POLICE	LEASE PURCHASE 4 TAHOES	120,900		7/31/2019	PO #10695 issued for \$35,726.08 on 11/14/18, PO #10803 issued 2/14/19 for \$49,163.28.
	TOTAL GENERAL FUND		489,175	43,603		
CAPITAL PROJECTS						
10-5505-525	STREET	STREET PAVEMENT MAINTENANCE	1,000,190		9/30/2019	
10-5505-532	STREET	SIDEWALK IMPROVEMENTS (REQUIRES MATCH)	40,508	1,782	9/30/2019	
	TOTAL CAPITAL PROJECTS		1,040,698	1,782		
WATER/WASTEWATER						
02-5000-527.2017	ADMINISTRATION	CDBG GRANT MATCH	275,000	14,750		PO #10814 issued for \$52,750 on 2/19/19.
02-5000-527.2018	ADMINISTRATION	CDBG GRANT MATCH	275,000			
02-5002-527	DISTRIBUTION	WATER UTILITY LINES REHABILITATION	125,000	60,070	9/30/2019	PO #10762 & #10737 issued 12/5/18 for \$37,500 & \$24,950
02-5002-528	DISTRIBUTION	GARFIELD 750,000 GAL GROUND STORAGE TANK REHAB	585,000	454,062	3/31/2019	PO #10738 issued 12/10/18 for \$423,590
02-5002-511	DISTRIBUTION	DUMP TRUCK (REPLACE UNIT 86 2003 CHEVROLET)	85,000		5/15/2019	PO #10744 issued 12/12/18 for \$89,530, overage covered by sell of vehicle being replaced
02-5101-527.2018	COLLECTION	EAST SIDE SEWER 21-INCH CAPACITY EXPANSION	16,604,060	97,029	9/30/2022	PO #10751 issued on 12/21/18 for \$15,792.26
02-5101-527	COLLECTION	SEWER UTILITY LINES REHABILITATION	125,000		9/30/2019	
02-5101-527	COLLECTION	C/O EASTSIDE SEWER PROJECT	140,000		9/30/2022	
02-5101-511	COLLECTION	FLATBED AND CRANE FOR UNIT 136 - 2010 1-TON FORD F350	18,500	2,525		
02-5102-514	WWTP	AERATOR BASIN NO. 2 SHAFTS	120,000			
02-5102-514	WWTP	CHLORINE TREATMENT SYSTEM REHAB	33,000			
	TOTAL WATER/WASTEWATER		18,385,560	628,437		
LANDFILL						
03-5001-514	LANDFILL	PRESSURE WASHING TRAILER FOR HEAVY EQUIPMENT MAINTENANCE	16,500	16,170	12/13/2018	
	TOTAL LANDFILL		16,500	16,170		
AIRPORT FUND						
04-5001-523	AIRPORT	1202STVLE EXTEND & MARK RUNWAY 14-32 CARRYOVER	156,879			
04-5001-523.0001	AIRPORT	1702STVLE LAND ACQUISITION CARRYOVER	99,870			
04-5001-523-0002	AIRPORT	1702STEVE LAND ACQUISITION RUNWAY PROJECT PHASE I CARRYOVER	31,881			
	TOTAL AIRPORT		288,630	-		
	GRAND TOTAL		20,220,563	689,991		

City of Stephenville New Programs

FUND	DEPT	DESCRIPTION	COUNCIL APPROVED FY18-19	YTD Expenditure	Anticipated Completion Date	Notes
GENERAL						
01-5105-421	MUNICIPAL BUILDING	SCREENS FOR MEETINGS	3,000	924	12/14/2018	
01-5107-253	HUMAN RESOURCES	SALARY SURVEY	40,000	13,005	4/30/2019	PO #10665 issued 10/25/18 for \$28,900
01-5107-254	HUMAN RESOURCES	TARLETON INTERNS	25,000	767	9/30/2019	3 hired
01-5201-416	FINANCIAL ADMIN	UPGRADE INCODE 10	46,500			
01-5201-333	FINANCIAL ADMIN	CAFR SOFTWARE	2,000			
01-5502-253	PARK MAINTENANCE	BRT PHASE 1 & 2 MOWING	52,000	1,000	9/30/2019	PO #10676 issued 11/1/18 for \$47,685
01-5502-427	PARK MAINTENANCE	INCLUSION SWINGS AND POUR IN PLACE SURFACING-JAYCEE PARK	2,000		6/30/2019	
01-5601-254	FIRE	IAFF PHYSICALS	14,415			
01-5601-318	FIRE	GROUND MONITOR NOZZLES	4,650			
01-5601-421	FIRE	16 STORAGE RACKS/LOCKERS FOR BUNKER GEAR	5,000	3,967		
01-5601-215.0001	FIRE	STOP THE BLEED TRAINING KIT	1,900	2,000	11/3/2018	Purchased
01-5601-421	FIRE	PAINT INTERIOR OF STATION #1 AND REPAIR STAIRWELL CEILING	14,500	11,525	2/9/2019	
01-5701-413	POLICE	COMPUTERS FOR PATROL UNITS	40,000	37,893	4/30/2019	
01-5801-416	COMMUNITY DEVELOPMENT	ADDITIONAL MODULE FOR CITIZEN PERMIT MANAGEMENT	4,000	3,800	10/31/2018	Purchased
01-5801-253	COMMUNITY DEVELOPMENT	DEVELOPMENT OF TIRZ	30,000		5/7/2019	
	TOTAL GENERAL FUND		284,965	74,881		
WATER/WASTEWATER						
02-5001-527	PRODUCTION	536 AC TRACT AIRPORT WELL FIELD EXPANSION PLAN - PHASE I	55,000	71,216	4/30/2018	PO #10658 issued 10/16/18
02-5002-253	DISTRIBUTION	WATER MASTER PLAN	160,000	16,391	3/31/2020	PO # 10663 issued 10/24/18
02-5101-254	COLLECTION	SEWER SYSTEM MANAGEMENT PLAN	75,000	7,687	3/31/2020	PO # 10663 issued 10/24/18
	TOTAL WATER/WASTEWATER		290,000	95,295		
STORM WATER DRAINAGE FUND						
05-5103-253	STORM WATER DRAINAGE	STORM WATER DRAINAGE MASTER PLAN	75,000	7,687	3/31/2020	PO # 10663 issued 10/24/18
	TOTAL STORM WATER DRAINAGE		75,000	7,687		
	GRAND TOTAL		649,965	177,863		



City of Stephenville - Special City Council Meeting

Monday, March 4, 2019 at 5:30 PM

The City Council of the City of Stephenville, Texas, convened on Monday, March 4, 2019, at 5:30 PM, in the City Hall Training Room, 298 West Washington Street, for the purpose of a Special Business Meeting, with the meeting being open to the public and notice of said meeting, giving the date, time, place and subject thereof, having been posted as prescribed by Chapter 551, Government Code, Vernon's Texas Codes Annotated, with the following members present, to wit:

COUNCIL PRESENT:

- Mayor Doug Svien
- Council Member Mark McClinton
- Council Member Carla Trussell
- Mayor Pro Tem Brady Pendleton
- Council Member Alan Nix
- Council Member Sherry Zachery

COUNCIL ABSENT:

- Council Member Rhett Harrison
- Council Member Brandon Huckabee

OTHERS ATTENDING:

- Allen L. Barnes, City Manager
- Staci L. King, City Secretary
- Randy Thomas, City Attorney

I. Call to Order

Mayor Svien called the special meeting to order at 5:38 p.m.

II. Employee Benefits Trust Meeting

1. Call to Order

Mayor Svien called the Employee Benefits Trust meeting to order at 5:38 p.m.

2. Employee Benefits Package for Plan Year 2019-2020

Monica Leatherman, representative for Financial Benefits Services, joined the council via conference call. The council was presented with a new high-deductible HSA plan. Employees currently on the buy-up plan would be able to stay on that plan. Anticipated savings from the premiums would be used for employees participating in either HSA plan as (1) a deposit of \$701.11 in employee HSA accounts and (2) the purchase of a group limited benefit hospital indemnity insurance at a cost of \$22.37 per month per employee participating in either HSA plan.

Several council members expressed concern over what they felt was a reduction in benefits to employees. It was explained that the council had already committed to spending the same amount on the benefits package as FY2018-2019 and that the employees benefited from the city's contribution to their HSA accounts, which would offset the high deductible.

Council member Brady Pendleton suggested that employees be given a choice to stay on

the current plan or choose to enroll in the HSA plan. The difference in premiums per employee would be \$422.88 and employees would have the option to purchase the hospital indemnity insurance rather than it being provided by the city.

MOTION by Brady Pendleton, second by Mark McClinton, to offer Option 1(Buy-Up Plan), Option 2 (2018-2019 Plan), and Option 5 (HSA Plan) to employees; those enrolling in the HSA would receive the difference in the premium (\$422.88) in their HSA accounts.

MOTION CARRIED by the following votes:

Ayes: Mark McClinton, Carla Trussell, Brady Pendleton, Rhett Harrison, and Brandon Huckabee

Noes: Alan Nix and Sherry Zachery

3. Adjourn

The Employee Benefits Trust Meeting was adjourned and the council reconvened to the special meeting.

III. Consider Approval of Employee Benefits Package for Plan Year 2019-2020

MOTION by Brady Pendleton, second by Mark McClinton, to offer Option 1(Buy-Up Plan), Option 2 (2018-2019 Plan), and Option 5 (HSA Plan) to employees; those enrolling in the HSA would receive the difference in the premium (\$422.88) in their HSA accounts.

Monica Leatherman, FBS, recommended that new hires only be given the option of the HSA plan.

MOTION by Brady Pendleton, second by Mark McClinton, to amend the original motion to add that new hire employees would only be offered the HSA plan. MOTION CARRIED.

MOTION by Brady Pendleton, second by Mark McClinton, to offer Option 1(Buy-Up Plan), Option 2 (2018-2019 Plan), and Option 5 (HSA Plan) to employees; those enrolling in the HSA would receive the difference in the premium (\$422.88) in their HSA accounts; new hire employees would only be able to enroll in Option 5 (HSA Plan).

MOTION CARRIED by unanimous vote.

IV. Adjourn

The meeting was adjourned at 7:15 p.m.

Doug Svien, Mayor

ATTEST:

Staci L. King, City Secretary



City of Stephenville - Regular City Council Meeting

Tuesday, March 5, 2019 at 5:30 PM

The City Council of the City of Stephenville, Texas, convened on Tuesday, March 5, 2019, at 5:30 PM, in the Council Chambers at City Hall, 298 West Washington Street, for the purpose of a Regular Business Meeting, with the meeting being open to the public and notice of said meeting, giving the date, time, place and subject thereof, having been posted as prescribed by Chapter 551, Government Code, Vernon's Texas Codes Annotated, with the following members present, to wit:

COUNCIL PRESENT:

Mayor Doug Svien
 Council Member Mark McClinton
 Council Member Carla Trussell
 Mayor Pro Tem Brady Pendleton
 Council Member Rhett Harrison
 Council Member Alan Nix
 Council Member Sherry Zachery
 Council Member Brandon Huckabee

COUNCIL ABSENT:

OTHERS ATTENDING:

Allen L. Barnes, City Manager
 Staci L. King, City Secretary
 Randy Thomas, City Attorney

I. Call to Order

Mayor Svien called the meeting to order at 5:30 p.m.

II. Pledges of Allegiance

Battalion Chief Chuck Elliot led the pledges of allegiance.

III. Invocation by David Bearden, Graham Street Church of Christ

IV. Regular Agenda

1. Citizens' General Discussion

Michael Martin, 8845 FM 205, Senior Citizens Advisory Board Chairman, addressed the council wanting clarification on the role of the advisory board. Mayor Svien suggested Mr. Martin meet with Nominations Committee Chair Rhett Harrison and that the Nominations Committee meet to consider clarifying the role of advisory boards.

2. Rotary Youth Leadership Awards Leadership Camp - Burton Smith

Mr. Burton Smith informed the council that, after 18 years of being hosted at Texas Woman's University, the Rotary Youth Leadership Awards Leadership Camp will now be hosted in Stephenville at Tarleton State University in June. The camp will include various activities such as a mock city council meeting and community service projects. The community service project for this year will be held at the Collins Street park on the Bosque River Trail. The Rotary Club is providing \$3,000 in landscaping materials that will

be matched by the City of Stephenville. The camp will take place the last weekend in June and will be attended by 135-150 high school juniors and seniors.

3. **Parks and Leisure Services Update**

Jen Basham, Director of Parks and Leisure Services, presented council with an update of programs and services.

4. **Consider Approval of Professional Services Agreement with David Pettit Economic Development, LLC Relating to the Creation of Tax Increment Reinvestment Zone (TIRZ)**

Council member Nix asked for clarification on what funds from a TIRZ could be spent on. It was explained that state law outlines what monies from a TIRZ can be spent on and that those monies must be reinvested in the designated.

Council member Zachary wanted to see maps of the areas that would be designated as a TIRZ before entering into a contract to create any TIRZs. Allen Barnes, City Manager, explained that while the city has three proposed zones, the contract includes the evaluation of those zones. He stated that once evaluated, David Pettit Economic Development, LLC, may advise the city that the proposed zones should be adjusted or changed completely.

Mayor Svien explained that the reason this issue has been brought to the council so quickly is that there is a developing project for which the city should create a TIRZ, which requires a strict timeline for creation and implementation. He also explained that by contracting for the creation of three TIRZs, the associated fees would be less per TIRZ.

Mayor Svien tabled this item until after executive session so that the council could discuss this item in relation to Project CS.

MOTION by Carla Trussell, second by Brandon Huckabee, to approve a contract with David Pettit Economic Development, LLC, for the creation of three TIRZs; TIRZ 1 being created immediately and TIRZ 2 and 3 to be completed within the next three years; the total cost not to exceed \$75,000.

MOTION CARRIED by unanimous vote.

V. Planning and Zoning Commission

Jeremy Allen, Director of Planning and Development Services

1. **Planning and Zoning Commission Report**

Jeremy Allen, Director of Planning and Development Services, gave the Planning and Zoning Commission Report.

2. **PUBLIC HEARING**

CASE NO. ZA2019-001: Consider an Amendment the Zoning Ordinance by adding “Sweepstakes Facility” as a Conditional Use (Special Use Permit) in the Permitted Uses within the Retail and Commercial Business District (B-2).

Mayor Svien opened the public hearing at 6:15 p.m.

No one came forward to speak in favor of or opposition to the amendment.

Mayor Svien closed the public hearing at 6:16 p.m.

3. **Consider Ordinance No 2019-O-__ Adding "Sweepstakes Facility" as a Special Use Permit within the Retail and Commercial Business District (B-2)**

The Planning and Zoning Commission voted against adding "Sweepstakes Facility" as a Special Use Permit within the Retail and Commercial Business District (B-2). Randy Thomas, City Attorney, advised council that this was an illegal operation in his opinion.

MOTION by Alan Nix, second by Rhett Harrison, to uphold the Planning and Zoning Commission's ruling to not amend the zoning ordinance.

MOTION CARRIED by unanimous vote.

4. **PUBLIC HEARING**

CASE NO. SV2019-001: Applicant Alex Fambro is requesting a subdivision waiver from the City of Stephenville Zoning Ordinance 155.6.11.A Sidewalk Requirements to be constructed at 942 Bluebonnet

Mayor Svien opened the public hearing at 6:21 p.m.

No one came forward to speak in favor of or opposition to the amendment.

Mayor Svien closed the public hearing at 6:21 p.m.

5. **Consider Approval of a Waiver from the City of Stephenville Zoning Ordinance Section 155.6.11 Sidewalks**

The Planning and Zoning Commission Council member voted 6-3 in favor of the waiver.

Council member Mark McClinton expressed concern over granting waivers to the subdivision ordinance; he felt that the city needed to enforce what was in place. Council member Alan Nix agreed. Council member Brandon Huckabee felt that it was a common-sense decision to grant the waiver because there are no other sidewalks in the area.

MOTION by Brady Pendleton, second by Carla Trussell, to approve a waiver from the City of Stephenville Zoning Ordinance Section 155.6.11 *Sidewalks*.

MOTION CARRIED by the following votes:

Ayes: Carla Trussell, Brady Pendleton, Rhett Harrison, Sherry Zachery, and Brandon Huckabee

Noes: Mark McClinton and Alan Nix

6. **PUBLIC HEARING**

CASE NO.: ZA2019-002: Consider an Amendment to the Stephenville Zoning Ordinance "Sign Regulations" Section 154.12 -11 Prohibited Signs and Repealing Section 154.21.3.D to Remove a Special Exception for Off-premises Signs (Billboards).

Mayor Svien opened the public hearing at 6:27 p.m.

Tommy Roberts, Lamar Outdoor Advertising, addressed the council and stated that he felt it was probably a good idea to take a short break and revisit the ordinance. He felt it would give the council and citizens time to decide where they would want billboards and weigh the benefits versus the aesthetics of billboards.

No one else came forward to address the council.

Mayor Svien closed the public hearing at 6:16 p.m.

7. **Consider Approval of Ordinance No. 2019-O-03 Amending Section 154.12-11 and Repealing Sections 154.21.3.D and 154.12-55 of the City of Stephenville Zoning Ordinance**

The Planning and Zoning Commission voted 9-1 to amend the sign ordinance by disallowing billboards.

MOTION by Brandon Huckabee, second by Mark McClinton, to approve Ordinance No. 2019-O-03.

MOTION CARRIED by unanimous vote.

VI. Tourism and Visitors Bureau Committee

Carla Trussell, Chair

1. **Committee Report**

Carla Trussell, Chair, gave the committee report.

2. **Consider Hotel Occupancy Tax Application for the SOX Baseball Tournament**

Keith Phillips, representative of SOX Baseball, stated that this is their 6th year for the tournament and that this would be the largest tournament they have hosted so far with 530 participants and family members in town on Saturday and Sunday.

MOTION by Carla Trussell, second by Sherry Zachery, to approve the Hotel Occupancy Tax Fund Application for the SOX Baseball Tournament in the amount of \$1,800.

MOTION CARRIED by unanimous vote.

3. **Consider Hotel Occupancy Tax Application for X-Treme Roping Cowboy Classic**

MOTION by Carla Trussell, second by Sherry Zachery, to approve the Hotel Occupancy Tax Fund Application for X-Treme Roping Cowboy Classic in the amount of \$2,000.

MOTION CARRIED by unanimous vote.

4. **Consider Hotel Occupancy Tax Application for X-Treme Roping Cinco de Mayo Classic**

MOTION by Carla Trussell, second by Rhett Harrison, to approve the Hotel Occupancy Tax Fund Application for X-Treme Roping Cinco de Mayo Classic in the amount of \$1,000.

MOTION CARRIED by unanimous vote.

VII. Planning and Development Services Committee

Brandon Huckabee, Chair

1. **Committee Report**

Brandon Huckabee, Chair, gave the committee report.

2. **Consider Request from Habitat for Humanity for Waiver of Landfill Fees for 754 W. Sloan**

MOTION by Brandon Huckabee, second by Mark McClinton, to approve the request from Habitat for Humanity for a waiver of landfill fees for 754 W. Sloan not to exceed \$1,500.

MOTION CARRIED. by the following votes:

Ayes: Mark McClinton, Brady Pendleton, Rhett Harrison, and Brandon Huckabee

Noes: Carla Trussell, Alan Nix, and Sherry Zachery

3. **Consider Request from Habitat for Humanity for Waiver of Permit Fees for 244 W. Walnut**

MOTION by Brandon Huckabee, second by Mark McClinton, to approve a request from Habitat for Humanity for a waiver of permit fees for the project at 244 W. Walnut.

MOTION CARRIED by unanimous vote.

VIII. Nominations Committee Report

Rhett Harrison, Chair

1. **Committee Report**

Rhett Harrison, Chair, gave the committee report.

2. **Consider Adoption of an Official Logo for the City of Stephenville**

MOTION by Rhett Harrison, second by Alan Nix, to adopt the official city logo.

MOTION CARRIED by unanimous vote.

3. **Consider Approval of the City of Stephenville's "Road to Success" Strategy Map**

MOTION by Rhett Harrison, second by Sherry Zachery, to approve the City of Stephenville "Road to Success" Strategy Map.

MOTION CARRIED by unanimous vote.

IX. Parks and Leisure Services Committee Report

Sherry Zachery, Chair

1. **Committee Report**

Sherry Zachery, Chair, gave the committee report. The committee met in executive session to discuss the acquisition of real property - no action was taken.

X. Personnel Committee

Sherry Zachery, Chair

1. **Committee Report**

Sherry Zachery, Chair, gave the committee report.

2. **Consider Approval of Amendments to the City of Stephenville Personnel Policies and Procedure Manual**

MOTION by Sherry Zachery, second by Brandon Huckabee, to approve the changes to the City of Stephenville Personnel Policies and Procedures Manual.

MOTION CARRIED by unanimous vote.

XI. Public Health and Safety Committee

Brady Pendleton, Chair

1. **Committee Report**

Brady Pendleton, Chair, gave the committee report.

2. **Consider Approval of Ordinance No. 2019-O-04 Amending the Parking Ordinance**

MOTION by Brady Pendleton, second by Alan Nix, to approve Ordinance No. 2019-O-04 amending the Parking Ordinance.

MOTION CARRIED by unanimous vote.

XII. Public Works Committee

Alan Nix, Chair

1. Committee Report

Alan Nix, Chair, gave the committee report.

2. Consider Approval of a Contract for Resident Project Representative Services for the Eastside Relief Interceptor Sewer Influent Lift Station

MOTION by Alan Nix, second by Mark McClinton, to approve a contract with Parkhill Smith and Cooper for Resident Project Representative Services for the Eastside Relief Interceptor Sewer Influent Lift Station.

MOTION CARRIED by unanimous vote.

3. Consider Approval of a Professional Services Agreement for 2020 TxDOT Pavement and Utility Coordination Project

MOTION by Alan Nix, second by Mark McClinton, to approve a Professional Services Agreement with Burns and McDonnell Engineering for the 2020 TxDOT Pavement and Utility Coordination Project.

MOTION CARRIED by unanimous vote.

XIII. MONTHLY BUDGET REPORT

Monica Harris, Director of Finance

Monthly Budget Report for the Period Ending January 31, 2019

Monica Harris, Director of Finance, gave the following report:

In reviewing the financial statements ending January 31, 2019, the financial indicators are as or better than expected.

- Property Tax - We received \$2.88 million in property taxes in the month of January, resulting in a \$292K or 5.4% increase over funds collected through January last year.
- Sales Tax - We received \$518K in sales tax in January, resulting in \$8K under the target budget for January. We received \$42K or 2.3% more than last year.
- HOT Funds -We received \$44K in Hotel Occupancy Tax revenue through January. Last year we received \$74K in Hotel Occupancy Tax revenue due to more early payments. We spent \$53K in Hotel Occupancy Tax funds through January as compared to \$22K last year due to wages and advertising.
- Revenue (Budgetary comparison) -The target budget for operating revenue is \$8.5 million. We received \$11.9 million in revenue through January, resulting in \$3.4 million over budget. This is a result of property taxes; which were due by January 1st and delinquent if not paid by January 31st.
- Expenditures (Budgetary comparison) - The target budget for operating expenditures is \$6.8 million. We expended \$6.3 million through January, resulting in \$499K under budget.
- Revenue (Prior year comparison) - Operating revenue received last year was \$11.3 million as compared to the current year's \$11.9 million, resulting in a \$519K increase due to property taxes, sales taxes, and investment interest.
- Expenditures (Prior year comparison) - Operating expenditures last year were \$6.1 million as compared to the current year's \$6.3 million, resulting in a \$152K increase. Additional expenditures included the Balanced Scorecard Training, the salary survey, the special

election, outside professional fees, maintenance, Child Safety grants, wages and advertising in the HOT Fund, and wages and economic development programs in the SEDA Fund.

- New Programs - A purchase order has been issued for the rescue jacks. The water, sewer, and storm management plans are still in progress, as are the Eastside Sewer and the Garfield Tank rehabilitation.

XIV. Stephenville Type B Economic Development Authority Update

Jeff Sandford, Executive Director, stated that SEDA has been utilizing Retail Coach to target specific locations in the city to gather data for future development. He stated that there are currently two LOIs (letters of interest) in Project CS, and in other developments. He expressed SEDA's support in the creation of Tax Increment Reinvestment Zones (TIRZ).

XV. CONSENT

1. City Council Minutes

- Regular City Council Meeting - 05 Feb 2019
- Special City Council Meeting - 12 Feb 2019
- City Council Work Session - 12 Feb 2019

2. Consider Approval of Order of Election (Amended)

3. Consider Acceptance of the Stephenville Fire Department's 2018 Racial Profiling Report

4. Consider Approval of Resolution No. 2019-R-08 Accepting the Garfield Ground Storage Tank Rehabilitation Project

5. Consider Approval of Resolution No. 2019-R-09 Accepting of the 10-Inch Water Meter Replacement Project

MOTION by Mark McClinton, second by Carla Trussell, to approve the consent agenda as presented.

MOTION CARRIED by unanimous vote.

XVI. Comments by City Administrator

- Council Committee Meetings - Tuesday, March 19 at 5:30 p.m.
- Last Day to Register to Vote - Thursday, April 4
- Early Voting Begins Monday, April 22

XVII. Comments by Council members

Mark McClinton wanted to remind everyone about the Zonta Penny Auction and Tastings on the Trail.

Carla Trussell wanted to remind everyone about the Heirloom Plant Fair at the museum and Rajun' Cajun.

Alan Nix said "Happy birthday, Texas" in honor of Texas Independence Day.

Brandon Huckabee wanted to remind everyone about the hamburger lunch for Backpack Buddies.

XVIII. EXECUTIVE SESSION

In compliance with the provisions of the Texas Open Meetings Law, Subchapter D, Government Code, Vernon's Texas Codes, Annotated, in accordance with

1. **Section 551.072 - Deliberations About Real Property**
2. **Section 551.087 - Deliberation Regarding Economic Development Negotiations**
 1. **Project CS**
3. **Section 551.074 - Personnel Matters**
 - Annual Evaluations**
 1. **City Manager**
 2. **City Secretary**
 3. **City Attorney**

XIX. Action taken on items discussed in executive session (if necessary)

No action was taken.

XX. Adjourn

The meeting was adjourned at 9:55 p.m.

Doug Svien, Mayor

ATTEST:

Staci L. King, City Secretary



City of Stephenville - Special City Council Meeting

Tuesday, March 19, 2019 at 5:30 PM

The City Council of the City of Stephenville, Texas, convened on Tuesday, March 19, 2019, at 5:30 PM, in the City Hall Training Room, 298 West Washington Street, for the purpose of a Special City Council Meeting, with the meeting being open to the public and notice of said meeting, giving the date, time, place and subject thereof, having been posted as prescribed by Chapter 551, Government Code, Vernon's Texas Codes Annotated, with the following members present, to wit:

COUNCIL PRESENT:

- Mayor Doug Svien
- Council Member Mark McClinton
- Council Member Carla Trussell
- Council Member Rhett Harrison
- Council Member Alan Nix
- Council Member Sherry Zachery
- Council Member Brandon Huckabee

COUNCIL ABSENT: Mayor Pro Tem Brady Pendleton

OTHERS ATTENDING:

- Allen L. Barnes, City Manager
- Staci L. King, City Secretary
- Randy Thomas, City Attorney

I. Call to Order

II. Consider Approval of Resolution No. 2019-R-10 Txdot Airport Improvements

MOTION by Mark McClinton, second by Brandon Huckabee, to approve Resolution No. 2019-R-10 authorizing TxDOT to act on the city's behalf in relation to the Airport Extension Project.

MOTION CARRIED by unanimous vote.

III. EMPLOYEE BENEFITS TRUST

1. Call to Order

The Employee Benefits Trust Meeting was called to order at 8:45 p.m.

2. Contribution to Employee HSA Account for Benefit Year 2019-2020

Monica Harris, Director of Finance, explained that in addition to the \$51,000 in premium savings that would be disbursed to employee HSA account (as approved on March 19, 2019), there was an additional \$59,000 that could be used to contribute to employee HSA accounts. The city opted to no longer be self-insured in 2004 and this money has been sitting in an account accruing interest since then. These funds must be used for employee benefits, therefore it is the recommendation of staff that this be added to HSA accounts as well, for a maximum city contribution of \$1,300 per employee that enrolls in the HSA plan. Any funds left over could be used in future years.

MOTION by Mark McClinton, second by Carla Trussell, to make a favorable recommendation for city contributing \$1,300 to employee HSA accounts for those that

enroll in the HSA health plan.
MOTION CARRIED by unanimous vote.

3. **Adjourn**

The Employee Benefits Trust meeting was adjourned and the council reconvened into the special meeting.

IV. Consider Approval of Contribution Amount To Employee HSA Accounts For Benefit Year 2019-2020

MOTION by Mark McClinton, second by Carla Trussell, to approve the city contributing \$1,300 to employee HSA accounts for those that enroll in the HSA health plan.

MOTION CARRIED by unanimous vote.

V. EXECUTIVE SESSION

In compliance with the provisions of the Texas Open Meetings Law, Subchapter D, Government Code, Vernon's Texas Codes, Annotated, in accordance with

1. **Section 551.072 - Deliberations About Real Property - Being a tract of land in the Mathew Roberts Survey**

The meeting was called into executive session at 8:55 p.m.

VI. Action taken on items discussed in executive session (if necessary)

The meeting reconvened into the special council meeting at 9:10 p.m.

MOTION by Mark McClinton, second by Alan Nix, to pursue a sale contract for a tract of land in the Mathew Roberts Survey.

MOTION CARRIED by unanimous vote.

VII. Adjourn

The meeting was adjourned at 9:10 p.m.

Doug Svien, Mayor

ATTEST:

Staci L. King, City Secretary



Public Utility Commission of Texas

1701 N. Congress Ave., PO Box 13326, Austin, TX 78711-3326

2019 CONSUMER PRICE INDEX (CPI) ADJUSTMENT TO MUNICIPAL TELECOMMUNICATIONS RIGHT-OF-WAY ACCESS LINE RATES

March 14, 2019

PURPOSE

This letter is to notify you that your city's 2019 maximum access line rates have increased by 1.1120% due to inflation, as measured by the CPI. This adjustment has been made pursuant to Chapter 283 of the Local Government Code (House Bill 1777).

DEFAULT RATES FOR 2019: NO CHANGE

Based on the choice made by your city in April 2018, your city's 2019 rate will either be adjusted for inflation, or will remain the same as your 2018 rate. According to our records, when similar CPI adjustments were made in April 2018, you opted NOT to adjust your rates for inflation, (i.e. you chose LESS than the maximum allowable CPI-adjusted rates). Therefore, your 2019 rates will REMAIN at your 2018 level and your rates will NOT increase. You have the option to refuse this default rate and request an increase in rate by taking the action explained below.

ACTION BY CITY: TO REQUEST AN INCREASE

(1) You do not have to respond if you desire to keep your 2019 rates at the 2018 levels. (2) Respond ONLY if you want an INCREASE from the 2018 rates. (3) To request an increase, notify the PUC using page 2 of this letter no later than April 30, 2019. (4) The PUC does not require City council authorization; however, if your city charter requires it, please do so immediately. (5) Verify your contact information and highlight any changes. (6) Make a copy of this document.

WHAT HAPPENS IF A CITY DOES NOT RESPOND BY APRIL 30, 2019?

If a city does not respond by April 30, 2019, the rates for your city will remain at the 2018 levels. The next opportunity to adjust your rates will be September 1, 2019.

WHAT HAPPENS NEXT?

The PUC will notify telephone companies of your desired rates and you will be compensated accordingly no later than July 1, 2019.

FUTURE REVISIONS TO CPI

The access line rates will be revised annually in March depending on whether the CPI changes for the previous year. If the CPI changes for the year 2018, you will receive a similar letter in 2020.

See over...

City of Stephenville

SECTION 1: Your new 2019 CPI adjusted maximum rates are as follows:

Residential: _____ \$0.71 *Non-Residential:* _____ \$1.54 *Point-to-Point:* _____ \$2.32

SECTION 2: Your default rates for 2019 are as follows and are the same as your 2018 rates.

Note: This is lower because you have chosen to do so previously.

Residential: _____ \$0.59 *Non-Residential:* _____ \$1.32 *Point-to-Point:* _____ \$2.01

To increase your default rates by any amount up to your 2019 maximum rates shown in SECTION 1, notify the PUC by completing the section below. You can mail or fax this page to the PUC. To accept rates in SECTION 2, no action is required.

I _____, Title _____, am an authorized representative for the City/Town/Village of _____. The City declines to accept the default rates indicated in SECTION 2 above. Instead, we choose the following rates:
 Residential _____; Non-Residential _____; Point-to-Point _____.

Date: _____ Signature: _____

Other Comments:

HOW TO RESPOND

Mail: Stephen Mendoza
 Public Utility Commission
 P.O. Box 13326
 Austin, TX 78711-3326

INQUIRIES

Inquiries only. NOT for sending your response.
 HB1777@puc.texas.gov
 Phone No: 512-936-7394

Or FAX to Stephen Mendoza at: 512-936-7428

CITY CONTACT INFORMATION

Please notify us if the contact information we have on file for your city has changed. Thank you.

Phone No. 1: _____ (254) 918-1225
 Phone No. 2: _____ (254) 918-1220
 Fax No: _____ (254) 918-1207
 Email: _____ abarnes@stephenvilletx.gov

Address

ALLEN L BARNES CITY ADMINISTRATOR
 or current city official responsible for right-of-way issues
 CITY OF STEPHENVILLE
 298 W WASHINGTON
 STEPHENVILLE TX 76401

ORDINANCE NO. 2019-O-__

AN ORDINANCE OF THE CITY OF STEPHENVILLE, TEXAS, AMENDING ARTICLE III "INTERNATIONAL FIRE CODE" OF THE CODE OF ORDINANCES OF THE CITY OF STEPHENVILLE, TEXAS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS:

The Code of Ordinance of the City of Stephenville Article III "International Fire Code" is hereby amended as follows:

Section 91.20 *Adoption of the International Fire Code* and Section 91.21 *Amendments to the International Fire Code* are hereby repealed and removed in their entirety.

This ordinance shall become effective immediately upon its passing.

PASSED and APPROVED this the 7th day of August, 2018.

Doug Svien, Mayor

ATTEST:

Staci L. King, City Secretary

Reviewed by Allen L. Barnes,
City Manager

Approved as to form and legality by
Randy Thomas, City Attorney



Regular City Council Meeting

STAFF REPORT

SUBJECT: Steering Committee of Cities Served by Oncor
MEETING: Regular City Council Meeting - 02 Apr 2019
DEPARTMENT: Administration
STAFF CONTACT: Allen L. Barnes

RECOMMENDATION:

The City of Stephenville is a member of a 162-member city coalition known as the Steering Committee of Cities Served by Oncor. The resolution approves the assessment of an eight cent (\$0.08) per capita fee to fund the activities of the Steering Committee.

BACKGROUND:

The Steering Committee undertakes activities on behalf of municipalities for which it needs funding support from its members. Municipalities have original jurisdiction over the electric distribution rates and services within the city. The Steering Committee has been in existence since the late 1980s; it took on a formal structure in the early 1990s. Empowered by city resolutions and funded by per capita assessments, the Steering Committee has been the primary public interest advocate before the Public Utility Commission, ERCOT, the courts, and the Legislature on electric utility regulation matters for over two decades.

The Steering Committee is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Oncor Electric Delivery Company, LLC within the City. Steering Committee representation is also strong at ERCOT. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that the Steering Committee be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

Explanation of "Be It Resolved" Paragraphs

- I. The City is currently a member of the Steering Committee; this paragraph authorizes the continuation of the City's membership.
- II. This paragraph authorizes payment of the City's assessment to the Steering Committee in the amount of eight cents (\$0.08) per capita, based on the population figure for the City as shown in the latest TML Directory of City Officials.
- III. This paragraph requires notification to the Chair of the Steering Committee, Paige Mims, that the City has adopted the Resolution.

FISCAL IMPACT SUMMARY:

2019 Membership Assessment - \$1,663.76

ATTACHMENTS:

[Memo to Steering Committee Re: 2019 OCSC Membership Assessment Invoice](#)
[Member Cities List](#)
[OCSC 2018 Year in Review](#)
[2019-R-XX Oncor Steering Committee](#)

MEMORANDUM

TO: Steering Committee of Cities Served by Oncor
 FROM: Paige Mims, Chair
 DATE: February, 2019
 RE: **Action Needed – 2019 Membership Assessment Invoice**

Enclosed please find the 2019 Steering Committee of Cities Served by Oncor (“Steering Committee”) membership assessment invoice and draft resolution. These items are discussed below. We ask that your city please take action on the membership assessment as soon as possible.

Although the Steering Committee does not require that your city take action by resolution to approve the assessment, some members have requested a resolution authorizing payment of the 2019 membership assessment. Payment of the membership assessment fee shall be deemed to be in agreement with the terms of the Steering Committee participation agreement.

Please forward the membership assessment fee and, if applicable, the signed resolution to Brandi Stigler, Steering Committee of Cities Served by Oncor, c/o City Attorney’s Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010. Checks should be made payable to: *Steering Committee of Cities Served by Oncor*. If you have any questions, please feel free to contact me at (972/941-7125) or Thomas Brocato (tbrocato@lglawfirm.com, 512/322-5857).

Membership Assessment Invoice and Resolution

The Steering Committee is the most active consumer group advocating the interests of cities and residential and small commercial customers within the cities to keep electric transmission and distribution (*i.e.*, wires) rates reasonable. Steering Committee activities protect the authority of municipalities over the regulated wires service and rates charged by Oncor Electric Delivery Company, LLC (“Oncor”).

The work undertaken by the Steering Committee has saved cities and ratepayers millions of dollars in unreasonable charges. In order to continue to be an effective voice before the Public Utility Commission of Texas (“Commission” or “PUC”), ERCOT, the Legislature, and in the courts, the Steering Committee must have your support. The membership assessment is deposited in an account which funds Steering Committee activities.

Currently, the Steering Committee is engaged on behalf of cities in the 86th Legislative Session. The Steering Committee is also involved in numerous rulemakings and projects at the PUC. The Steering Committee expects to participate in Oncor’s Distribution Cost Recovery Factor (“DCRF”) and Energy Efficiency Cost Recovery Factor (“EECRF”) proceedings later this year.

On December 6, 2018, the Steering Committee approved the 2019 assessment for Steering Committee membership. Based upon the population-based assessment protocol previously adopted by the Steering Committee, the assessment for 2019 is a per capita fee of \$0.08 based upon the population figures for each city shown in the latest TML Directory of City Officials. This is a decrease of \$0.03 compared to 2018. The enclosed invoice represents your city’s assessment amount.



OCSC Membership in Texas (162 Members)

Addison	Fate	North Richland Hills
Allen	Flower Mound	Northlake
Alvarado	Forest Hill	Oak Leaf
Andrews	Forney	Oak Point
Anna	Fort Worth	Odessa
Archer City	Frisco	O'Donnell
Argyle	Frost	Ovilla
Arlington	Gainesville	Palestine
Azle	Garland	Pantego
Bedford	Glenn Heights	Paris
Bellmead	Grand Prairie	Plano
Belton	Granger	Pottsboro
Benbrook	Grapevine	Prosper
Beverly Hills	Haltom City	Ranger
Big Spring	Harker Heights	Red Oak
Breckenridge	Haslet	Rhome
Bridgeport	Heath	Richardson
Brownwood	Henrietta	Richland
Buffalo	Hewitt	Richland Hills
Burkburnett	Highland Park	River Oaks
Burleson	Honey Grove	Roanoke
Caddo Mills	Howe	Robinson
Cameron	Hudson Oaks	Rockwall
Canton	Hurst	Rosser
Carrollton	Hutto	Rowlett
Cedar Hill	Iowa Park	Sachse
Celina	Irving	Saginaw
Centerville	Jolly	Sansom Park
Cleburne	Josephine	Seagoville
Coahoma	Justin	Sherman
Colleyville	Kaufman	Snyder
Collinsville	Keene	Southlake
Colorado City	Keller	Springtown
Comanche	Kennedale	Stephenville
Commerce	Kerens	Sulphur Springs
Coppell	Killeen	Sunnyvale
Copperas Cove	Krum	Sweetwater
Corinth	Lake Worth	Temple
Cross Roads	Lakeside	Terrell
Crowley	Lamesa	The Colony
Dallas	Lancaster	Trophy Club
Dalworthington Gardens	Lewisville	Tyler
DeLeon	Lindale	University Park
De Soto	Little Elm	Venus
Denison	Little River Academy	Waco
Duncanville	Malakoff	Watauga
Early	Mansfield	Waxahachie
Eastland	McKinney	Westover Hills
Edgecliff Village	Mesquite	Westworth Village
Ennis	Midland	White Settlement
Eules	Midlothian	Wichita Falls
Everman	Murchison	Willow Park
Fairview	Murphy	Woodway
Farmers Branch	New Chapel Hill	Wylie

Steering Committee of Cities Served by Oncor

2018 Year in Review



OCSC Has Another Productive Year in 2018

This past year was another active year for the Steering Committee of Cities Served by Oncor (OCSC). On behalf of its member cities and their residents, OCSC participated in numerous proceedings before the Public Utility Commission (PUC). This Year in Review highlights the significant events of 2018 that impacted OCSC and what is on the horizon for this year. Looking ahead, 2019 will likely be another busy year for OCSC at the PUC, the Electric Reliability Council of Texas (ERCOT), the Legislature, and the courts.

Oncor to Acquire InfraREIT and Sharyland Utilities

On November 30, 2018, Oncor Electric Energy Delivery Company LLC (Oncor), Sharyland Distribution & Transmission Services, L.L.C. (SDTS), Sharyland Utilities, L.P. (Sharyland) and Sempra Energy (Sempra) filed a Joint Report and Application for Regulatory Approvals at the Public Utility Commission (Commission).

The application seeks approval for several transactions: (1) the exchange of transmission assets between SDTS and Sharyland and the respective CCN amendments required; (2) the acquisition of InfraREIT, Inc. (InfraREIT) by Oncor; and (3) the acquisition of a 50% indirect interest in Sharyland by Oncor and Sempra.

On October 18, Sempra announced this deal will result in Oncor acquiring, and co-investing by the parties in, Sharyland. InfraREIT owns and leases rate-regulated electric transmission assets in Texas. Sharyland is an electric transmission utility. Sempra Energy owns an approximate 80-percent ownership stake in Oncor.

As you may recall, last July Oncor and Sharyland agreed to swap assets in a transaction valued at approximately \$400 million. Sharyland received approximately 258 miles of 345 kV transmission lines from Oncor, and Oncor received all of Sharyland's distribution network and its approximately 54,000 retail delivery customers.

Under the agreement, Oncor will acquire 100% of the equity interests of InfraREIT, including all the limited-partnership units in its subsidiary InfraREIT Partners, LP, for approximately \$1.275 billion.

Concurrently, Sempra Energy will acquire a 50-percent limited-partnership interest in a holding

company that will own Sharyland for approximately \$98 million. The other 50% of the holding company will be owned by entities controlled by Hunter L. Hunt (founder and Chairman of Sharyland) and other members of the family of Ray L. Hunt.

Upon closing, Oncor will own and operate all of Sharyland's existing electric transmission assets located in Central Texas, West Texas, and the Texas Panhandle and South Plains. Sharyland will continue as an independent privately-held transmission utility, owned by the new holding company, and will own the transmission assets that it developed in South Texas.

The application enumerates the benefits of the proposed transaction, including elimination of the Sharyland/SDTS REIT structure, consolidation of geographically compatible transmission systems, and Sempra's financial investment in the South Texas region.

The transactions will ultimately require the approval of the Public Utility Commission of Texas, as well as a vote of approval from the majority of InfraREIT shareholders, among other approvals. Currently, the hearing on the merits is scheduled for April 10-12, 2019.



The PUC Still Contemplating Decision on Market Changes after Summer 2018 ERCOT Review Project

As the summer peak season ended, the PUC opened Project No. 48551, seeking comments from interested parties on a number of questions related to the performance of the ERCOT wholesale market and whether any changes need to be made to account for the current state of the market.

Leading up to summer, observers expressed concern that ERCOT could experience rolling blackouts due to high temperatures and plant retirements. Thankfully, no such grid emergency developed, and the system appeared to have handled record electricity usage and persistent high temperatures. However, because summer 2018 experienced so few days of constraint, generators did not benefit from as many instances of peak pricing as expected.

In their comments and at the PUC workshop, power generators such as Calpine Corp., NRG Energy, and Exelon Corp. asked the PUC to change the way ERCOT determines wholesale prices by shifting the Loss of Load Probability (LOLP) factor in the Operating Demand Reserve Curve (ORDC). Exelon estimates that this shift in the ORDC would raise electricity prices \$4 billion for

Texas consumers. Generators insist that this change is needed to guarantee higher revenues, which would provide the much needed incentive necessary to invest in new power plants, and accordingly, provide more reliability to consumers. Others, including Texas Industrial Energy Consumers (TIEC) and the independent market monitor, Potomac Economics, believe that the ORDC is working within the intended parameters and that an LOLP shift may not be absolutely necessary.

Ultimately, it is a policy decision for the PUC to determine whether changing the wholesale price structure is necessary to incentivize future generation growth and ensure grid reliability. ERCOT's recent forecast of tightening reserve margins over the next five years will certainly be a factor in the PUC's decision.

While the Project was listed on the December 7 and 20 open meeting agendas, and stakeholders were prepared for a contentious discussion, the PUC opted not to discuss the matter. There is no current estimate for when the Project will come up again for consideration, but we can likely expect a decision early in the new year.

Commission Holds Workshop in Substation Rulemaking

On April 10, the Public Utility Commission (PUC) opened Project No. 48251, Rulemaking Regarding the Review and Approval of Substations. The Commission issued a request for comments from parties regarding whether high-voltage switching substations should remain exempt from the requirement to obtain a certificate of convenience and necessity (CCN). Comments were filed on October 30, and on November 7, the PUC held a workshop for stakeholders to discuss their views and comments.

A number of utilities opposed the removal of the existing exemption for substations for the need to obtain a CCN. The Oncor Cities Steering Committee filed comments and advocated for the creation of some process by which cities can express their concerns over the effects of a proposed substation, preferably through the Commission's existing CCN process. The utilities and other industrial level consumers raised concerns over slowing down the process by which substation infrastructure could be completed, and thus affecting economic growth.

The Commissioners expressed a desire to have some sort of review over these types of projects, so we anticipate some form of change will occur, but it remains to be seen as to whether it will be the creation of an Electric Reliability Council of Texas (ERCOT) review process, PUC review process, or a combination of the two. PUC Staff has been directed to summarize the comments received and file those with the Commission. We anticipate seeing the summary within the first few months of 2019, after which the Commission will provide Staff with further direction on whether to draft proposed rule changes.



PUC Project No. 48540 - Review of Real-Time Co-optimization in the ERCOT Market

The Public Utility Commission (PUC) opened up several projects this summer. At the August 9 open meeting, the PUC issued questions for stakeholders to address issues related to the June 29 Electric Reliability Council of Texas (ERCOT) report of its studies of the benefits of real time co-optimization of energy and ancillary services and the benefits of including marginal losses in security-constrained economic dispatch.

Parties filed comments in Project 48540 - Review of Real-Time Co-optimization in the ERCOT Market. According to Potomac Economics (the firm that provides Independent Market Monitoring services for the ERCOT system), real-time co-optimization would result in significant savings to customers for costs associated with congestion on the transmission system, ancillary services, and the cost of energy itself. Potomac's results indicated that the market would see a \$257 million reduction in system congestion costs, a \$155 million reduction in the cost of ancillary services, and a \$1.6 billion savings in energy costs, equating to approximately \$4/Mwh. ERCOT also issued a review of the benefits of real-time co-optimization in June.

Several parties supported the transition to real-time co-optimization, citing benefits such as lower production costs and other market improvements. Other parties expressed support but raised some concerns with the transition itself on the market. Very few parties opposed the transition.

This project was not discussed at the December 7 or 20 open meetings, but will likely be discussed on the January 17 open meeting along with other, related projects.

AEP Texas Hurricane Harvey Proceeding Settles

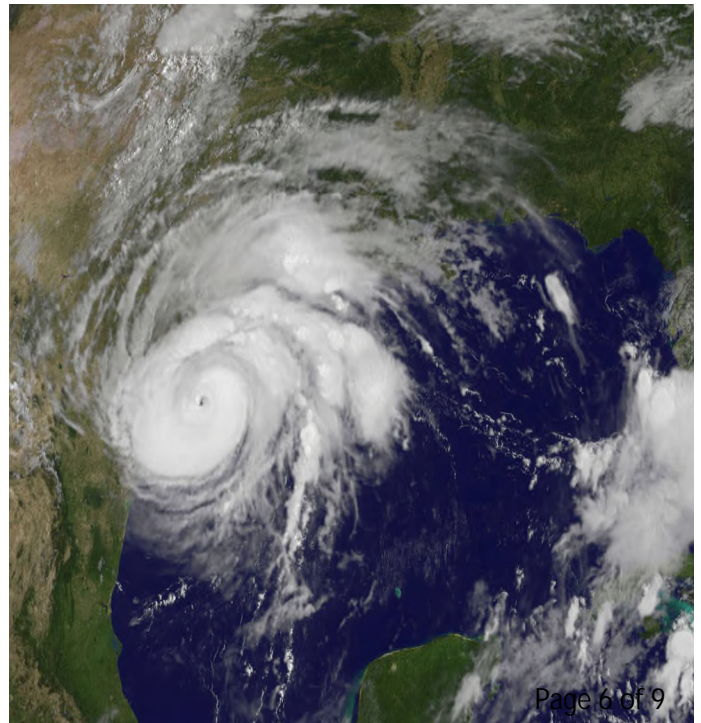
On August 7, 2018, AEP Texas filed an Application at the Commission seeking approval of approximately \$415 million in costs associated with Hurricane Harvey. These costs are spread out by distribution and transmission functions. The cities of Corpus Christi, Penitas and Sullivan City, the Gulf Coast Coalition of Cities (GCCC), the Lower Rio Grande Valley Development Council (LRGVDC), and Oncor Cities Steering Committee (collectively Cities) intervened in the proceeding. Cities retained a consultant and examined the application to ensure that AEP Texas' expenditures are reasonable and prudent, and comport with PURA.

Cities filed testimony recommending an adjustment of \$24.2 million to reflect double counting of distribution operations and maintenance costs, and \$3.7 million for incorrectly included transmission-related costs. Commission Staff filed testimony recommending an additional disallowance of AEP Texas' litigation costs of \$571,200. Parties reached a settlement that resolved all issues in the case.

As a result of the settlement, AEP Texas will reduce its requested distribution-related costs by \$5 million, remove \$3.7 million of transmission-related costs, and reduce the transmission cost recovery by \$5 million to account for insurance proceeds, subject to a true-up once the final insurance proceeds are received.

Additionally, AEP Texas has agreed to pay Cities' litigation costs. These will be paid directly to the city groups involved in the case.

AEP Texas filed settlement documents in Docket No. 48577 on November 30, 2018. A final decision is expected in January.



PUC Project No. 48023 - Rulemaking to Address the Use of Non-Traditional Technologies in Electric Delivery Service

Last fall, the PUC received initial and reply comments in Project No. 48023 – Rulemaking to Address the Use of Non-Traditional Technologies in Electric Delivery Service. Many parties filed comments addressing the uncertainty of the law surrounding a transmission and distribution utility (TDU) owning and implementing an energy-storage device; yet, others argued that the law clearly prohibits a TDU from owning such a device. The Oncor Cities Steering Committee (Cities) filed comments in the Project, arguing that the statute and Commission rules are unclear as to whether TDUs can legally own an energy-storage device.

The PUC has not yet determined whether a TDU-owned energy-storage device falls within the Public Utility Regulatory Act’s (PURA) definition of “generation asset,” or whether TDU ownership and use violates the prohibition against a TDU providing competitive services. However, the PUC Chairman did informally mention at the December 20 open meeting that she believes the statute is unclear.

Utility-owned energy-storage devices have the potential to provide reliability and cost-saving benefits over traditional transmission and distribution approaches, but stakeholders must first be given clarity on the PUC’s application of the relevant PURA provisions. On the basis that the PUC determines PURA and PUC rules currently provide for a legal basis for utilities to own and operate energy-storage devices, many parties, including Cities in its comments and reply comments,

argue that a CCN or similar pre-approval process should be required, providing further oversight of such projects.

The Commissioners also discussed whether the PURA definition of “generation asset” regarding batteries requires municipalities or co-ops (either is considered a “Non-Opt-In Entity” or “NOIE”) to register as a power generator. While the Scope of Competition Report explains how the PURA definition of “generation asset” may require NOIEs to register as a power generator, Commissioner D’Andrea, at the December 20 open meeting, made a lengthy, convincing argument for why Chapters 40 and 41 of the Texas Utilities Code make clear that NOIEs can own batteries without having to register. While this discussion does not have any binding effect, the unanimous agreement amongst the Commissioners regarding Commissioner D’Andrea’s argument is a strong indication of how the Commission will view any potential conflicts or issues regarding NOIE ownership of batteries.

At the December 20 open meeting, the Chairman indicated that the Commission would make a decision regarding Project No. 48023 at the January 17, 2019 open meeting.



2019 OCSC Meetings

- March 7
- May 9
- August 15
- December 12

2019 Officers

- Paige Mims—Chair
- Don Knight—Vice Chair
- Adrienne Lothery—Secretary

Questions?

For questions about any OCSC matter or communication, please feel free to contact:

Geoffrey Gay
(512) 322-5875
ggay@lglawfirm.com

Thomas Brocato
(512) 322-5857
tbrocato@lglawfirm.com



Lloyd Gosselink Rochelle and Townsend, P.C.
816 Congress Avenue Suite 1900
Austin, Texas 78701

RESOLUTION NO. 2019-R-__**A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AND AUTHORIZING THE PAYMENT OF EIGHT CENTS PER CAPITA TO THE STEERING COMMITTEE TO FUND REGULATORY AND LEGAL PROCEEDINGS AND ACTIVITIES RELATED TO ONCOR ELECTRIC DELIVERY COMPANY, LLC.**

WHEREAS, the City of Stephenville is a regulatory authority under the Public Utility Regulatory Act (PURA) and has exclusive original jurisdiction over the rates and services of Oncor Electric Delivery Company, LLC (Oncor) within the municipal boundaries of the city; and

WHEREAS, the Steering Committee has historically intervened in Oncor rate proceedings and electric utility related rulemakings to protect the interests of municipalities and electric customers residing within municipal boundaries; and

WHEREAS, the Steering Committee is participating in Public Utility Commission dockets and projects, as well as court proceedings, and legislative activity, affecting transmission and distribution utility rates; and

WHEREAS, the City is a member of the Steering Committee of Cities Served by Oncor; and

WHEREAS, the Steering Committee functions under the direction of an Executive Committee which sets an annual budget and directs interventions before state and federal agencies, courts and legislatures, subject to the right of any member to request and cause its party status to be withdrawn from such activities; and

WHEREAS, the Executive Committee in its December 2018 meeting set a budget for 2019 that compels an assessment of eight cents (\$0.08) per capita; and

WHEREAS, in order for the Steering Committee to continue its participation in these activities which affects the provision of electric utility service and the rates to be charged, it must assess its members for such costs.

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

- I. That the City is authorized to continue its membership with the Steering Committee of Cities Served by Oncor to protect the interests of the City of Stephenville, Texas and protect the interests of the customers of Oncor Electric Delivery Company, LLC residing and conducting business within the City limits.
- II. The City is further authorized to pay its assessment to the Steering Committee of eight cents (\$0.08) per capita based on the population figures for the City shown in the latest TML Directory of City Officials.
- III. A copy of this Resolution and the assessment payment check made payable to "*Steering Committee of Cities Served by Oncor*" shall be sent to Brandi Stigler, Steering Committee of Cities Served by Oncor, c/o City Attorney's Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010.

PASSED AND APPROVED this the 2nd day of April, 2019.

Doug Svien, Mayor

ATTEST:

Staci L. King, City Secretary

Allen Barnes, City Administrator
Reviewed

Randy Thomas, City Attorney
Approved as to form and legality