



## City of Abilene City Council Agenda

Weldon Hurt, Mayor Pro-tem  
Shane Price, Council Member  
Jack Rentz, Council Member  
Robert Hanna, City Manager

Anthony Williams, Mayor

Donna Albus, Council Member  
Kyle McAlister, Council Member  
Travis Craver, Council Member  
Stanley Smith, City Attorney  
Shawna Atkinson, City Secretary

**Notice is hereby given of a meeting of the City Council of City of Abilene to be held on March 12, 2020, at 8:30 a.m., at City Hall, 555 Walnut Street, Council Chambers, Abilene, Texas, for the purpose of considering the following agenda items. All agenda items are subject to action. The City Council reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.**

### **CALL TO ORDER**

### **INVOCATION**

1. Councilmember Kyle McAlister

### **PLEDGE TO THE UNITED STATES FLAG AND THE TEXAS FLAG**

### **PRESENTATIONS, RECOGNITIONS, PROCLAMATIONS AND ANNOUNCEMENTS**

2. **Presentations:**

- Texas Law Enforcement Best Practices Recognition Program - presented by Chief Freida of the Sweetwater Police Department
- 2020 Census Presentation by Jay Hardaway

3. **Service Awards:**

- Suzanne Shahan - Solid Waste & Recycling - 20 Years
- Danny Blankenship - Police Department - 35 Years
- Willie Ford - Police Department - 35 Years

## CONSENT AGENDA

All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember or Citizen so requests, in which event the item will be removed from the Consent Agenda and considered separately.

4. **Minutes:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving the Minutes from the Regular Meeting Held on February 27, 2020 **(Shawna Atkinson)**
5. **Resolution:** Receive a Report, Hold a Discussion and Take Action to Approve the Purchase of Two (2) Brush-Wildland Fire Fighting Vehicles **(Cande Flores)**
6. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on the purchase of a Leica RTC360 Laser and Scanner Kit for use in criminal investigations **(Stan Standridge)**
7. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approval of the Investment Policy **(Mike Rains)**
8. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Accepting the FY 2019 Comprehensive Annual Financial Report (CAFR) **(Mike Rains)**
9. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approval of Expenditure of Funds in Excess of the General Fund Three Month Operating Reserve **(Mike Rains)**
10. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Awarding Bid No. CB-2037 to Nobles Road Construction for T&P Lane Reconstruction Project **(Greg McCaffery)**
11. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Awarding Bid No. CB-2036 to Intermountain Slurry Seal, Inc. for Modified-Slurry-Seal in Work Zones S6 & S24 **(Greg McCaffery)**
12. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Awarding Bid No. CB-2035 to Bontke Brothers Construction for S. Willis St. Rehabilitation Project **(Greg McCaffery)**
13. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Awarding Bid No. CB-2040 to Bontke Brothers Construction for Butternut Street Reconstruction Project **(Greg McCaffery)**
14. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action to Approve an Extended Term Street Use License with Motis Investments, LLC **(Greg McCaffery)**

## REGULAR AGENDA - ORDINANCES AND PUBLIC HEARINGS - RESOLUTIONS

15. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a Resolution Establishing the City of Abilene Property Assessed Clean Energy (PACE) Program **(Cheryl Sawyers)**
16. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action to execute a Professional Services Contract with the Texas Property Assessed Clean Energy Authority to administer the Texas Property Assessed Clean Energy Act (PACE Act), and serve as the Authorized Representative for the program **(Cheryl Sawyers)**



17. **Ordinance (Final Reading):** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Authorizing the Issuance of City of Abilene, Texas General Obligation Refunding Bonds, Taxable Series 2020; Establishing Procedures and Delegating Authority for the Sale and Delivery of the Bonds; Providing An Effective Date; and Enacting Other Provisions Relating to the Subject **(Mike Rains)**
18. **Ordinance (Final Reading) Z-2020-04:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a Request from Bryan Pope to Rezone Property from Heavy Commercial (HC) to Heavy Industrial (HI) District Located at 1401 Cherry Street on Southeast Corner of Dimmitt and Cherry Streets **(Mike Warrix)**
19. **Ordinance (Final Reading) Z-2020-05:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a Request from KPLB LLC, Agent Jacob & Martin Engineering, to Rezone Property from Residential Medium-Density (MD) to Residential Single-Family Patio Home (PH) District Located at 1826 Colony Hill Road Approximately 500 to 800 Feet East from its Intersection with Maple Street **(Mike Warrix)**
20. **Ordinance (Final Reading) TC-2020-02:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a request from Homer Hillis, agent Riley Griffith of Enprotec/Hibbs & Todd, to abandon an unimproved west margin (0.0469 acre) of right-of-way available for Lytle Acres Drive and adjacent to vacant building site at 1208 Lytle Acres Drive occupying Block D of Lytle Lake Gardens **(Mike Warrix)**
21. **Ordinance (Final Reading) OAM-2019-03:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on proposed amendments to Land Development Code for the City of Abilene, removing the entire text of existing Section 2.4.4.2 in Chapter 2 (Zoning Regulations) and which specifically concerns carports and patio covers, replacing the existing text with a new Section 2.4.4.2 regulating the size, height, placement and architectural character of certain carports and patio covers; adopting new definitions of both “carport” and “patio cover” as those terms appear in Section 5.1.1.4 (34), Chapter 5 (Definitions); and deleting Paragraph 12 of Section 1.4.4.1(d), Chapter 1 (General Provisions) regarding allowing Special Exceptions for carports. **(Brad Stone)**

## **PUBLIC COMMENTS**

There will be no votes or any formal actions taken on subjects presented during public comment. The public comment period will only allow members of the public to present ideas and information to city officials and staff.

## **EXECUTIVE SESSION**

22. **The City Council of the City of Abilene reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed below, as authorized by the noted Texas Government Code Sections:**

**A. 551.071 (Consultation with Attorney)**

1. City of Abilene, Texas v. Aurora Bumgarner; 104th Judicial District Court, Taylor County, Texas; filed November 17, 2011
2. Chad Carter v. City of Abilene, Texas; Cause No. 10138-D, In the 350th Judicial District Court, Taylor County, Texas, filed June 17, 2014
3. Susan Lewis King & Austin King MD vs Ken Paxton, Attorney General of Texas and the City of Abilene, Cause No. D-1-GN-16-001160, Travis County, Texas, filed March 16, 2016
4. Ruby Flores and Cory Almanza v. Jesus Verastegui, Alfredo Verastegui, Rosalva Verastegui, and City of Abilene, Cause No. 49368-A, 42nd District Court, Abilene, Taylor County, Texas, filed April 13, 2016
5. Robert Steven Reitz v. City of Abilene, Texas, et al., Case No. 1:16-cv-00181-BL; In the U.S. District Court, Northern District of Texas, Abilene Division, filed October 10, 2016
6. Officer Patrick Sumrall and City of Abilene, Case No. 01-18-000-8653; Appeal of Indefinite Suspension to Arbitration, filed February 6, 2018
7. Tracy Kennedy and Richard Kennedy v. Katie Snell, Richard Perez, Thomas Bryant, John Doe 1, and John Doe 2; Case No. 1:18-cv-162, In the United States District Court, Northern District of Texas, Abilene Division, filed October 16, 2018
8. Alfredo Valencia v. Corey Davis and City of Abilene; Case No. 1:19-cv-00017-C; In the United States District Court, Northern District of Texas, Abilene Division, filed February 4, 2019.
9. City of Abilene v. Patrick Sumrall; Cause No. 27,733-B, In the 104th Judicial District Court, Taylor County, Texas, filed May 28, 2019
10. Ovation Services, LLC v. Blanca Cortez, et al.; Case No. 11875-D; In the 350th Judicial District Court, Taylor County, Texas; filed July 15, 2019
11. City of Abilene v. 3118 South 22nd Street, Abilene, Texas, et al.; Cause No. 11968-D, In the 350th Judicial District Court, Taylor County, Texas; filed October 11, 2019
12. The State of Texas v. The Unknown Heirs of B.E. Caffey, Senior, et al., Cause No. 6939, Condemnation Proceeding filed in the County Court at Law No. 2, Taylor County, Texas, filed August 20, 2019
13. City of Abilene, Texas and Garfield Public/Private LLC v. Ken Paxton, Attorney General of Texas; Cause No. D-1-GN-20-000900, In the 261st Judicial District Court, Travis County, Texas, filed February 13, 2020
14. Sanctuary City for the Unborn

**B. 551.072 (Deliberations about Real Property)**

1. Clyde Water

**C. 551.073 (Deliberations about Gifts and Donations)**

**D. 551.074 (Personnel Matters)**

1. City Council may consider appointment, employment, compensation, reassignment, duties, discipline, or dismissal of public officers or employees, City Manager, City Attorney, Municipal Court Judge, City Secretary, and City Board and Commission Members
2. City of Abilene Boards & Commissions May be Discussed, as needed for (re)appointment

**E. 551.076 (Deliberations about Security Devices)**

**F. 551.087 (Business Prospect/Economic Development)**

1. Abilene Convention Center Hotel Project
2. Economic Development Incentives for a Proposed Residential Subdivision West of Buffalo Gap and North of FM 707

**RECONVENE**

**REGULAR AGENDA**

23. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving the Development Corporation of Abilene, Inc.'s Incentive Package Agreement with Project Gateway **(Misty Mayo)**
24. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving the Development Corporation of Abilene, Inc.'s Incentive Package Agreement with Project Threshold **(Misty Mayo)**
25. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Possible Action on Approving a Settlement Agreement in Cause No. 10138-D, Chad Carter v. City of Abilene, Taylor County, Texas **(Stanley Smith)**
26. **Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Appointing Members to Various Boards and Commissions per the City Charter **(Shawna Atkinson)**
  - Airport Development Board
  - Citizens Advisory Board for People with Disabilities
  - Development Corporation of Abilene

**ADJOURNMENT**

*In compliance with the Americans with Disabilities Act, the City of Abilene will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please call 325-676-6208.*

**CERTIFICATION**

*I hereby certify the above meeting notice was posted on the bulletin board at the City Hall of the City of Abilene, Texas, on the 5th day of March, 2020 at 4:00 p.m.*

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*Shawna Atkinson, City Secretary*



**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:**

**FROM:** Shawna Atkinson, City Secretary

**SUBJECT:** 4. Minutes: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving the Minutes from the Regular Meeting Held on February 27, 2020 (*Shawna Atkinson*)

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**GENERAL INFORMATION**

Approval of the Minutes from the February 27, 2020 City Council Meeting

**SPECIAL CONSIDERATIONS**

None.

**FUNDING/FISCAL IMPACT**

None

**STAFF RECOMMENDATION**

Approval of the Minutes

**BOARD OR COMMISSION RECOMMENDATION**

N/A

**ATTACHMENTS:**

1. 02-27-2020 Minutes - Regular - Evening



**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Robert Hanna, City Manager

**FROM:** Cande Flores, Fire Chief

**SUBJECT:** **5. Resolution: Receive a Report, Hold a Discussion and Take Action to Approve the Purchase of Two (2) Brush-Wildland Fire Fighting Vehicles (Cande Flores)**

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**GENERAL INFORMATION**

Wildland and grass fires are a common occurrence in the City of Abilene and the surrounding communities. In order to become best prepared for these events, the Abilene Fire Department will house a brush truck at each of the City's eight (8) fire stations.

Currently, there are six (6) brush trucks within the Abilene Fire Department's apparatus fleet. The purchase of two (2) additional brush trucks, from Steele Fire Apparatus, would complete the plan to house a brush truck at every fire station.

In 2019, the Abilene Fire Department experienced two large grass fire events, within the city limits of Abilene, which quickly overwhelmed our current resources. Mutual aid was requested during both of these events.

**SPECIAL CONSIDERATIONS**

This contract is for the purchase of two (2) custom manufactured brush-wildland fire fighting vehicles. Steele Fire Apparatus, LLC, is a solely owned company, located in Haskell, Texas, which specializes in Brush-Wildland Fire Fighting Vehicles.

This purchase is necessary to protect the public health or safety of City residents, and is not required to be competitively bid pursuant to Local Government Code Section 252.022(a)(2).

### **FUNDING/FISCAL IMPACT**

Each brush-wildland fire fighting vehicle will cost \$185,000.00, for a total contract price of \$370,000.00 for two (2) vehicles.

Funding will come from the Abilene Fire Department Apparatus Replacement Fund.

### **STAFF RECOMMENDATION**

Staff recommends approval of the Resolution to authorize to execute this contract.

### **BOARD OR COMMISSION RECOMMENDATION**

### **ATTACHMENTS:**

1. Resolution-Brush Trucks Purchase
2. Contract Abilene
3. SFA Type 6 -AFD Specs
4. Steele Apparatus Purchase Presentation

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH STEELE FIRE APPARATUS, FOR THE PURCHASE OF TWO (2) BRUSH-WILDLAND FIRE FIGHTING VEHICLES (BRUSH TRUCKS).**

**WHEREAS**, wildland and grass fires are a common occurrence in the City of Abilene and the surrounding communities. In order to become best prepared for these events, the Abilene Fire Department will house a brush truck at each of the City's eight (8) fire stations.

**WHEREAS**, currently, there are six (6) brush trucks within the Abilene Fire Department's apparatus fleet. The purchase of two (2) additional brush trucks, from Steele Fire Apparatus, would complete the plan to house a brush truck at every fire station.

**WHEREAS**, this contract is for the purchase of two (2) custom manufactured brush-wildland fire fighting vehicles. Steele Fire Apparatus, LLC, is a solely owned company, located in Haskell, Texas, which specializes in Brush-Wildland Fire Fighting Vehicles.

**WHEREAS**, each brush-wildland fire fighting vehicle will cost \$185,000.00, for a total contract price of \$370,000.00 for two (2) vehicles. Funding will come from the Abilene Fire Department Apparatus Replacement Fund.

**WHEREAS**, this purchase is necessary to protect the public health and safety of City residents, and is not required to be competitively bid pursuant to Local Government Code Section 252.022(a) (2).

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

Part 1: The City Manager is hereby authorized to execute a contract with Steele Fire Apparatus, for the purchase of two (2) brush-wildland fire fighting vehicles (brush trucks).

Part 2: This Resolution shall take effect immediately from and after passage.

**ADOPTED** and approved by the City Council on the 12<sup>th</sup> of March, 2020.

**ATTEST:**

\_\_\_\_\_  
**Shawna Atkinson**  
City Secretary

\_\_\_\_\_  
**Anthony Williams**  
Mayor

**APPROVED:**

\_\_\_\_\_  
**Stanley Smith**  
City Attorney



## CONTRACT OF SALE

THE STATE OF TEXAS,  
COUNTY OF HASKELL.

This Contract of Sale made and entered into on this the **12<sup>th</sup>** day of

**March, 2020**, by and between

STEELE FIRE APPARATUS LLC,

247 US Hwy 380 West, Haskell, Texas, 79521, hereinafter called "Seller,"

And **City of Abilene, Texas**, hereinafter called "Buyer", WITNESSETH:

I.

The Seller hereby agrees and obligates itself to sell and cause to be sold to Buyer  
for the consideration and upon the terms and conditions hereinafter set out, the  
Following described property, to-wit:

**Two (2) Small Brush Trucks Chassis, Body, and Equipment per Signed  
Proposal, which is attached hereto and made a part of this contract for all  
purposes**

(hereinafter called "Property").

II.

As consideration for said Property, the Buyer hereby agrees and obligates itself to

Pay to the Seller the sum of:

**Three-Hundred Seventy Thousand Dollars and Zero Cents**

**(\$370,000.00)** at the time of delivery of Property to Buyer and upon acceptance by  
Buyer. If the sales

Price is subject to any taxes, the taxes added will be that which is prevailing at the Time of delivery and paid by the Buyer.

III.

It is agreed by and between the parties hereto that the obligation of Seller to Deliver the Property to Buyer must be rendered within **240** days of the Execution of this Contract, **the receipt of cab & chassis**, the receipt of the Poly Tank, the receipt of pump, or the equipment at our facility. (item underlined)

IV.

It is agreed by and between the parties hereto that this Contract shall not be assignable by Buyer without the prior written consent of Seller.

V.

It is agreed by and between the parties hereto that Buyer shall inspect the Property immediately upon delivery and shall give notice of any defects to the Property. The property shall be deemed accepted if the Buyer fails to give such notice.

VI.

In the event that Seller or Buyer shall be prevented from performing any of its obligations due under the terms of this Contract by an act of God, acts of war, riot, or civil commotion, by an act of state, by strikes, fire, flood, shortages, or delays

caused by its suppliers or by the occurrence of any other event beyond the control of the parties hereto, the seller shall not be liable for damages from its failure to make delivery of the Property, and buyer shall not be liable for damages from its failure to make payment for the Property.

## VII.

It is further agreed and understood by the parties hereto that this agreement contains the entire agreement between the parties relating to the rights herein

Granted, and the allegations herein assumed.

Any oral representations of modifications concerning this instrument shall be of no force or effect excepting a subsequent modification in writing signed by the party  
To be charged.

## VIII.

It is understood and agreed that the terms and provisions of this contract shall be binding upon the parties hereto their respective heirs, assigns, and legal representatives, and that any disputes arising out of the terms of this contract shall be determined by a court of competent jurisdiction in Haskell County, Texas.

IX.

Buyer qualifies as an exempt agency under the Texas Limited Sales, Excise and Use Tax Act (the “Tax Act”), and is not subject to any State or city sales taxes.

Buyer shall provide an exemption certificate to Seller.

X.

In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. This section only applies to a contract that: (a) if between a governmental entity and a company with 10 or more full-time employees, and (b) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity. Additionally, “company” does not include a sole proprietorship. If this section is applicable, the signatory executing this contract on behalf of the seller verifies that the company does not boycott Israel and will not boycott Israel during the term of this contract.

STEELE FIRE APPARATUS, LLC

By: \_\_\_\_\_  
Tommie Isbell, General Manager

SELLER

CITY OF ABILENE, TEXAS

By: \_\_\_\_\_  
Robert Hanna, City Manager

BUYER

# STEELE FIRE APPARATUS

Haskell Texas

1-800-687-7639



Type 6



*\*Pictures provided in this specification are for general familiarity or description. They may not exactly represent the actual finished product*

## Proposal

We are pleased to submit the following specifications to you for Steele Fire Apparatus Type 6 Truck per your request for quotation.

Steele Fire Apparatus, LLC, a solely owned company, is a custom fire apparatus manufacturer specializing in Brush-Wildland fire fighting vehicles. Our 20,000 - square foot manufacturing facility is located in Haskell, Texas.

### **Operation Manuals**

The chassis manufacturer shall provide (1) operational manual.

A Fire Pump service, instruction, and operational manual shall be supplied.

A foam system service, instruction, and operational manual shall be supplied.

\*Note The manuals may be supplied together in a notebook type binder or a compact disk (CD)

### **Compliance to Standards**

The fire apparatus shall be built to the purchaser's requirements in compliance to all State, Local, and Federal highway safety requirements. The vehicle is not intended to meet any or all standards of the NFPA.

The purchaser assumes all liability and full responsibility for this vehicle specification, and inclusion or exclusion of NFPA provisions or equipment on the vehicle.

#### **Paint**

- |                  |              |
|------------------|--------------|
| 1. Cab Color:    | Red          |
| 2. Plumbing:     | Red          |
| 3. Bumper Color: | Black        |
| 4. Wheel Color:  | Black        |
| 5. Body Color:   | Red          |
| 6. Cab Steps:    | Black Coated |

#### **Chassis Specifications**

2020 Dodge 5500 Crew Cab 4WD

GVWR: 19,500#

Wheelbase: 203.8

Cab to Axle: 84" CA

Tow Hooks: front loops

Driving Front Axle and Suspension: 7,000# HD front package, 7,000# suspension package, stabilizer bar, front shocks

Transfer Case: cab controlled high and low range HD front package

Rear Axle and Suspension: 14,706# wide track rear axle, 14,706 suspension-package, stabilizer bar, limited slip

Braking System: (4) wheel disc brake system with Anti-Lock (ABS)

Engine: 6.7L Cummins Turbo Diesel I6 Engine

- 350 HP @ 2800 RPM
- 750 FT LBS @ 1500 RPM

Transmission: 6-Speed Automatic Transmission

Batteries: (2) 78 Amp-HR 750 CCA 12-Volt Batteries

Alternator: 200 Amp 12-Volt Alternator

Fuel Tank: 40-Gallon Rear Mounted Fuel Tank

Mirrors: black manual telescope fold-away

Cab Paint: Single Color (Red)

Air bags front and air curtains side

Window and door Controls: Power (electric)

Cruise Control

Cab Accessories: AM/FM Radio, (2) Radio Speakers, and antenna

#### **Chassis Lift Kit**

Heavy Duty, off-road suspension lift kit with heavy duty off-road shocks shall be installed on the chassis. The system is designed to significantly increase wheel travel, in addition to giving the chassis increased ground clearance.

#### **Dually Tires and Wheels**

A total of (7) tires and wheels will be provided. The tires will be 295/65R20 severe service radial all-terrain tread. The tire weight rating shall be load range "E", and match the wheel rating. Wheels will be 20" x 8" steel disc, 10-Hole pattern special order for off-road application. The weight rating of the wheels will be 4080# each.

#### **Mounting Spare Tire and Wheel**

The spare tire and wheel shall be mounted on top of the water tank.

*Note: The end user must be aware that lifting the chassis and adding larger tires will alter the vehicles center of gravity. This will affect the vehicles handling characteristics.*

*In addition, the larger tires will affect stopping distance. The system is not recommended for vehicles that operate primarily in an on-road environment. The system is highly recommended for vehicles that operate in off-road or rough terrain environments.*

*Turning radius may be reduced.*

*Due to larger tire diameter, the speedometer will be slightly inaccurate*

#### **Front Bumper**

The factory bumper shall be removed and replaced with a custom fabricated, heavy duty steel bumper and grille guard protection assembly.

#### **Front Tow Hooks**

The factory tow hooks will be replaced with tow hooks incorporated into the custom bumper.

#### **1.5" Pre-Connect**

There shall be a 1.5" pre-connect with 100' of 1.5" DJ hose installed in a compartment with lid on the front bumper.

#### **Bumper Sweeps**

There will be (2) bumper sweeps installed in the front bumper of the truck. These nozzles will be inset into the bumper to give the most protection available.

#### **Skid Plates**

A 1/4" steel skid plate will be installed from the bumper area extending below the bumper extension and chassis radiator area.

A 1/4" steel skid plate will be installed from the rear of the front axle extending to the rear of the transfer case.

#### **Running Boards**

The cab shall be equipped with custom built running boards mounted on both sides of the cab. They will be coated with black spray on bed liner finish for a non-slip surface.

#### **Body**

The body will be custom fabricated and constructed out of aluminum. The body shall be 138" long x 102" wide, designed for an 84" cab to axle dimension. The body will be specifically designed for off-road wildland firefighting.



#### **Body Cross-Member Sub-Structure**

The body shall have 4" x 1.75" structural aluminum frame rails.

#### **Body Structure**

The cross member sub-structure will be covered with .190" aluminum sheet metal. The .190" sheets will be formed to cover the top of the body and bent down to form the sides of the body.

#### **Body Sub-Structure and Mounting**

The body shall have (2) 2" x 4" x .250" structural aluminum tubing main rails mounted to the frame in (6) locations utilizing .500" steel cross frame brackets, (6) .750" x 6" Grade 8 bolts, and (6) multi-directional isolators. The flexible mounting system shall allow the body/chassis to flex during extreme off-road conditions.

#### **Headache Rack**

The front of the body shall have a 2" aluminum pipe tube headache rack. The rack shall extend the full width of the body and be attached to the front of the body. The assembly shall extend above the chassis cab and have a mounting platform for installation of the light bar and (4) work lights. Wiring will be placed inside the pipe for protection.

#### **Walkway**

The front of the body shall have a 28" (front to rear) x 102" (right to left) front walkway in front of the water tank. The walkway shall allow access from both sides of the body and have an NFPA compliant surface.

#### **Side-Step Cubicle**

An approximate 28" wide x 24" tall x 20" deep cubicle shall be incorporated into the body structure on the driver's and passenger's side in the front of the body.

#### **Hinged Safety Gate Assembly**

The side step cubicles shall each be equipped with a swing in gate constructed out of 2" aluminum pipe and **.187" Aluminum Tread Brite**. The gates shall have a hydraulic cylinder to hold the gate either in a fully open position or in a fully closed position.

#### **Rear Tailboard Panel**

A vertical body panel with 10" entry platform shall be installed at the rear of the body constructed utilizing 2" x 2" x .187" aluminum square tubing as the sub-structure and .190" aluminum sheet metal as the top covering. The panel shall house the stop/turn/tail lights and warning lights. The body panel will be constructed to allow for a 30-degree angle of departure.

#### **Rear Receiver**

The rear of the chassis shall be equipped with a 2" square steel tube receiver assembly for high or low angle rescue, trailer use, and winch applications. It shall be the same size as a Class III trailer hitch and shall be attached to the chassis frame assembly. The receiver assembly shall be equipped with (2) heavy duty rear tow loops.

#### **Rear Mud Flaps**

The chassis shall be supplied with mud flaps. The mud flaps shall be installed behind the rear wheels.

#### **Protective Rails**

The upper body shall be protected with (2) 2" aluminum pipe railing assemblies installed on both the driver's and passenger's side of the body. The railings shall act as protection for the upper body structures when off-road in heavy brush conditions.

#### **Driver's Side Upper Body Compartment**

A body equipment storage compartment shall be installed on the body surface of the driver's side of the body. The dimensions shall be approximately 60" long x 32" tall x 18" deep. The compartments shall be constructed of 2" x 2" x .187" aluminum square tubing and .105" aluminum sheet metal on all exterior surfaces. The compartment shall be equipped with a .187" **aluminum tread brite sheet metal door** with chrome plated D-Ring lockable slam latch installed. The door shall be equipped with dual gas operated door opening assist cylinders. The floor of the compartment will be a sweep-out design.

#### **\_\_\_\_ Passenger's Side Upper Body Compartment**

A body equipment storage compartment shall be installed on the body surface of the driver's side of the body. The dimensions shall be approximately 60" long x 32" tall x 18" deep. The compartments shall be constructed of 2" x 2" x .187" aluminum square tubing and .105" aluminum sheet metal on all exterior surfaces. The compartment shall be equipped with a .187" **aluminum tread brite sheet metal door** with chrome plated D-Ring lockable slam latch installed. The door shall be equipped with dual gas operated door opening assist cylinders. The floor of the compartment will be a sweep-out design.

#### **\_\_\_\_ Upper Body Compartment Shelving**

Both Upper Body compartments shall be equipped with (2) adjustable shelves.

#### **\_\_\_\_ Under Body Compartment, Driver's Side**

An under-body equipment storage compartment shall be installed under the body surface on the driver's side of the apparatus in front of the rear axle. The dimensions shall be approximately 22" long x 22" tall x 20" deep. The compartment shall be constructed of 2" x 2" x .105" aluminum square tubing and .105" aluminum sheet metal on all exterior surfaces. The compartment shall be equipped with a .187" **aluminum tread brite** vertically hinged door supported by 5/16" steel chains with chrome plated D-Ring lockable slam latch installed. The floor of the compartment will be a sweep-out design.

#### **\_\_\_\_ Under Body Compartment, Passenger's Side**

An under-body equipment storage compartment shall be installed under the body surface on the driver's side of the apparatus in front of the rear axle. The dimensions shall be approximately 22" long x 22" tall x 20" deep. The compartment shall be constructed of 2" x 2" x .105" aluminum square tubing and .105" aluminum sheet metal on all exterior surfaces. The compartment shall be equipped with a .187" **aluminum tread brite** vertically hinged door supported by 5/16" steel chains with chrome plated D-Ring lockable slam latch installed. The floor of the compartment will be a sweep-out design.

#### **\_\_\_\_ Under Body Compartment, Rear Center**

An under-body equipment storage compartment shall be installed under the body surface in the center rear body panel of the apparatus. The dimensions shall be approximately 24" wide x 6" tall. The compartment shall be equipped with a vertically hinged door with dual latches installed.

There shall be a slide-out installed in the underbody suction storage.

#### **\_\_\_\_ Compartment Lighting (LED)**

Upper body equipment storage compartments shall be equipped with (4) 24" LED vertical light strips. Under body equipment storage compartments shall be equipped with (1) 24" LED horizontal light strip.

#### **\_\_\_\_ Automatic Compartment Door Light Switches**

Each exterior compartment light shall be automatically controlled by a door activated switch.

#### **\_\_\_\_ Door Ajar Light/Buzzer**

A "Door Ajar" and equipment operation buzzer shall be installed in the custom console. The LED light shall be red and the buzzer will activate once the truck is removed from park.

#### **\_\_\_\_ Hose Tray, Driver's Side**

A hose storage tray shall be installed over the driver's side upper body equipment storage compartment. The dimensions shall be approximately 16" wide x 8" tall x 60" long. The hose tray shall be constructed of .187" aluminum sheet metal with a 1" aluminum square tubing sub-structure. The hose tray shall be constructed so that the hose is deployable from the rear of the truck.

#### **\_\_\_\_ Tool Storage Tray, Passenger's Side**

A tool storage tray shall be installed over the passenger's side upper body equipment storage compartment. The dimensions shall be approximately 16" wide x 8" tall x 60" long. The tool storage tray shall be constructed of .187" aluminum sheet metal with a 1" aluminum square tubing sub-structure. The tool storage tray shall be constructed with both ends enclosed.

#### **\_\_\_\_ Water Tank Specifications**

A 500-gallon water tank will be installed on the truck. The tank dimensions shall be approximately 58" wide x 73" long x 32" tall. The tank shall be made of ½" poly and will be baffled to meet NFPA standards. The tank shall carry a lifetime warranty. There shall be a 10" water fill with vent on top of the tank with a 3" over flow to the bottom of the tank. The water fill tower shall be installed on the passenger's side rear corner of the tank. A 1.5" plugged drain provision shall be installed in the bottom of the water tank for draining and flushing out of debris.

#### **\_\_\_\_ Foam Tank Specifications**

A 10-gallon integral foam tank shall be installed. A 10" foam fill will be on top of the foam tank and level gauge will be installed into the tank.

#### **\_\_\_\_ Water Tank Level Indicator**

The water tank shall be equipped with clear water level sight gauge in the rear wall of the tank and an LED light indicator on the pump control panel and a remote LED indicator installed on the custom console.

#### **\_\_\_\_ Fire Pump Specifications**

Hale HPX-200 KBD24 X-Stream, Electric Prime, Dual Control Panel

- Pump material: Anodized aluminum alloy pump body, bronze impeller
- Connections: Suction 3" NPT/4" victaulic
- Discharge 2.5" NPT
- Priming: 12V-DC ESP vane primer
- Max flow: 265 GPM
- Max pressure: 160 PSI
- Engine: Kubota 24HP diesel engine

#### **\_\_\_\_ KBD24 Dual Control Panel System**

There shall be a Hale KBD24 Dual Control Panel System with Electric Throttle installed. (1) at the rear of the apparatus and (1) in the custom console in the cab

#### **\_\_\_\_ Foam System**

There will be a Scotty "Around the Pump" foam system installed into the discharge side of the plumbing.

#### **\_\_\_\_ Stainless Steel Plumbing System**

The fire pump plumbing system shall be built completely out of stainless-steel piping, fittings, and connections. Victaulic style couplings shall be installed to permit flexing of the plumbing system and allow for quick removal of piping or valves for service. Tank connections and remote plumbing shall use high pressure flexible piping. Flexible hose couplings shall be threaded stainless steel or Victaulic type connections.

#### Valves

All valves used in the plumbing installation shall be Akron Fire service valves.

#### Fire Pump Housing/Enclosure

The fire pump, stainless steel plumbing, and electrical enclosure shall be installed on a removable fire pump housing. The dimensions of the enclosure shall be approximately 52" wide x 33" deep x 37" tall. The enclosure shall be constructed of 2" x 2" x .187" aluminum square tubing and .187" aluminum sheet metal. Fork lift access holes and a hinged rear engine and pump control panel door equipped with gas hydraulic lift assist shocks shall be installed at the rear of the enclosure.

#### Fire Pump Fuel System

The fuel system for the auxiliary fire pump shall be plumbed from the chassis fuel system. There shall be a separate fuel pickup tube mounted in the chassis fuel tank specifically for a separate engine driven pump assembly.

#### Wiring to Chassis

The 12-volt positive and negative cables shall be provided from the chassis battery to the fire pump area, wired through the master disconnect solenoid system. The cables shall have a circuit breaker installed at the chassis battery.

#### Fire Pump Mounting Provisions

The fire pump shall be installed inside the fire pump housing utilizing heavy duty vibration mounts bolted to the enclosure.

#### Fire Pump Master Drain

The fire pump shall have a master drain at the bottom of the water pump housing.

#### Pump Engine Oil Drain

The fire pump engine shall have an oil drain line installed. It shall allow for easy and accessible oil draining.

#### Discharges

The following discharges shall be installed:

2 – 1" to the hose reel

1 – 1.5" discharge to the rear of the bed with cap and chain

1 – 1.5" discharge to the rear of the bed reduced to a 1" with cap and chain

1 – 2.5" discharge to the rear of the bed with cap and chain

1 – 1.5" tank return

1 – 2" to the front of the body for (2) 8' - 1" whip lines continuing with 1.5" to the front bumper to supply (2) bumper sweeps and 1 – 1.5" pre-connect

There shall be a 2.5" female connection at the rear of the truck for drafting and this connection will double as a tank fill from a hydrant.

#### Hose Reel

(2) hose reels shall be installed. The reel shall be a shall have a leak proof ball bearing swing joint, adjustable friction brake, electric 12-volt rewind, and manual crank rewind provisions.

The reels shall be mounted on the driver and passenger side rear of the body.

**Hose Reel Capacity**

The hose reels shall have a capacity of 100 feet of hose.

**Hose Reel Hose**

100' of 1" 800psi Booster hose shall be installed on the hose reels.

**Nozzles**

(4) Task Force Tips Model # DQS40P QUADRAFOG W/GRIP 1" NH Selectable gallonage nozzles.

(1) Task Force Tips Model # FQS125P QUADRAFOG W/GRIP 1.5" NH Selectable gallonage nozzles.

**Nozzle Mount**

Each 1" flexible hose discharge shall have a nozzle bracket installed to hold the nozzle in place.

**Whip Lines (Walkway Area)**

(2) 1" x 8' long 800psi hose whips with threaded couplings shall be installed at the front of the body.

**Electrical Enclosure**

An electrical wiring enclosure for the 12-volt wiring shall be installed in the fire pump housing/enclosure with a removable panel. The dimensions of the enclosures shall be approximately 12" tall x 12" wide x 4" deep.

**Electrical Harness and Wiring**

All wiring shall be hidden, enclosed, or protected under the body in protective material, or within the apparatus body components. In addition, split loom conduits shall be installed and enclosed, suitably secured and protected against heat and physical damage.

**Battery Master Disconnect**

A battery disconnect system shall be installed utilizing the ignition key switch on the chassis to control the 12-volt power supply from the battery system to the body and cab final stage manufacturer installed equipment.

**Wireless Intercom System**

There will be a Fire Com wireless intercom system installed.

-The system will include (1) wireless base station, (1) digital intercom radio, (2) radio transmit headsets, (2) intercom only headsets, (2) radio interface cables, and (4) headset hangars.

**Charging System**

There will be a Kussmaul 1500W Charger/Inverter installed on the truck with a super auto eject and a battery indicator installed by the driver's door of the truck.

**Backup Camera**

**There will be a Rosco backup camera system with 7" LCD monitor installed utilizing a rear backup camera and a front bumper installed camera.**

**DOT Identification Lights**

All LED identification lights shall be installed on the vehicle as required by applicable highway regulations.

**License Plate Mounting**

An LED license plate lights shall be installed on the rear vertical wall of the body.

**\_\_\_\_ Brake, Turn, Tail Lights**

(4) 2" x 6" brake, turn, tail lights with grommets shall be provided. The light-heads configuration shall consist of 14 red Super-LEDs and clear optic polycarbonate lens.

**\_\_\_\_ Back-Up Lights**

Two (2) 2" x 6" rear LED back-up lights shall be installed.

**\_\_\_\_ Work Lights**

Six (6) Rigid Dually LED lights shall be installed, wired to switch in the custom console. Location shall be: two on each corner of the headache rack assembly. (2) Spots facing forward, and (2) floods facing out the side of the body. (2) diffused lights rear facing in pump housing/enclosure area.

**\_\_\_\_ Back-Up Alarm**

One (1) back up alarm shall be installed.

**\_\_\_\_ Auxiliary Switch Box**

There shall be (1) Carson Phantom 160 Amp 8-switch box installed in the custom console.

**\_\_\_\_ Electronic Siren**

One (1) Carson SA-500 100/200w full function siren with faceplate installed in the custom console.

**\_\_\_\_ Siren Speaker**

One (1) Carson C3100U 100W siren speaker shall be installed on the front bumper with bracket.

**\_\_\_\_ Custom Fabricated Console and Switch Panel**

A custom fabricated electrical console and enclosure shall be located between the driver's and passenger's seats. It shall house the siren, switches, cup holder's, and auxiliary equipment.

**\_\_\_\_ Light Bar Mount with Protective Guard**

The cab light bar shall be mounted on the headache rack with a brush guard protective assembly covering the light bar.

**\_\_\_\_ Emergency Light Bar**

A 53" Code 3 Pursuit lightbar shall be installed on the headache rack.

**\_\_\_\_ Scene Light**

**There shall be (1) 360 degree Go-Light installed.**

**\_\_\_\_ Warning Lights**

There shall be (14) Code 3 M180 (Red/Blue) Intersection/Take Down/Ground Lights installed.

**Front Bumper Warning Lights**

(2) Code 3 M180 Intersection/Take Down/Ground Light

**Front Bumper Intersection Lights**

(2) Code 3 M180 Intersection/Take Down/Ground Light

**Front Fender Intersection Lights**

(2) Code 3 M180 Intersection/Take Down/Ground Light

**Side Body Warning Lights (Two each on the Passenger's side and Driver's side)**

(2) Code 3 M180 Intersection/Take Down/Ground Light

**Upper Rear Warning Lights**

(2) Code 3 M180 Intersection/Take Down/Ground Light

**Lower Rear Warning Lights**

(2) Code 3 M180 Intersection/Take Down/Ground Light

**Warning Light Protection Covers**

There shall be side body warning light protective covers installed.

**Additional Equipment Installed**

(2) Department supplied Radios with antennae's **(SFA will order faceplates)**

(1) TFT 3 Wrench Bracket Set (2) Spanners and (1) Hydrant Wrench

(2) Vulcan 180 rechargeable lanterns

**Custom Graphics**

The apparatus shall be provided with (2) custom designed sign graphics, emblems, or seals. The installation shall be designed primarily with letters and numbers as specified. The purchaser shall approve of the design graphics prior to installation.

**Cab and Body Striping**

The cab and body shall have a straight Scotch-lite reflective stripe applied horizontally. The stripe shall be 4" minimum in width and be applied horizontally around the cab and body in accordance with NFPA standards. The purchaser shall specify the color and location of the stripe.

**Rear Chevron Striping**

There will be alternating chevron striping installed on the rear vertical body panel. The chevron striping shall consist of 4" diamond grade striping on the following colors:

The first color shall be red diamond grade.

The second color shall be lemon yellow diamond grade.

**Water Tank Warranty**

Manufacturer Limited Warranty and Notice of Disclaimer of Express and Implied Warranties.

Manufacturer issues this limited warranty to the customer who is the original retail purchaser ("Customer") of a polypropylene tank (the "Tank") (10 to 4000) gallons.

**Fire Pump Warranty**

Warranty products of its manufacture to be free from defects in material and workmanship, under normal use and service, for a period of three (3) years. This limited warranty is effective only if the equipment or apparatus is used as directed, is not subjected to misuse, negligence, or accident, and is not altered, treated or repaired by someone other than Hale or its designee. Items not manufactured by Hale shall bear only the limited warranties offered by their respective manufacturers.

**Compliance**

The fire apparatus shall be built to the purchaser's requirements in compliance to all State, Local, and Federal highway safety requirements. The vehicle is not intended to meet any or all standards of the NFPA.

**Factory Fire Pump Test**

The pump shall undergo a full in factory fire pump test, which shall be witnessed and certified test by the factory engineer, prior to delivery of the completed apparatus. The factory test acceptance certified shall be furnished with the apparatus on delivery.

**Road Test**

A road test will be conducted with the apparatus fully loaded and a continuous run of no less than ten (10) miles. During that time, the apparatus will show no loss of power nor will it overheat. The transmission drive shaft or shafts and the axles will run quietly and be free of abnormal vibration or noise.

**Final Assembly and Apparatus Finishing Prep Specifications**

The apparatus shall be assembled in a high quality and controlled environment. The fit, form, and finish of the body shall be the highest-level fire apparatus manufacturing standards. On completion, the apparatus shall be ready for final inspection and road testing as required by the general requirement section of this specified vehicle.

**Chassis Preparation**

The chassis cab shall be "prepped" for fire apparatus production as follows:

- a) Wash and clean chassis
- b) Weigh chassis for NFPA records
- c) Quality control check in

**Changes**

Any changes to this proposal during the build process may result in an additional charge and could affect the delivery date.

**Delivery**

Delivery will be made approximately **180 days** upon receipt of the cab and chassis. Terms of payment are **NET ON DELIVERY**, unless otherwise stated. Failure to do so may result in interest being applied to the amount owed. Due to the daily rise of cost in materials this proposal shall expire unless accepted within 25 days after the date set above. This expiration date may be extended, in writing, at the discretion of Steele Fire Apparatus.

**Total Cost for Body, Equipment, and Cab & Chassis - \$185,000.00**

**STEELE FIRE APPARATUS**  
**247 US HWY 380 WEST**  
**HASKELL, TEXAS 79521**  
**1-800-687-7639**

Fire Chief or authorized Representative:

Wes Steele or authorized Representative:

|  |
|--|
|  |
|  |



# Steele Fire Apparatus Purchase Contract

March 2020



# NEED

In 2019, AFD experienced two separate brush fire incidents that quickly overwhelmed our current resources. These fires were brought under control due to mutual aid from outside departments.

AFD has (8) fire stations and only (6) brush trucks. To be best prepared, a brush truck needs to be housed at every fire station.



# PURCHASE

- (2) Custom Built Brush-Wildland Fire Fighting Vehicles
  - Type VI Brush Trucks
- Builder: Steele Fire Apparatus, LLC
  - Builder for 25 years
  - Specialize in Brush-Wildland Vehicles
  - Steele Vehicles are currently used by:
    - Texas Forestry Service
    - Several Area Volunteer Depts.
- This purchase is necessary to protect the health or safety of City residents, and is not required to be competitively bid pursuant to Local Government Code Section 252.022(a)(2)



# SPECIFICATIONS

- Type VI Brush Truck
- 500 Gallons of water
  - Larger than most Type VI trucks
  - More potential for extinguishment before refilling
- (2) Hose Reels plus (2) pre-connected “whip” lines
- Front bumper mounted “trash line”
  - Pre-connected hoseline for fighting dumpster fires
  - Saves large apparatus from becoming damaged by entering tight alleys
- Dodge 5500 Crew Cab 4WD chassis
  - Safe seating and travel for (4) personnel
  - Full pump, radio, and light controls within the cab
- LED lighting



## EXAMPLE OF SIMILAR VEHICLE



# COSTS and FUNDING

- \$185,000.00 for each brush truck
- Total cost for both is \$370,000.00
- Total payment due upon delivery and acceptance of the vehicles.
- Funding will come from the City of Abilene – Fire Department Apparatus Replacement Fund



# QUESTIONS?





**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Robert Hanna, City Manager

**FROM:** Stan Standridge, Police Chief

**SUBJECT:** 6. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on the purchase of a Leica RTC360 Laser and Scanner Kit for use in criminal investigations (Stan Standridge)

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**GENERAL INFORMATION**

The RTC360 is a scientific instrument that is approved by the National Institute of Justice for use by law enforcement agencies (order granting Daubert Motion, filed 09/30/13). It enables agencies to document and capture environments in 3D, thus improving efficiency in the field and courtroom. The single station scans at 2 million points per second, and in an average of 26 seconds can create a 52 million point-scan that can be used to auto-stitch a crime scene together for testimony and evidentiary purposes. Currently, the APD Forensics Unit takes hours to film, photograph and measure crime scenes, which remain separate items of evidence and do not provide overall crime scene comprehension.

**SPECIAL CONSIDERATIONS**

**FUNDING/FISCAL IMPACT**

The Leica RTC360 has a cost of \$118,993.53 via Texas DIR Contract Number: DIR-TSO-3676. These expenses would be paid using General Capital Project Fund (Accounting Unit: 4005005102, Activity C5005102.01). These dollars were formerly used to purchase mobile data



computers for the Police Department, but the monies were reimbursed by the 9-1-1 Board. They are seized fund dollars.

### **STAFF RECOMMENDATION**

Staff recommends the purchase.

### **BOARD OR COMMISSION RECOMMENDATION**

### **ATTACHMENTS:**

1. Resolution for LEICA RTC360 3D Laser Scanner
2. DIR Quote\_APD\_RTC360
3. Police purchase of Leica RTC360 Laser Scanner

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS,  
AUTHORIZING THE ABILENE POLICE DEPARTMENT TO PURCHASE A LEICA  
RTC360 3D LASER SCANNER.**

**WHEREAS**, this City Council finds the Police Department's Criminal Investigation Division routinely investigates violent crimes in the City; and

**WHEREAS**, the Investigation Division currently takes hours to process crime scenes using standard cameras and recorders; and

**WHEREAS**, the LEICA RTC360 3D Laser Scanner can be operated in minutes, thus saving hours of staff's time, while creating 3D digital images for prosecution of violent crimes.

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

PART 1: The City approves the purchase of a LEICA RTC360 3D Laser Scanner from G4 Spatial Technologies using DIR State Contract No. DIR-TSO-3676 for \$118,993.53.

PART 2: The City will utilize formerly designated Seized Funds, located in Accounting Unit 4005005102, Activity C5005102.01.

PART 3: The City Manager or his designee is authorized to execute any necessary transaction(s) to lease said police equipment.

PART 4: That this Resolution shall take effect immediately from and after passage.

Adopted the \_\_th day of March, 2020.

ATTEST:

\_\_\_\_\_  
Shawna Atkinson, City Secretary

\_\_\_\_\_  
Anthony Williams, Mayor

APPROVED:

\_\_\_\_\_  
Stanley Smith, City Attorney

## Quote Request:

## LEICA RTC360 LASER SCANNER W/CYCLONE, IMS MAP360

1/20/2020

To: Abilene Police  
Department

Attn: Stan Standridge

Ph: 325.676.6600

Email [stan.standridge@abilenetx.gov](mailto:stan.standridge@abilenetx.gov)

San Antonio

1019 E. Nakoma | San Antonio, TX 78216

North Austin

2112 Rutland, Ste 160 | Austin, TX 78758

South Austin

4111 Todd Lane, Ste H | Austin, TX 78744

[John.Escalante@G4Spatial.com](mailto:John.Escalante@G4Spatial.com)

Cell: 512.914.6415



| Item     | Code            | Description                                                                                                                                                                                       | Qty      | Unit Price          | Total discount Price | Discount Price + DIR ADMIN FEE | List Price          | DIR Discount  |
|----------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------|----------------------|--------------------------------|---------------------|---------------|
| <b>A</b> |                 | <b>LEICA RTC360 LASER SCANNER KIT</b>                                                                                                                                                             | <b>1</b> | <b>\$ 62,205.00</b> | <b>\$ 62,205.00</b>  | <b>\$ 62,671.54</b>            | <b>\$ 78,000.00</b> | <b>20.25%</b> |
| 1        | 838300          | RTC360 Scan Head                                                                                                                                                                                  | 1        | \$ -                | \$ -                 | Included                       | \$ -                |               |
| 2        | 817063          | GVP730, Transport Container for RTC360 Laser Scanner and Accessories                                                                                                                              | 1        | \$ -                | \$ -                 | Included                       | \$ -                |               |
| 3        | 799191          | GEB361 Lithium Ion Battery                                                                                                                                                                        | 4        | \$ -                | \$ -                 | Included                       | \$ -                |               |
| 4        | 799187          | GKL341, Charger Prof. 5000, Chargers up to 4 Batteries, Including Power Cable                                                                                                                     | 1        | \$ -                | \$ -                 | Included                       | \$ -                |               |
| 5        | 842065          | RTC360 Flash Drive - 256GB                                                                                                                                                                        | 2        | \$ -                | \$ -                 | Included                       | \$ -                |               |
| 6        | 636767          | RTC360 Rain Cover                                                                                                                                                                                 | 1        | \$ -                | \$ -                 | Included                       | \$ -                |               |
| 7        | 6013576         | 5 yr RTC360 Laser Scanner CCP Silver (Warranty, Firmware Updates, Yearly HW Ser                                                                                                                   | 1        | \$ 18,650.05        | \$ 18,650.05         | \$ 18,789.93                   | \$ 20,780.00        | 10.25%        |
| 8        | 865471          | GVP736, Backpack for RTC360 Laser Scanner                                                                                                                                                         | 1        | \$ 239.25           | \$ 239.25            | \$ 241.04                      | \$ 300.00           | 20.25%        |
| 9        | 842066          | GST80, Lightweight Tripod for RTC360 Laser Scanner                                                                                                                                                | 1        | \$ 1,339.80         | \$ 1,339.80          | \$ 1,349.85                    | \$ 1,680.00         | 20.25%        |
| 10       | 6010779         | NIST Calibrated PS Traceable Artifact Bundle                                                                                                                                                      | 1        | \$ 2,239.26         | \$ 2,239.26          | \$ 2,256.06                    | \$ 2,495.00         | 10.25%        |
| <b>B</b> |                 | <b>LEICA PUBLIC SAFETY 3D SOFTWARE PACKAGE:</b>                                                                                                                                                   | <b>1</b> | <b>\$ 13,138.02</b> | <b>\$ 13,138.02</b>  | <b>\$ 13,236.55</b>            | <b>\$ 16,474.00</b> | <b>20.25%</b> |
| 11       | 864515          | Cyclone REGISTER 360 Permanent                                                                                                                                                                    | 1        |                     |                      | Included                       |                     |               |
| 12       | 864396          | Cyclone PUBLISHER PRO Permanent                                                                                                                                                                   | 1        |                     |                      | Included                       |                     |               |
| 13       | 8246185         | IMS Map360 v1 (Core software)                                                                                                                                                                     | 1        |                     |                      | Included                       |                     |               |
| 14       | 8246187         | IMS Map360 v1 Point Cloud Extension                                                                                                                                                               | 1        |                     |                      | Included                       |                     |               |
| <b>C</b> |                 | <b>LEICA 3D Public Safety Software Bundle CCP Components</b>                                                                                                                                      | <b>1</b> | <b>\$ 5,654.25</b>  | <b>\$ 5,654.25</b>   | <b>\$ 5,696.66</b>             | <b>\$ 6,300.00</b>  | <b>10.25%</b> |
| 15       | 6012199         | Cyclone REGISTER 360 CCP 1 yr.                                                                                                                                                                    | 1        |                     |                      | Included                       |                     |               |
| 16       | 6012196         | Cyclone PUBLISHER Pro CCP 1 yr.                                                                                                                                                                   | 1        |                     |                      | Included                       |                     |               |
| 17       | 8246191         | IMS Map360 CCP (1yr)                                                                                                                                                                              | 1        |                     |                      | Included                       |                     |               |
| 19       | 8246193         | IMS Map360 Point Cloud Extension CCP (1yr)                                                                                                                                                        | 1        |                     |                      | Included                       |                     |               |
| 21       | 8248701         | Enhanced HDS Data Collector--64GB                                                                                                                                                                 | 1        | \$ 4,855.48         | \$ 4,855.48          | \$ 4,891.89                    | \$ 5,410.00         | 10.25%        |
| 22       |                 | Intel Core i7-7700K, 2x 16GB, Intel SSD 760GB, 2x 8GB RAM, 2x 8GB RAM, NVIDIA® GeForce GTX 1070 8GB, Windows 10, 2 x 32GB Kit (2 x 16GB) DDR4 2400MHz, PC419200, CL17 1.2V, NonECC, SODIMM Memory |          |                     |                      |                                |                     |               |
|          |                 | Windows 10 Pro 64bit DVD OEM, CASE LOGIC DLC117BLACK, M705 Marathon, 1000dpi, Wireless 2.4GHz, Black, Retail Laser Mouse                                                                          |          |                     |                      |                                |                     |               |
| 23       | 36316470        | Apple Ipad Pro 512GB Field Tablet for Operatating Scanner Includes Case                                                                                                                           | 1        | \$ 1,415.37         | \$ 1,415.37          | \$ 1,425.99                    | \$ 1,415.37         | 0.00%         |
| <b>D</b> |                 | <b>LEICA TRAINING</b>                                                                                                                                                                             | <b>1</b> | <b>\$ 8,371.25</b>  | <b>\$ 8,371.25</b>   | <b>\$ 8,434.03</b>             | <b>\$ 9,250.00</b>  | <b>9.50%</b>  |
| 24       | 6015579         | PSG SMART Plan Pro (Year 1)                                                                                                                                                                       | 1        |                     |                      | Included                       |                     |               |
| 25       | 5310036         | 4 days of On-site Training                                                                                                                                                                        | 1        |                     |                      | Included                       |                     |               |
| 26       | 5310032         | Unlim. Viewing of Pre-Recorded Mat.                                                                                                                                                               | 1        |                     |                      | Included                       |                     |               |
| 27       | 5310033         | Unlim. Reg. Sched. Virt. Classroom (HDS)                                                                                                                                                          | 1        |                     |                      | Included                       |                     |               |
| 28       | 5310034         | Unlim. Reg. Sched. Virt. Classroom (MSV)                                                                                                                                                          | 1        |                     |                      | Included                       |                     |               |
| 29       | 5310035         | Priority Support & Install                                                                                                                                                                        | 1        |                     |                      | Included                       |                     |               |
|          | <b>**NOTE**</b> | <b>DIR ADMIN FEE of .75% INCLUDED IN PRICING AFTER DISCOUNT</b>                                                                                                                                   |          |                     |                      |                                |                     |               |
|          |                 | <b>Texas DIR Contract Number: DIR-TSO-3676</b>                                                                                                                                                    |          |                     |                      |                                |                     |               |

NOTE:1 Training location is San Antonio, Texas. Training available at client's location for adtdional cost

2 Delivery is 1 week ARO. Quotation valid 30 Days

3 Shipping is not included in quotation

DIR Contract Price: \$ 118,993.53



# Purchase of a Leica RTC360 Laser & Scanner Kit for Use in Criminal Investigations



# LEICA RTC360 3D Laser Scanner

- The Police Department investigated (642) violent crimes in 2018 and (458) in 2019. The Criminal Investigations Division is primarily responsible for all follow-up investigations, and the Forensics Unit is specifically tasked with evidence collection for subsequent prosecution.
- The LEICA RTC360 3D scanner sets up in less than 2 minutes, has all-weather capabilities, and can render crime scenes in as little time as 26 seconds. The software then stitches the images together and creates a 360 degree environment for investigators, prosecutors and involved jurors.





- Includes scanner and accessories
- Includes backpack and tripod
- Includes Public Safety 3D software package
- Includes onsite training
- \$118,993.53
- Will use Seized Funds...no cost to Taxpayers!





**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Robert Hanna, City Manager

**FROM:** Mike Rains, Finance Director

**SUBJECT:** 7. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approval of the Investment Policy (*Mike Rains*)

---

**GENERAL INFORMATION**

In accordance with the State of Texas Public Funds Investment Act (Government Code Chapter 2256) Council must review and approve the Investment Policy not less than annually. The Investment Policy was last approved on March 14, 2019.

The Investment Policy outlines the City's investment strategy, standards of care, authorized investments, policy guidelines, prohibited investments and reporting. There have been no changes to the policy since the last approval.

**SPECIAL CONSIDERATIONS**

**FUNDING/FISCAL IMPACT**

**STAFF RECOMMENDATION**

Staff recommends approval of the policy.

## **BOARD OR COMMISSION RECOMMENDATION**

### **ATTACHMENTS:**

1. Resolution Approving the Investment Policy
2. City Investment Policy as recommended 03122020
3. Powerpoint - Resolution Approving the Investment Policy



RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS  
APPROVING THE INVESTMENT POLICY.**

**WHEREAS**, the State of Texas Public Funds Investment Act (Government Code Chapter 2256) requires that the governing body review and approve the Investment Policy not less than annually; and,

**WHEREAS**, the Investment Policy was last approved by the City Council on March 14, 2019; and,

**WHEREAS**, staff recommends the approval of the Investment Policy.

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

PART 1: That the City Council approves the Investment Policy.

PART 2: That this Resolution shall take effect immediately from and after passage.

**ADOPTED** this 12<sup>th</sup> day of March, 2020.

ATTEST:

\_\_\_\_\_  
Shawna Atkinson, City Secretary

\_\_\_\_\_  
Anthony Williams, Mayor

APPROVED:

\_\_\_\_\_  
Stanley Smith, City Attorney

## City of Abilene, Texas, Investment Policy

The purpose of this investment policy is to aid the City of Abilene, Texas (“City”) in the administration of its funds and investment of those funds. These funds shall be handled at the highest public trust. The City will invest public funds in a way, which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City. This policy serves to satisfy local law and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code (The “Act”).

### I. SCOPE

This investment policy applies to all financial assets and funds held by the City.

- A. Pooling of Funds:** The City commingles its funds into one pooled investment fund for investment purposes for efficiency and maximum investment opportunity with the exception of the proceeds of general obligation and certificate of obligation bond funds which are invested separately. These funds are accounted for in the City’s Comprehensive Annual Financial Report (CAFR) and include:

|                       |                        |
|-----------------------|------------------------|
| General Fund          | Enterprise Funds       |
| Special Revenue Funds | Internal Service Funds |
| Debt Service Funds    | Fiduciary Funds        |
| Capital Project Funds |                        |

- B. Income Allocation:** Investment income will be allocated to the various funds based on their respective participation in the pool and in accordance with generally accepted accounting principles.
- C. Bond Funds:** The bond funds are accounted for in Capital Project Funds and Enterprise Funds. Proceeds from each bond issuance are deposited into separate accounts. Interest earned on these accounts are credited to the fund in which the interest is earned on.

### II. INVESTMENT STRATEGY / OBJECTIVES STATEMENT

The City of Abilene investment strategy primary objective is to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure, which will experience minimal volatility during economic cycles.

The objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

### **A. Safety**

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

**1. Credit Risk** The City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the safest types of securities
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

**2. Interest Rate Risk** The City will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

### **B. Liquidity**

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.

### **C. Yield**

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. "Market rate of return" may be defined as the average yield of the current three-month United States Treasury Bill. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being

assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

### III. STANDARDS OF CARE

**A. Prudence:** The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. It should be noted that in a diversified portfolio occasional measured losses are inevitable and must be considered within the context of the overall portfolio's return.

**B. Ethics and Conflicts of Interest:** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. An employee or investment officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement with the Texas Ethics Commission disclosing this relationship.

**C. Delegation of Authority:** Authority to manage the investment program is granted to the Director of Finance and/or Assistant Director of Finance [designated officials, hereinafter referred to as investment officers], acting on behalf of the City Council. Responsibility for the operation of the investment program is hereby

delegated to the investment officers, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officers. The investment officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

**D. Investment Advisory Committee:** There is hereby created an Investment Advisory Committee (“the Committee”), consisting of, the Director of Finance, the Assistant Director of Finance or other individual designated by the City Manager.

1. Meetings: Any member of the Committee shall have the power to call a meeting of the Committee. Meetings shall be called as necessary to review investment decisions, the investment report, and policies and procedures.
2. Responsibilities: It shall be the responsibility of the Committee to:
  - a) Approve the process of selecting authorized dealers, brokers, investment advisors, and safekeeping agents/custodians used by the City.
  - b) Immediately notify the Investment Officers in the event any information comes to their attention that may have a material adverse effect upon the portfolio or marketability of any of the investments purchased under the provisions of this policy.
  - c) Review the City’s General Portfolio activity and performance for compliance with this policy and recommend any amendments to this policy to the City Council. Also review for actions necessary to bring the City into compliance with the scope of the investment policy of the Act.
  - d) Advise City Investment Staff as to recommendations relative to said portfolio activity/performance.
  - e) Inform the City Council of any concerns with the management of the City’s investment portfolio.

**E. Investment Training:** In accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the “Act”), investment training is required for the Investment Officer(s) of a local government. Training must be received

from an independent source approved by the investment committee and must include educations in investment controls, security risks, strategy risks, market risks, diversification of the investment portfolio, and compliance with the Act. Ten hours of training must be completed within 12 months of taking office or assuming duties. Thereafter, ten hours of training must be completed every two years.

**F. Legal Limitations:** Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the “Act”). The Interlocal Cooperation Act, Chapter 791, Texas Government Code, authorizes local governments in Texas to participate in an investment pool established thereunder. That statute and the reference to authorize investments in investment pools are the primary authorities for use of investment pools by political subdivisions of the State of Texas.

**G. Internal Controls:** The investment officers are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. 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 valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officers shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

The Investment Advisory Committee shall establish additional controls as warranted.

#### **IV. AUTHORIZED INVESTMENTS**

The City’s investment authority is derived from the Public Funds Investment Act. The investments are to be chosen in a manner, which promotes diversity of market sector and maturity. The choice of high-grade government instruments and high-grade money market instruments is designed to assure the marketability of those investments should liquidity needs arise.

**A. Investment Types** Consistent with the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code, (the “Act”), and the following investments will be permitted by this policy:

- Obligations of the United States Government, its agencies and instrumentalities, and government sponsoring enterprises, which have a liquid market with a readily determinable market value EXCEPT the investments prohibited in section V PROHIBITED INVESTMENTS
- Certificates of deposit issued by a depository institution that has its main office or a branch office in Texas that is:
  - (a) guaranteed or insured by the Federal Deposit Insurance Corporation, National Credit Union Share Insurance Fund or their successor;
  - (b) secured as described in section VI F.
- Money Market Mutual Funds may be invested in a no-load money market mutual fund which is regulated by the Securities and Exchange Commission. This fund must be rated “AAA” or its equivalent by at least one nationally recognized investment rating firm. The money market fund must also maintain a dollar-weighted average stated maturity of 90 days or fewer, and include in its investment objectives the maintenance of a stable net asset value of \$1.00. The City may not own more than 10% of the fund’s total assets; and
- Local government investment pools, as authorized by the Act.

In the event an investment is downgraded below the required rating all prudent measures will be taken to liquidate that investment in accordance with this policy.

## **V. PROHIBITED INVESTMENTS**

The City of Abilene will not invest in any of the following investment instruments which are strictly prohibited:

- A.** Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- B.** Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- C.** Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
- D.** Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

## VI. POLICY GUIDELINES

### A. Investment Administration

The City's Investment Program is divided into three portfolios: 1) Core; 2) Emergency/Liquidity; and 3) Discretionary

- 1) **CORE PORTFOLIO:** The core portfolio is specifically managed to achieve the first three objectives of safety, liquidity, and legality. This portfolio consists of instruments that have a stated maturity date covering a twelve (12) to eighteen (18) month period. The instruments are timed to meet payrolls, bond payments, accounts payable, and capital project schedules. Typical investments may include Treasury Bills, Treasury Notes, and other short-term obligations of agencies or instrumentalities of the United States. Derivatives are not purchased for core portfolio purposes.
- 2) **EMERGENCY/LIQUIDITY PORTFOLIO:** The emergency/liquidity portfolio is managed to not only achieve the objectives of the core portfolio but also to achieve better yields and flexibility. This portfolio consists of instruments with a stated maturity date that is not required to cover operations but is available for liquidity purposes, if necessary, or to take advantage of changes in the market. In addition, Local Government Investment Pools are maintained to provide immediate access to funds should conditions warrant. Derivatives are not purchased for emergency/liquidity purposes.
- 3) **DISCRETIONARY PORTFOLIO:** The discretionary portfolio is managed to achieve all of the objectives while allowing somewhat more flexibility including longer maturities. This portfolio is utilized to enhance the overall yield of the investment program by allowing flexibility in the type of instruments purchased from monies not needed in the immediate futures. Derivatives are allowed in this portfolio as allowed by the Act only after careful analysis. Any derivative within six (6) months of expected maturity is moved to the core portfolio for maturity balancing purposes only. Should market conditions extend the expected maturity beyond the six months, the investment is returned to the discretionary portfolio. *For the purpose of this Investment Policy, the definition of derivatives include instruments which have embedded features that alter their character or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer, or not correlated on a one-to-one basis to the associated index or market.*



## B. Diversification

The investments shall be diversified by:

- limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- limiting investment in securities that have higher credit risks,
- investing in securities with varying maturities, and
- continuously investing a portion of the portfolio in readily available funds.

Specific portfolio composition guidelines will be guided by the following general parameters:

|                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><i>US Government Securities, Agencies and Instrumentalities</i></b>                                                                                                                                                                     |
| The portfolio may be comprised of 100% direct government obligations. However, at all times at least twenty five percent (25%) of the portfolio will be invested in US governmental securities unless market conditions warrant otherwise. |
| <b><i>Local Government Investment Pools</i></b>                                                                                                                                                                                            |
| The portfolio may be comprised of 100% local government investment pools. The need for liquidity directs a high use of local government investment pools.                                                                                  |
| <b><i>Certificates of Deposit</i></b>                                                                                                                                                                                                      |
| A maximum of fifty percent (50%) of the portfolio may be invested in fully collateralized certificates of deposit.                                                                                                                         |
| <b><i>Money Market Mutual Funds</i></b>                                                                                                                                                                                                    |
| A maximum of fifteen percent (15%) of the portfolio may be invested in approved money market mutual funds.                                                                                                                                 |

**C. Maximum Maturities** To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with state and local statutes and ordinances. The City shall adopt weighted average maturity limitations (which often range from 90 days to 3 years), consistent with the investment objectives.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

Specific portfolio maturity limitation guidelines will be guided by the following general parameters:

|                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><i>US Government Securities, Agencies and Instrumentalities</i></b>                                                                                                                                                                                          |
| The maximum stated maturity on any US obligation, agency or instrumentality in the City's portfolio shall be limited to two (2) years in the core and emergency portfolio and not to exceed ten (10) years as stated by the Act in the discretionary portfolio. |
| <b><i>Certificates of Deposit</i></b>                                                                                                                                                                                                                           |
| The maximum maturity on certificates of deposit is one year.                                                                                                                                                                                                    |
| <b><i>Money Market Mutual Funds</i></b>                                                                                                                                                                                                                         |
| Money market funds will have a weighted average maturity of ninety (90) days.                                                                                                                                                                                   |

**D. Competitive Bidding:** It is the policy of the City to obtain competitive bidding on all security purchases with the exception of local government investment pools which are deemed to be made at prevailing market rates. The securities will be purchased or sold after a minimum of two (2) documented competitive bids/offers are obtained to verify that the City is paying or receiving fair market value/price for the investment. For those situations where it may be impractical or unreasonable to receive two bids for a transaction due to a rapidly changing market environment or to secondary market availability, documentation of a competitive market survey of comparable securities or an explanation of the specific circumstance must be noted.

**E. Authorized Financial Dealers and Institutions:** A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected. These may include "primary" dealers or regional dealers that are licensed and in good standing with the Texas Department of Securities, the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA) or other applicable self-regulatory organization. Every dealer with whom the City transacts business with will be provided a copy of the Investment Policy to assure that they are familiar with the goals and objectives of the investment program. The broker/dealer will be required to return a signed copy of the Certification form (Exhibit A) certifying that the policy has been received and reviewed.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements
- Proof of Financial Industry Regulatory Authority certification
- Proof of state registration
- Completed broker/dealer questionnaire

- Certification of having read and understood and agreeing to comply with the City of Abilene's investment policy

#### **F. Collateralization and Safekeeping:**

- 1) Securities will be held by a third party custodian designated by the City and evidenced by safekeeping receipts.
- 2) All uninsured demand, time deposits, and repurchase agreements will be fully collateralized with pledged securities or by letters of credit for both principal and accrued interest in accordance with Texas Government Code Chapter 2257, Collateral for Public Funds.
  - a) The pledged securities will be held by a third party banking institution as approved by the City or at the Federal Reserve Bank.
  - b) The City will accept as collateral any security that is directly allowed to be held in the City's portfolio as authorized under Section IV. In addition, obligations of states, agencies, counties, cities, and other political subdivisions of Texas rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent will be accepted.
  - c) Substitution or release of collateral is allowed with prior approval by one of the investment officers.
  - d) The value of the pledged investment securities shall be the market value as determined by a nationally recognized rating agency.

**G. Delivery vs. Payment** All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. A third-party custodian as evidenced by safekeeping receipts will hold securities.

### **VII. REPORTING**

**A. Methods** The investment officers shall prepare an investment report providing basic information regarding the City's investments. Reports shall be filed monthly, quarterly, and annually with the City Secretary's Office to be available to the City Council and citizens for review at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the investment officers and the legislative body. The report will include the following:

- Listing of individual securities held at the end of the reporting period.
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities.
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- Listing of investment by maturity date.
- Percentage of the total portfolio that each type of investment represents.

**B. Performance Standards** The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

**C. Marking to Market** The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed. The market price shall be obtained from a nationally recognized rating agency that has been approved by the investment committee.

## VIII. POLICY CONSIDERATIONS

**A. Exemption** Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

**B. Amendments** This policy shall be reviewed on an annual basis. Any changes must be approved by the investment officers and any other appropriate authority, as well as the individual(s) charged with maintaining internal controls.

## IX. INVESTMENT POLICY ADOPTION

The investment policy of the City of Abilene shall be adopted by the City Council. This policy shall be reviewed on an annual basis.

**Exhibit A**  
**INVESTMENT POLICY**  
**ACKNOWLEDGEMENT AND CERTIFICATION**

This acknowledgement and certification is executed on behalf of the **City of Abilene** (the Investor) and (the Dealer) pursuant to the Public Funds Investment Act, Chapter 2256, Government Code, Texas Codes Annotated (the Act) in connection with the investment transactions conducted between the Investor and Dealer. The undersigned Qualified Representative of the Dealer hereby certifies on behalf of the Dealer that:

1. The Dealer Qualified Representative is duly authorized to execute this Certification on behalf of the Dealer, and
2. The Dealer Qualified Representative has received, read and understood the Investment Policy furnished by the investor, and
3. The Dealer has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Dealer and the Investor that are not authorized by the Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards.

\_\_\_\_\_  
(Dealer)

\_\_\_\_\_  
(Signature of Dealer Qualified Representative)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

# Approval of the Investment Policy



# Approval of the Investment Policy

- Public Funds Investment Act
- (Government Code Chapter 2256)
- Policy Requirements:
  - Written investment policy
  - Emphasize safety of principal and liquidity
  - Address diversification, yield, and maturity and the quality and capability of investment management
  - Include list of authorized investments, maximum allowable stated maturity, methods to monitor market price, requirement for settlement on a delivery versus payment basis, and procedures to monitor rating changes and liquidation of investments
  - Must be reviewed and approved annually by the governing body



# Questions?







**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Robert Hanna, City Manager

**FROM:** Mike Rains, Finance Director

**SUBJECT:** 8. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Accepting the FY 2019 Comprehensive Annual Financial Report (CAFR) (Mike Rains)

---

**GENERAL INFORMATION**

The Comprehensive Annual Financial Report (CAFR) for FY 2019 has been completed by staff and audited by BKD, LLP. Some sections that you may want to read are the Letter of Transmittal, Management's Discussion and Analysis, Basic Financial Statements (including notes to the financial statements), and General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis.

In addition, the attachment "*Single Audit and HUD SAS Letter 2019*" contains required communications by the Auditor to the City Manager and City Council.

**SPECIAL CONSIDERATIONS**

**FUNDING/FISCAL IMPACT**

**STAFF RECOMMENDATION**

Staff recommends acceptance of the FY 2019 Comprehensive Annual Financial Report

**BOARD OR COMMISSION RECOMMENDATION**

**ATTACHMENTS:**

1. Resolution Accepting the FY 2019 Comprehensive Annual Financial Report
2. CAFR 2019
3. Single Audit and HUD SAS Ltr 2019 - Final
4. City Response to BKD Internal Control Deficiency Item 190930
5. Powerpoint - Resolution Acceptance of the FY 2019 CAFR

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS  
ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL  
YEAR ENDING SEPTEMBER 30, 2019.**

**WHEREAS**, City staff has completed the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2019; and,

**WHEREAS**, the City Charter requires an annual audit to be made of the accounts, financial records, and transactions of all administrative departments of the City by a certified public accountant selected by the City Council; and,

**WHEREAS**, the independent public accounting firm of BKD, LLP has audited the CAFR and has included their auditor's reports in the CAFR; and,

**WHEREAS**, staff recommends accepting the CAFR for the fiscal year ending September 30, 2019.

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

PART 1: That the City Council accepts the Comprehensive Annual Financial Report for the fiscal year ending September 30, 2019 as audited by BKD, LLP.

PART 2: That this Resolution shall take effect immediately from and after passage.

**ADOPTED** this 12<sup>th</sup> day of March, 2020.

ATTEST:

\_\_\_\_\_  
Shawna Atkinson, City Secretary

\_\_\_\_\_  
Anthony Williams, Mayor

APPROVED:

\_\_\_\_\_  
Stanley Smith, City Attorney

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of Abilene, Texas  
**FISCAL YEAR ENDED**  
September 30, 2019





Government Finance Officers Association

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

Presented to

**City of Abilene  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morrell*

Executive Director/CEO

**CITY OF ABILENE, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

City Manager  
Robert Hanna

Deputy City Manager/  
Chief Financial Officer  
Mindy Patterson

Prepared by  
Finance Department

Michael Rains, Director  
Marjorie Knight, Assistant Finance Director  
Becky Windham, Division Manager of Accounting  
Alice Jackson, Accountant III  
Megan Elling, Accountant III  
Chris Moscarelli, Accountant II  
Karen Holland, Internal Auditor





CITY OF ABILENE, TEXAS  
Comprehensive Annual Financial Report  
Year Ended September 30, 2019

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## INTRODUCTORY SECTION





CITY OF ABILENE, TEXAS

Incorporated 1883

New Charter Adopted  
November 6, 1962

PRINCIPAL OFFICIALS

September 30, 2019

CITY COUNCIL

Anthony Williams  
Donna Albus  
Travis Craver  
Weldon Hurt  
Kyle McAlister  
Shane Price  
Jack Rentz

Mayor  
Council Member  
Council Member  
Council Member  
Council Member  
Council Member  
Council Member

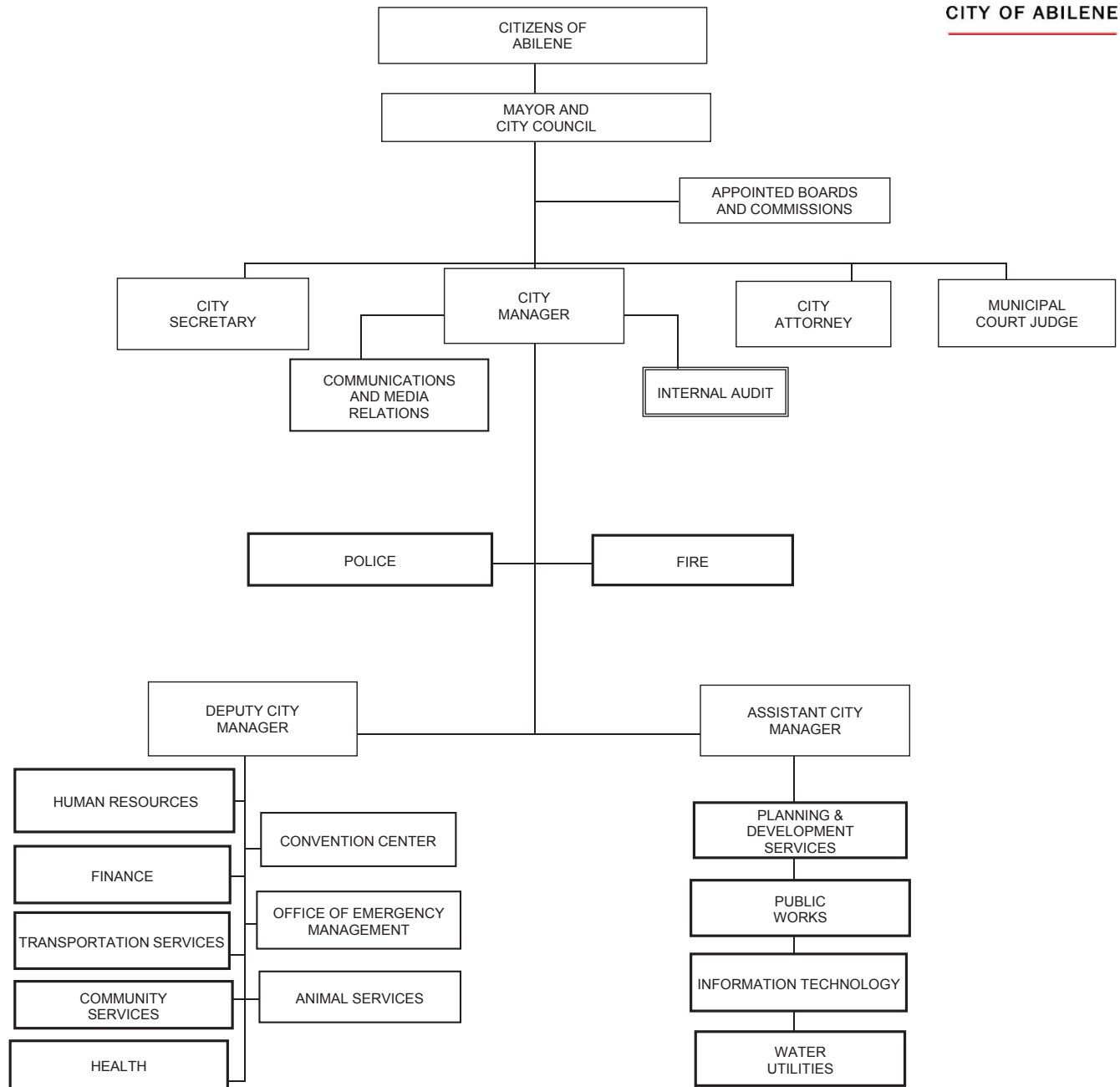
OTHER OFFICIALS

Robert Hanna  
Mindy Patterson  
Michael Rice  
Stanley Smith  
Shawna Atkinson  
Brenda Alexander  
Michael Rains  
Mike Warrix  
Greg McCaffery  
Bob VonWolffradt  
Don Green  
Lesli Andrews  
Tommy O'Brien  
Rodney Taylor  
Annette Lerma  
Stan Standridge  
Cande Flores

City Manager  
Deputy City Manager  
Assistant City Manager  
City Attorney  
City Secretary  
Director of Human Resources  
Director of Finance  
Director of Planning and Development Services  
Director of Public Works  
Chief Information Officer  
Director of Transportation Services  
Director of Community Services  
Executive Director of Water Utilities  
Director of Water Utilities  
Health Director  
Police Chief  
Fire Chief

# ORGANIZATION CHART

## OCTOBER 2019





March 3, 2020

Honorable Anthony Williams, Mayor and  
Members of the City Council  
City of Abilene, Texas

Dear Mayor and Council Members:

I am pleased to submit the Comprehensive Annual Financial Report of the City of Abilene, Texas, for the fiscal year ended September 30, 2019.

The primary purpose of this report is to provide the City Council, citizens, financial community, and others with detailed information concerning the financial condition and performance of the City of Abilene. In addition, this report provides assurance that the City presents fairly its financial position as verified by independent auditors.

The financial statements include implementation of the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*. The reporting model requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement it and should be read in conjunction with the MD&A. The City's MD&A can be found immediately following the independent auditor's report.

### **The Comprehensive Annual Financial Report**

The Comprehensive Annual Financial Report of the City of Abilene, Texas for the fiscal year ended September 30, 2019, which follows, was prepared by the Finance Department. The basic financial statements have been audited by BKD, LLP an independent audit firm of Certified Public Accountants, whose report is included herein. This audit satisfies Article VII, Section 96 of the City Charter, which requires an annual audit of all accounts of the City, be made by an independent certified public accountant. Additionally, the compliance features of the City's federal and state grant programs for the year ended September 30, 2019, were audited by the firm of BKD, LLP. Its compliance reports are available under the Federal/State Financial Assistance section of this report.

The City Finance Department is responsible for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures. I believe the data presented is accurate in all material aspects and is presented in a manner, which fairly



sets forth the financial position and results of operation of the City. Furthermore, I believe that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial activity have been included.

These financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The Development Corporation of Abilene's (DCOA) financial statements have been discretely presented as a component unit. Civic Abilene, Incorporated meets the requirements of a component unit but is excluded based on materiality. Please refer to Note 1 for further discussion.

All other entities not meeting the criteria for inclusion in the City's financial statements are non-profit organizations established to promote health, housing, industrial and educational development for the people of Abilene. These entities represent legally separate organizations from the City that are not fiscally dependent on or have the potential to impose a financial benefit or burden on the City. The City is not able to impose its will on the organizations or appoint a voting majority of their board. Each separate entity is financially independent and therefore information on these corporations and authorities must be obtained directly from the organizations.

Please refer to Note 1, page 30 for the Abilene Reinvestment Zone #1 and Abilene Tax Increment Reinvestment Zone #2, which are blended component units. The Zones are reported as part of the primary government due to the City's trustee capacity over them.

## **City Profile**

Abilene is the county seat of Taylor County and is primarily located in the northern portion of the county with a small area in Jones County to the north. Located 150 miles west of Fort Worth and 180 miles west of Dallas, Abilene is the economic, educational, medical, and cultural center of the west central Texas area.

Manufacturing plants in Abilene and its immediate vicinity produce such products as pet food products, industrial boilers/steel fabrication, cookies, soft drinks, soft drink containers, rubber for retread tires, plastics packaging, wind towers, boats, oil/gas drilling, sprockets and gears, refined oil products, pressure vessels, gear boxes, iron powder cores, and industrial fans. Abilene is the home of three co-educational, liberal arts universities, two nursing schools, one two-year college, one technical college, one school of public health, and one pharmacy school. In addition, Abilene State Supported Living Center, which provides campus-based direct services and support to people with intellectual and developmental disabilities, owned and operated by the State of Texas Department of Aging and Disability Services, is located on a 640 acre tract within the City.

Militarily, Abilene and Dyess Air Force Base share a very important association within the development and well-being of the community. Dyess is the home for the 7<sup>th</sup> Bomb Wing of the Global Strike Command (GSC), which flies the B1-B bomber. Dyess is also home for the 317<sup>th</sup> Air Lift Group of Air Mobility Command, which flies the C-130J.

The City of Abilene provides a full range of services to the citizens of the community. These services include police and fire protection, economic development, solid waste services, health and social services, public improvements, streets and traffic control, planning and zoning, water and sewer, transit system, airport, libraries, zoo, parks, and recreation facilities as well as general administrative services. The Abilene Transit System is operated under contract to provide transportation services within the City of Abilene. The City owns fifteen (15) buses, twenty-nine (29) para-transit vehicles, and two (2) trolleys. This contractual relationship is reported in the Enterprise Fund. The Abilene Municipal Golf Course is operated under contract to provide management services.

The City was incorporated in 1883 with an original Charter of 1911 and the current 1962 Charter was amended in November of 2006. The City operates under the Council/Manager form of government with the Mayor chosen at large and six (6) council members, three (3) elected from the north side and three (3) from the south side of the T & P railroad tracks. The Mayor and Council Members serve three (3) year staggered terms. The Mayor and City Council appoint the City Manager, the City Attorney, the City Secretary, and the Judge of the Municipal Court. The City is a Home Rule City with all powers granted to home rule cities by the constitution and laws of the state of Texas. The Council enacts legislation, adopts budgets, and determines policies of the City of Abilene. The City Manager, who is appointed by the City Council, executes the laws and administers the government of the City.

All funds included within the Financial Section of this report are considered to be financially accountable by the City and its elected and appointed officials. The financial statements of the City include all governmental activities, business-type activities, organizations, and functions as required by generally accepted accounting principles. The criteria considered in determining which activities to be reported include: The organization's legal status, appointment of the organization's boards, the City's ability to impose its will on the organization, the ability to impose a financial benefit/burden on the City, and fiscal dependency by the organization on the City. The criteria used by the City for including activities in preparing its financial statements are in conformity with Governmental Accounting Standards Board (GASB) Statement 14, "The Financial Reporting Entity," as amended by Statement 61.

## **Economic Condition and Outlook**

Property values in the City had a slight increase in 2019. Net taxable values have increased from \$6.4 billion to \$6.7 billion, or 5%.

For the FY 2020 period of October through February, sales tax revenue is above the FY 2019 amount by 6% and the FY 2020 budgeted amount by 3%. Originally staff estimated that the FY 2020 sales tax budget would increase 2%.

Construction values for the period October 2019 thru January 2020 have decreased by \$5.2 million over the same periods in 2018-2019 (\$45.7 million thru January 2020 compared to \$50.9 million thru January 2019).

According to the Texas Workforce Commission's *Texas Labor Market Review* publication, unemployment in Abilene is lower than the state-wide average. At the end of December 2019, Abilene's rate was 2.8% compared to the state rate of 3.5%. The Abilene Metropolitan

Statistical Area's civilian labor force for December 2019 was 77,336 compared to December 2018 of 77,377.

## **Financial Policy**

The City Council adopted the following Financial Policy on May 23, 1984, and amended the policy on February 9, 1995. The City of Abilene adheres to the Financial Policy for conducting the financial management of the City. The established long-range policies regarding financial management are to exercise a discipline which allows the City to retain a sound financial condition; strive to retain the best possible rating on bonds; provide future generations with the ability to borrow capital for construction of facilities without severe financial burden; and give recognition to the community's needs and ability to pay. These goals are accomplished in the following manner:

- Prudent budgeting and effective budget control. The operating budgets will provide sufficient funding levels for ongoing maintenance of the infrastructure. Budget replacement of capital equipment as the need arises. (Office machines, automobiles, heavy equipment, etc.)
- The securing and/or approval of federal and state assistance will be based on established criteria. Such criteria is:

What benefit does the project have to the community as a whole,

What future impact will the City be responsible for due to the acceptance of the funding, and

How does the project relate to the Strategic Management Plan and/or other future plans of the organization.

- Private grants and donations will be actively pursued and will be subject to the same criteria as federal and state funds.
- Passing a share of the cost of extending utilities and improvements in subdivisions to property owners of the subdivisions rather than to the general public.
- Providing working capital in all funds sufficient to meet current operating needs.
- Funding Equipment Replacement at the required level.
- Pay as you go financing of capital improvements where feasible while planning for capital improvements on a five year basis and updated annually.
- Attempting to schedule bond issues so that an equal principal amount is retired each year over the life of the issue producing a total debt service schedule with a declining balance each year.

- The intent of this paragraph is to assure that the taxpayers of the City receive full benefit of "qualified" status on debt issued and not subsidize the interest expense of other debt issuers utilizing corporations created by the City on their behalf. Any differential in interest expense to the City between "qualified" and "non-qualified" tax exempt debt status that results from debt issued through corporations established by the City Council will be borne by those issuers of debt. The differential will be prorated among the issuers utilizing the corporations based on the amount of debt it issues to total debt issued by all corporation issuers during the calendar year. Any differential in the City's cost shall be calculated by the City's financial advisor based on market conditions on the date of the City sale of debt.
- The Minor Improvement Program will encompass basic capital needs whereby the amount of debt issued is equal to the amount of debt retired while maintaining the same tax rate for debt. The basic capital needs include streets, bridges, traffic control, parks, localized drainage/creek cleaning, and police/fire equipment. All projects will be financed through Certificates of Obligation or Contractual Obligations as appropriate.
- The Major Improvement Program will encompass major new construction such as large facilities, flood control, and other major infrastructure improvements. All projects will be approved through bond elections. A plan of major improvements that would require a bond election will be reviewed at least every three years. The identified needs would determine when a bond election would be needed.
- Financial accounting and reporting in accordance with methods prescribed by the Governmental Accounting Standards Board and the Government Finance Officers Association and making such reports available to bond rating agencies and other financially interested organizations.
- Achieving and maintaining a fund balance equivalent to three (3) months' operating costs of the general operating budget, at 95% liquidity, which should be sufficient to provide financing for necessary projects and meet unanticipated contingencies such as lawsuits, tax roll tie-ups, severe fluctuations in sales of the City owned utilities and other fiscal emergencies.

### **Accounting System and Budgetary Controls**

The City's accounting system is conducted on the current financial resources measurement focus and the modified accrual basis of accounting for all Governmental Funds (General, Special Revenue, Debt Service, and Capital Projects), and the fund financial statements have been prepared on this basis. Under this basis, expenditures are recorded when liabilities are incurred; and revenues are recorded when they become measurable and available as net current assets. The economic resources measurement focus and the accrual basis of accounting is followed for the Enterprise and Internal Service Funds. Those fund financial statements are presented on that basis. Under the accrual basis, revenues are recognized in the accounting period in which they are earned. Expenses are recorded when a liability is incurred.

At least thirty (30) days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October

1. The operating budget, which represents the financial plan for the ensuing fiscal year, includes proposed expenditures and the means of financing them. Public hearings are conducted at which all interested persons' comments concerning the budget are heard. The budget for the next fiscal year is legally enacted by the City Council through passage of an ordinance not later than the twenty-fifth day of the last month prior to the beginning of the fiscal year.

Appropriations are legally adopted at the department level. Budgetary controls are maintained at the major category of expenditure level within each operating division. All anticipated expenditures are budgeted for control purposes. Encumbered appropriations are reported as an assignment of fund balance at September 30, 2019. All unencumbered appropriations lapse at year end.

### **Internal Controls**

Internal accounting controls are designed to provide reasonable, but not absolute, assurance of the safeguarding of assets against loss from unauthorized use or disposition and reliable financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived.

All internal control evaluations occur within the above framework. The Finance Department staff believes the City's internal control structure adequately ensures compliance with laws and regulations and reasonable assurance for safeguarding of assets.

In addition to the financial accounting system, the City exercises internal control through an Internal Auditor. The Internal Auditor reviews City practices to ensure the adequacy of internal controls and compliance with established policies. The City implemented a Fraud, Waste, and Abuse Policy and Report Form to assist in fraud detection.

### **General Governmental Functions**

All eligible property within the City is subject to assessment, levy, and collection of a continuing, direct ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds within the limits prescribed by law, and the payment of operation and maintenance costs as approved by the City Council. Under State law and provisions of the City Charter, the City is limited to a maximum tax rate of \$2.50 per \$100 assessed valuation. As shown below the tax rate adopted by the City Council has historically been substantially lower than the maximum provided by law.

A comparison of taxes, together with allocations to the General Fund and the Debt Service Funds are as follows:

|                        | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| General Fund Operating | \$0.6069      | \$0.5648      | \$0.5648      | \$0.5448      | \$0.5306      |
| General Debt Service   | <u>0.1808</u> | <u>0.2074</u> | <u>0.2103</u> | <u>0.2017</u> | <u>0.1834</u> |
|                        | \$0.7877      | \$0.7722      | \$0.7751      | \$0.7465      | \$0.7140      |

## Debt Administration

The City's outstanding bond debt at September 30, 2019, is \$316,055,000. This includes \$213,155,000 for Water and Sewer projects that are supported by revenues from the Water & Sewer Fund.

As of September 30, 2019, the City has authorized, but unissued General Obligation Bonds in the amount of \$8,583,000. The unissued bonds include \$8,283,000 of voter approved bonds from FY 2015 which were issued in December, 2019. The remaining \$300,000 of unissued bonds are a result of a 1979 authorization for the bonds to be utilized for landfill purposes. Since the City has contracted with a private firm for landfill operations, the \$300,000 will probably never be sold.

The City's strong, positive, and responsive management is reflected by the fact the City has maintained and improved its strong ratings through the challenges of changing economies.

The following ratings are currently assigned to the City of Abilene debt obligations:

|                          | <u>Fitch Ratings</u> | <u>Standard &amp; Poor's</u> |
|--------------------------|----------------------|------------------------------|
| General Obligation Bonds | AA+                  | AA+                          |

Additional information on bonded debt is presented in the footnotes and the supplementary information in the statistical tables.

## Recognitions and Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Abilene for its comprehensive annual financial report for the fiscal year ended September 30, 2018. In order to be awarded a Certificate of Achievement, a government 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 that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

City's Finance Department also received the GFOA's award for Distinguished Budget Presentation for its Annual Budget for the fiscal year beginning October 1, 2018. In order to qualify for the Distinguished Budget Presentation award, the City's budget document was

judged to be proficient in several categories including policy documentation, financial planning, and organization.

### **Independent Audit**

The City Charter requires an annual audit to be made of the accounts, financial records, and transactions of all administrative departments of the City by a certified public accountant selected by the City Council. The requirement has been complied with, and the Auditors' Opinion has been included in this report.

In addition, an audit was performed in accordance with standards for financial and compliance audits contained in the Government Auditing Standards issued by the Comptroller General of the U.S. and the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State of Texas Single Audit Circular. The related reports and Auditor's opinions may be found under the Federal/State Financial Assistance section of this report.

Throughout the year, additional audits are performed by federal and state agency auditors. These include Housing and Urban Development, Department of Transportation, Texas Department of Health, and Texas Department of Transportation. The City was found to have administered each of its major federal financial assistance programs in compliance in all material respects.

### **Acknowledgments**

The preparation of this report could not have been accomplished without the full support and efficient and dedicated efforts of the entire staff of the Finance Department and the competent services of the independent auditors, BKD, LLP. I express my appreciation to all members of the Finance Department who assisted and contributed to the completion of this report and to all City Departments involved in the preparation of information for this report. In addition, I express my appreciation to the Mayor, City Council, and City Manager for their continuing interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,



Michael Rains  
Director of Finance

## FINANCIAL SECTION







## Independent Auditor's Report

The Honorable Mayor, City Council and City Manager  
City of Abilene, Texas  
Abilene, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Abilene, Texas (City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, statistical section (including SEC disclosures) and the schedule of expenditures of federal and state awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Texas Comptroller of Public Accounts *Uniform Grant Management Standards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*BKD, LLP*

Dallas, Texas  
March 3, 2020



## MANAGEMENT'S DISCUSSION AND ANALYSIS



CITY OF ABILENE



# **CITY OF ABILENE, TEXAS MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF SEPTEMBER 30, 2019**

As management of the City of Abilene, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which begins on page I-3 of this report.

## ***FINANCIAL HIGHLIGHTS***

On a government-wide basis the City's net position decreased by \$9 million or 2% as a result of operations. This decrease was made up of an increase in governmental activities net position of \$3 million or 2% offset by a decrease in our business-type activities net position of \$12 million or 5%.

The City's total revenues increased by \$4 million or 2% which is the combined result of a \$10 million increase in governmental activities and \$6 million decrease in business-type activities revenue.

Total costs of all City programs increased by \$34 million or 19%. Governmental activities increased by \$17 million or 15% while business-type activities increased by \$17 million or 25%.

The General Fund's revenues exceeded expenditures by \$8 million reduced by net transfers of (\$5) million, resulting in a net increase to fund balance of \$3 million or 12%.

On a budgetary-basis the City's General Fund revenues exceeded budget by \$1 million or 1% and total expenditures were below budgeted amounts by \$2 million or 2%.

## ***OVERVIEW OF THE FINANCIAL STATEMENTS***

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

***Government-Wide Financial Statements*** - The government-wide financial statements are composed of the Statement of Net Position and Statement of Activities. These statements are designed to provide information about the activities of the City as a whole and present a longer-term view of the City's finances. These statements include all assets and liabilities using the accrual basis of accounting which is similar to private-sector businesses. All of the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two 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. The Statement of Activities presents information showing how the City's net position changed during the fiscal year.

Both of the government-wide financial statements are divided into three kinds of activities:

Governmental activities – The City's basic services that are financed by property, sales and franchise taxes as well as state and federal grants are reported here. The governmental activities of the City include general government, human resources, finance, planning and development, public works, facilities and capital improvements, police, fire, community services, health, and transportation services.

Business-type activities – Fees charged to customers provide the majority of support for these type of activities. The business-type activities of the City include water and sewer services, solid waste services, stormwater services, and transit operations.

Component unit – This section includes entities that the City is financially accountable for even though they are legally separate. The City includes the Development Corporation of Abilene in this section.

The government-wide financial statements can be found on pages 17-19 of this report.

***Fund Financial Statements*** – The fund financial statements provide detailed information about the most significant funds of the City, and are not representative of the City as a whole. Some funds are required to be established by law and by bond covenants. Other funds are established to maintain control and manage money for particular purposes or to show that it is meeting legal responsibilities. The City maintains three kinds of funds:

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations following the fund financial statements.

Proprietary funds – When the City charges customers for the services it provides – whether to outside customers or to other units of the City - these services are generally reported in proprietary funds.

Enterprise funds (a component of proprietary funds) are funds where the City charges customers for the services it provides. The enterprise funds are the same (with adjustment for internal service fund transactions) as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Internal Service funds (another component of proprietary funds) are funds where the City charges other departments for services on a cost reimbursement basis. These

funds utilize the accrual basis of accounting. In the government-wide financial statements the assets and liabilities have been included with either the governmental activities or the business activities section with interfund transactions eliminated. In addition, any gain or loss is allocated back to the fund considered the user. The reporting in the government wide financial statements is similar to a consolidation in the private sector. The City's Fleet Services, Self Insurance, and Technology Funds are consolidated with the governmental activities section while the Central Warehouse Fund is consolidated with business-type activities in the Statement of Net Position and Statement of Activities.

Fiduciary Funds - The City acts as the trustee, or fiduciary, for certain funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes and cannot use them to finance its operations. These funds are reported in the Statement of Fiduciary Net Position.

The fund financial statements can be found on pages 20-28.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-60.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules. The City of Abilene adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. Required supplementary information can be found on pages 61-69 of this report.

Combining and individual statements are presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 70-121 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For 2019 the total primary government's net position was \$403 million, a decrease of \$9 million over 2018. However, the largest portion of the City's net position is the net investment in capital assets (land, building, equipment and infrastructure), which is \$373 million. The net capital assets are not highly liquid; therefore they are not considered future available resources. An additional \$9 million of net position is subject to external restrictions on how the money is to be used. The remaining portion of net position of \$21 million may be used to meet the government's future obligations.

The analysis below focuses on the net position and changes in net position of the City's governmental and business-type activities.

**CITY OF ABILENE'S NET POSITION**  
(in thousands)

|                               | Governmental<br>Activities<br>2019 | Governmental<br>Activities<br>2018 | Business-Type<br>Activities<br>2019 | Business-Type<br>Activities<br>2018 | Total Primary<br>Government<br>2019 | Total Primary<br>Government<br>2018 |
|-------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Current and other assets      | \$111,848                          | \$132,117                          | \$81,980                            | \$69,796                            | \$193,828                           | \$201,913                           |
| Capital assets                | 297,186                            | 278,312                            | 372,035                             | 383,335                             | 669,221                             | 661,647                             |
| Total Assets                  | 409,034                            | 410,429                            | 454,015                             | 453,131                             | 863,049                             | 863,560                             |
| Deferred outflow of resources | 24,674                             | 7,378                              | 5,792                               | 3,603                               | 30,466                              | 10,981                              |
| Other liabilities             | 11,197                             | 16,339                             | 7,703                               | 5,102                               | \$18,900                            | 21,441                              |
| Noncurrent liabilities        | 227,717                            | 204,650                            | 240,857                             | 227,243                             | 468,574                             | 431,893                             |
| Total Liabilities             | 238,914                            | 220,989                            | 248,560                             | 232,345                             | 487,474                             | 453,334                             |
| Deferred inflow of resources  | 2,415                              | 7,772                              | 290                                 | 1,492                               | 2,705                               | 9,264                               |
| Net Position:                 |                                    |                                    |                                     |                                     |                                     |                                     |
| Net investment in             |                                    |                                    |                                     |                                     |                                     |                                     |
| capital assets                | 207,790                            | 202,020                            | 165,327                             | 175,803                             | 373,117                             | 377,823                             |
| Restricted                    | 7,547                              | 8,332                              | 1,544                               | 894                                 | 9,091                               | 9,226                               |
| Unrestricted                  | (22,958)                           | (21,306)                           | 44,085                              | 46,200                              | 21,127                              | 24,894                              |
| Total Net Position            | \$192,379                          | \$189,046                          | \$210,956                           | \$222,897                           | \$403,335                           | \$411,943                           |

Governmental activities total assets decreased by \$1 million while total liabilities increased by \$18 million. These changes are primarily the result of the increase to the net pension liability by \$32 million which was offset by paying down debt of \$9 million. The \$17 million increase to deferred outflow of resources is also related to the net pension liability and result from plan contributions made after the actuarial measurement date and differences in projected and actual investment earnings. See pages 44-50 for information on the City's pension plans. Current and other assets decreased by \$20 million, primarily funding the increase to net capital assets of \$19 million.

Governmental activities net position increased by \$3 million or 2%. This increase can be attributed to the new Street Maintenance Fee which became effective in January 2019. Major expenditures out of the Street Maintenance Fund were postponed until late in the fiscal year allowing revenues to accumulate in the fund, which will be used to fund future street projects. The net investment in capital assets increased by \$6 million due to the paying down of the related debt.

Business-type activities total assets increased by \$1 million and total liabilities increased by \$16 million. These changes are primarily the result of \$18.37 million in Texas Water Development Board bonds which will be used to replace all water meters in the City with smart meters offset by a \$13 million donation of capital noted below. Business-type activities net position decreased by \$12 million or 5%. Net investment in capital assets decreased by \$10 million and unrestricted net position decreased by \$2 million or 5%. These decreases in net position can be attributable to the increase to the net pension liability of \$5 million as well as \$13 million of the Possum Kingdom

Raw Pipeline's water improvements being contributed to the West Central Texas Municipal Water District.

### ***Changes in Net Position***

During fiscal year 2019, the total net position of the City decreased by \$9 million. Governmental activities net position increased by \$3 million. Business-type activities net position decreased by \$12 million due to expenses exceeding revenues by \$10 million before transfers out of \$2 million. The following table summarizes the changes in net position:

### ***CITY OF ABILENE'S CHANGES IN NET POSITION(in thousands)***

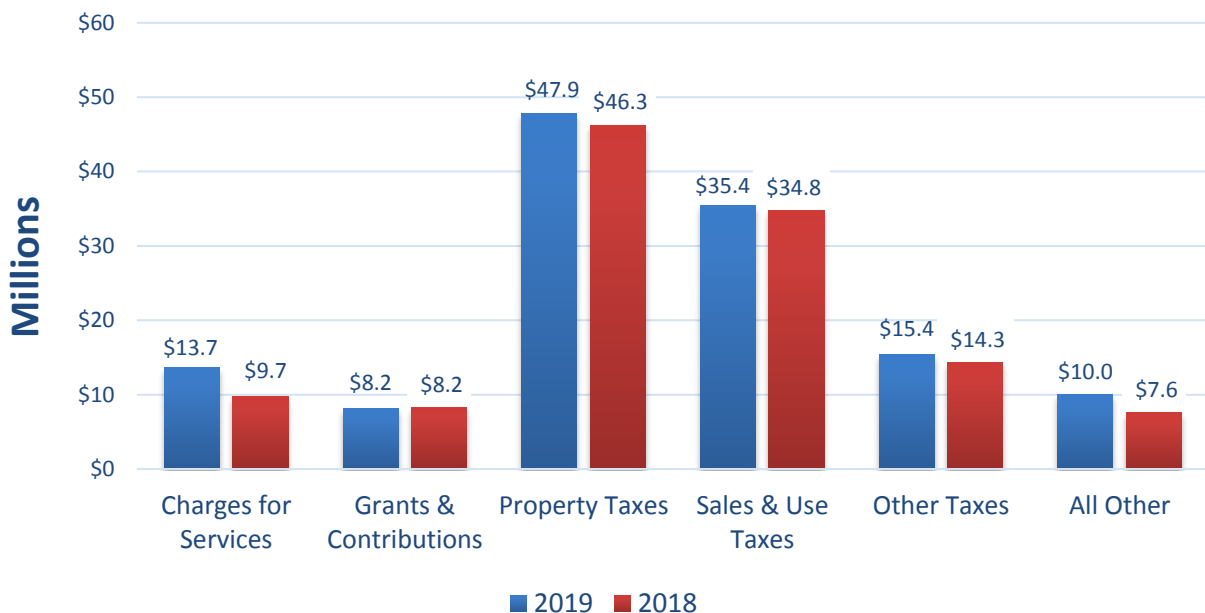
|                                                           | Governmental<br>Activities<br>2019 | Governmental<br>Activities<br>2018 | Business-Type<br>Activities<br>2019 | Business-Type<br>Activities<br>2018 | Total Primary<br>Government<br>2019 | Total Primary<br>Government<br>2018 |
|-----------------------------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Revenues:</b>                                          |                                    |                                    |                                     |                                     |                                     |                                     |
| Program Revenues -                                        |                                    |                                    |                                     |                                     |                                     |                                     |
| Charges for services                                      | \$13,696                           | \$9,711                            | \$68,712                            | \$70,318                            | \$82,408                            | \$80,029                            |
| Operating grants and contributions                        | 4,900                              | 3,942                              | 2,280                               | 1,971                               | 7,180                               | 5,913                               |
| Capital grants and contributions                          | 3,281                              | 4,273                              | 1,269                               | 6,579                               | 4,550                               | 10,852                              |
| General Revenues -                                        |                                    |                                    |                                     |                                     |                                     |                                     |
| Property taxes                                            | 47,854                             | 46,250                             |                                     |                                     | 47,854                              | 46,250                              |
| Sales and use taxes                                       | 35,370                             | 34,784                             |                                     |                                     | 35,370                              | 34,784                              |
| Franchise fees                                            | 8,315                              | 7,859                              |                                     |                                     | 8,315                               | 7,859                               |
| Miscellaneous taxes                                       | 7,089                              | 6,484                              |                                     |                                     | 7,089                               | 6,484                               |
| Investment earnings                                       | 2,648                              | 1,533                              | 1,595                               | 836                                 | 4,243                               | 2,369                               |
| Miscellaneous                                             | 7,323                              | 6,005                              | 715                                 | 325                                 | 8,038                               | 6,330                               |
| Gain (loss) on sale/<br>retirement of capital assets      |                                    | 56                                 | 26                                  | 267                                 | 26                                  | 323                                 |
| Total Revenues                                            | 130,476                            | 120,897                            | 74,597                              | 80,296                              | 205,073                             | 201,193                             |
| <b>Expenses:</b>                                          |                                    |                                    |                                     |                                     |                                     |                                     |
| General Government                                        | \$8,590                            | \$5,915                            |                                     |                                     | \$8,590                             | \$5,915                             |
| Human Resources                                           | 1,498                              | 1,233                              |                                     |                                     | 1,498                               | 1,233                               |
| Finance                                                   | 8,636                              | 6,871                              |                                     |                                     | 8,636                               | 6,871                               |
| Planning & Dev. Services                                  | 3,498                              | 3,165                              |                                     |                                     | 3,498                               | 3,165                               |
| Public Works                                              | 12,685                             | 11,702                             |                                     |                                     | 12,685                              | 11,702                              |
| Facilities and Cap Improvements                           | 2,933                              | 2,896                              |                                     |                                     | 2,933                               | 2,896                               |
| Police                                                    | 33,378                             | 29,328                             |                                     |                                     | 33,378                              | 29,328                              |
| Fire                                                      | 26,858                             | 23,027                             |                                     |                                     | 26,858                              | 23,027                              |
| Transportation Services                                   | 6,123                              | 5,670                              |                                     |                                     | 6,123                               | 5,670                               |
| Community Services                                        | 15,959                             | 13,678                             |                                     |                                     | 15,959                              | 13,678                              |
| Health                                                    | 4,785                              | 4,387                              |                                     |                                     | 4,785                               | 4,387                               |
| Interest on long term debt                                | 3,940                              | 4,098                              |                                     |                                     | 3,940                               | 4,098                               |
| Water and Sewer                                           |                                    |                                    | \$65,595                            | \$50,993                            | 65,595                              | 50,993                              |
| Solid Waste Services                                      |                                    |                                    | 12,336                              | 10,725                              | 12,336                              | 10,725                              |
| Transit Services                                          |                                    |                                    | 4,525                               | 4,320                               | 4,525                               | 4,320                               |
| Stormwater Services                                       |                                    |                                    | 2,342                               | 2,074                               | 2,342                               | 2,074                               |
| Total Expenses                                            | 128,883                            | 111,970                            | 84,798                              | 68,112                              | 213,681                             | 180,082                             |
| Increases (decreases) in net<br>position before transfers | 1,593                              | 8,927                              | (10,201)                            | 12,184                              | (8,608)                             | 21,111                              |
| Transfers                                                 | 1,740                              | 3,898                              | (1,740)                             | (3,898)                             |                                     |                                     |
| Increase (decrease) in net position                       | 3,333                              | 12,825                             | (11,941)                            | 8,286                               | (8,608)                             | 21,111                              |
| Net position - October 1                                  | 189,046                            | 179,243                            | 222,897                             | 215,265                             | 411,943                             | 394,508                             |
| Prior period adjustment                                   |                                    | (3,022)                            |                                     | (654)                               | -                                   | (3,676)                             |
| Net position - September 30                               | \$192,379                          | \$189,046                          | \$210,956                           | \$222,897                           | \$403,335                           | \$411,943                           |

### Governmental Activities – Program Revenues and Expenses:

Governmental activities total revenues, both program and general, increased by \$10 million, or 8%. The key factors for this change from fiscal year 2018 to 2019 are as follows:

- The City's property net taxable values increased for 2019 by \$263 million or 4%. The tax rate to finance general governmental services stayed flat at .5648 per \$100 of assessed value for 2019. The tax rate to finance the payment of long-term debt decreased from \$.2103 per \$100 of assessed value to \$.2074 in 2019. The combined tax rate decreased from \$.7751 per \$100 of assessed value in 2018 to \$.7722 per \$100 of assessed value in 2019. The total effect the increase in taxable value and decrease in tax rate was an overall increase of \$2 million in property taxes collected.
- The City's sales and use taxes increased by \$.6 million or 2%.
- Charges for service increased \$4 million or 41% due to the new Street Maintenance Fee which became effective in January 2019.
- Investment earnings increased by \$1 million due to higher interest rates in 2019.
- Miscellaneous revenues increased by \$1 million primarily due to payments made by the 9-1-1 Emergency Communication District to the City for reimbursement of mobile data computers purchased for first responders and equipment for the 9-1-1 call center at the new Law Enforcement Center.

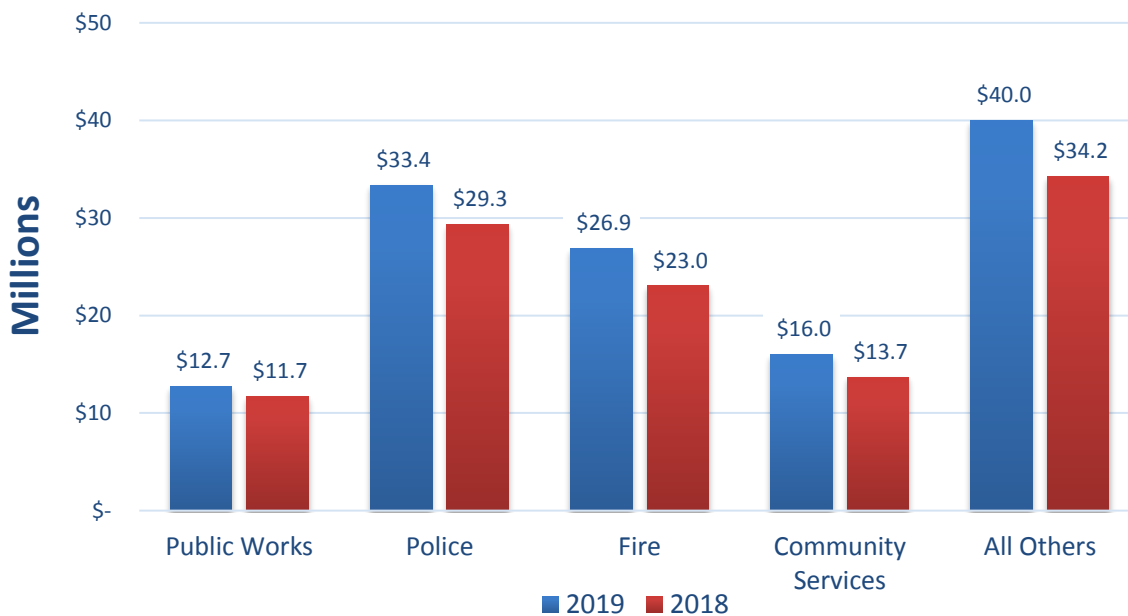
## Governmental Activities REVENUES BY SOURCE



Governmental activities total expenses increased by \$17 million or 15%. The key factors for this increase are explained below:

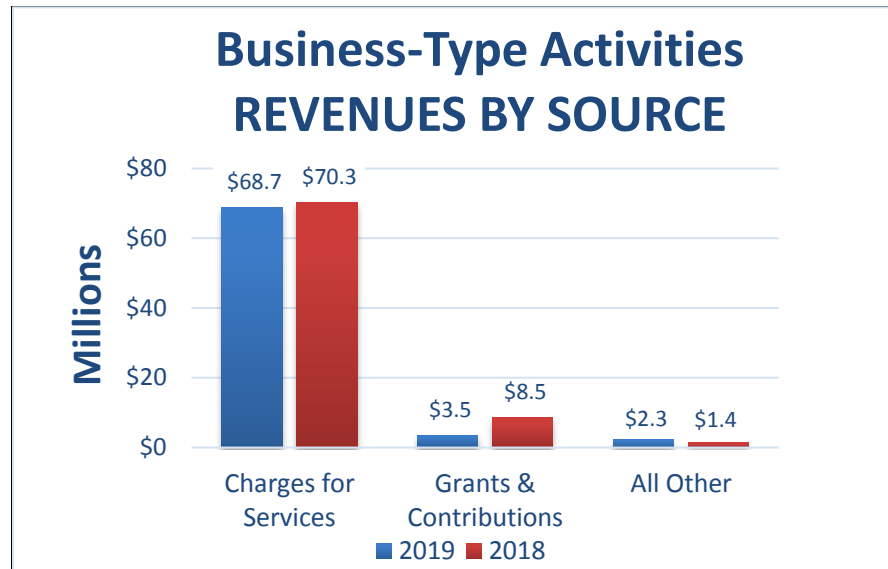
- Expenses increased by \$4 million as a result of the increase to the net pension liability. \$1 million of this increase is attributable to the Abilene Firemen's Relief and Retirement Fund.
- 380 agreements account for approximately \$1.5 million in economic development grants paid in 2019.
- Depreciation expense increased \$1.5 million as a result of capital asset additions.
- The expense adjustment to allocate out the change in net position of the internal service funds increased by \$7 million over prior year. Insurance recoveries in the Self Insurance Fund decreased by \$6 million due to the TML settlement that was recognized in 2018 while other claims and insurance costs increased by \$1 million.

## Governmental Activities PROGRAM EXPENSE



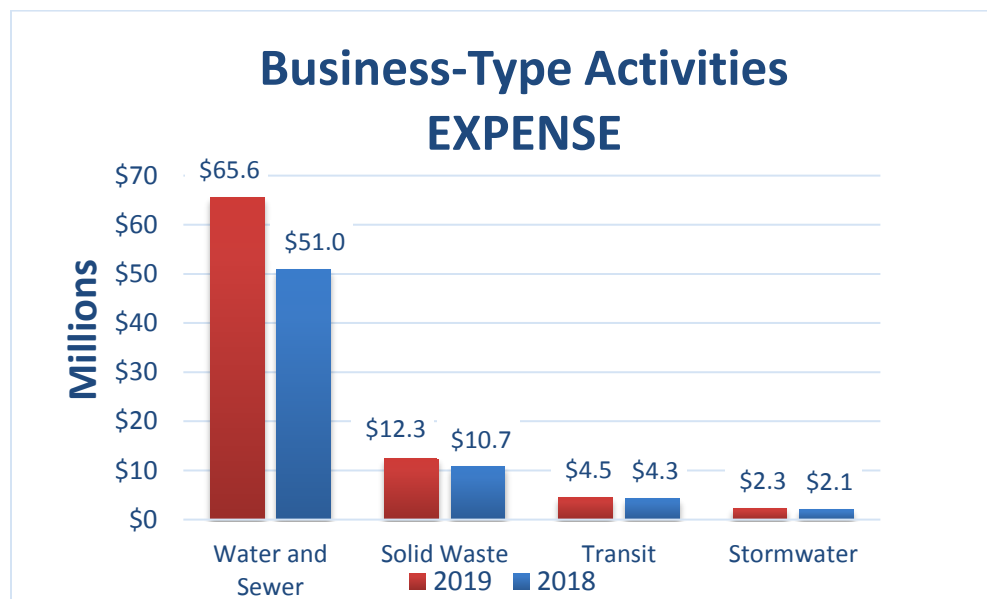
### Business-type Activities - Program Revenues and Expenses:

Business-type activities revenues, both program and general, decreased by \$6 million or 7% primarily due to less capital contributions of water and sewer improvements from private developers.



Business-type activities expenses increased by \$17 million or 25%.

- The Water and Sewer System expenses increased by \$15 million or 29%. This increase is primarily the result of the \$13 million contribution of water improvements to the West Central Texas Municipal Water District. The remaining increase can be attributed to the impact of the adjustment to the net pension liability.
- Solid Waste Services expenses increased by \$1.6 million or 15%, mostly attributable to salary adjustments made to help hire and retain personnel in 2019.



## FUND FINANCIAL STATEMENTS

The City's fund financial statements beginning on page 20 show a combined fund balance in governmental funds of \$82 million, which is a \$15 million decrease from 2018. Fund balances are considered Nonspendable, Restricted, Committed, Assigned, or Unassigned. Nonspendable fund balances are not in a spendable form such as inventory or prepaid items. Restricted fund balances are required to be spent for specific purposes as set by the providers of the funds, through constitutional provisions, or by enabling legislation. Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. Assigned fund balances represent funds that have been designated internally for specific purposes. Finally, Unassigned fund balances are amounts that are available for any purpose. Of the \$82 million combined fund balance, \$32 million is Restricted, \$3 million is Committed, \$16 million is Assigned and \$31 million is Unassigned.

The decrease in total fund balance of \$15 million is in contrast to the \$3 million increase in governmental activities net position in the government wide financial statements. The differences between these two statements are reflected in the reconciliation presented on page 23. The primary differences are in the manner that capital assets, debt, and certain accruals are recorded between the two statements.

The following table summarizes the changes in fund balance for Governmental Funds:

### CITY OF ABILENE'S CHANGES IN FUND BALANCE (in thousands)

|                                                           | General<br>Fund<br>2019 | General<br>Fund<br>2018 | Debt<br>Service<br>2019 | Debt<br>Service<br>2018 | Certificate<br>of<br>Obligation<br>Bonds<br>Capital<br>Project<br>2019 | General<br>Obligation<br>Bonds<br>Capital<br>Project<br>2018 | Nonmajor<br>Governmental<br>2019 (1) | Nonmajor<br>Governmental<br>2018 (2) | Total<br>Governmental<br>2019 | Total<br>Governmental<br>2018 |
|-----------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|-------------------------------|
| <b>Revenues:</b>                                          |                         |                         |                         |                         |                                                                        |                                                              |                                      |                                      |                               |                               |
| Taxes                                                     | \$81,818                | \$79,113                | \$12,616                | \$12,301                |                                                                        |                                                              | \$4,158                              | \$3,960                              | \$98,592                      | \$95,374                      |
| Intergovernmental                                         | 615                     | 96                      |                         |                         |                                                                        |                                                              | 4,256                                | 4,742                                | 4,871                         | 4,838                         |
| All other revenues                                        | 15,392                  | 15,202                  | 114                     | 75                      | \$488                                                                  | \$473                                                        | 10,308                               | 3,463                                | 26,302                        | 19,213                        |
| <b>Total Revenues</b>                                     | <b>97,825</b>           | <b>94,411</b>           | <b>12,730</b>           | <b>12,376</b>           | <b>488</b>                                                             | <b>473</b>                                                   | <b>18,722</b>                        | <b>12,165</b>                        | <b>129,765</b>                | <b>119,425</b>                |
| <b>Expenditures:</b>                                      |                         |                         |                         |                         |                                                                        |                                                              |                                      |                                      |                               |                               |
| Current                                                   | 89,446                  | 86,558                  |                         |                         | 64                                                                     | 39                                                           | 11,665                               | 10,357                               | 101,175                       | 96,954                        |
| Debt Service                                              |                         |                         | 13,610                  | 12,999                  |                                                                        | 91                                                           |                                      | 205                                  | 13,610                        | 13,295                        |
| Capital Projects                                          |                         |                         |                         |                         | 14,795                                                                 | 12,627                                                       | 17,026                               | 10,446                               | 31,821                        | 23,073                        |
| <b>Total Expenditures</b>                                 | <b>89,446</b>           | <b>86,558</b>           | <b>13,610</b>           | <b>12,999</b>           | <b>14,859</b>                                                          | <b>12,757</b>                                                | <b>28,691</b>                        | <b>21,008</b>                        | <b>146,606</b>                | <b>133,322</b>                |
| <b>Excess (Deficit) of Revenues<br/>Over Expenditures</b> | <b>8,379</b>            | <b>7,853</b>            | <b>(880)</b>            | <b>(623)</b>            | <b>(14,371)</b>                                                        | <b>(12,284)</b>                                              | <b>(9,969)</b>                       | <b>(8,843)</b>                       | <b>(16,841)</b>               | <b>(13,897)</b>               |
| <b>Other Financing<br/>Sources (Uses)</b>                 |                         |                         |                         |                         |                                                                        |                                                              |                                      |                                      |                               |                               |
| Issuance of debt<br>(net of refundings)                   |                         |                         |                         | 9                       |                                                                        | 5,321                                                        |                                      | 12,723                               | -                             | 18,053                        |
| Proceeds from sale of capital assets                      | 307                     |                         |                         |                         |                                                                        | 101                                                          | 9                                    |                                      | 316                           | 101                           |
| Transfers in                                              | 5,157                   | 3,230                   | 807                     | 538                     |                                                                        |                                                              | 11,465                               | 10,513                               | 17,429                        | 14,281                        |
| Transfers out                                             | (10,489)                | (9,787)                 |                         |                         |                                                                        | (99)                                                         | (4,992)                              | (1,523)                              | (15,481)                      | (11,409)                      |
| <b>Total Other Financing<br/>Sources (Uses)</b>           | <b>(5,025)</b>          | <b>(6,557)</b>          | <b>807</b>              | <b>547</b>              | <b>-</b>                                                               | <b>5,323</b>                                                 | <b>6,482</b>                         | <b>21,713</b>                        | <b>2,264</b>                  | <b>21,026</b>                 |
| <b>Net Change in Fund Balances</b>                        | <b>3,354</b>            | <b>1,296</b>            | <b>(73)</b>             | <b>(76)</b>             | <b>(14,371)</b>                                                        | <b>(6,961)</b>                                               | <b>(3,487)</b>                       | <b>12,870</b>                        | <b>(14,577)</b>               | <b>7,129</b>                  |
| <b>Fund Balances Beginning of Year</b>                    | <b>28,228</b>           | <b>26,932</b>           | <b>1,766</b>            | <b>1,842</b>            | <b>17,361</b>                                                          | <b>35,312</b>                                                | <b>49,146</b>                        | <b>25,286</b>                        | <b>96,501</b>                 | <b>89,372</b>                 |
| <b>Fund Balances End of Year</b>                          | <b>\$31,582</b>         | <b>\$28,228</b>         | <b>\$1,693</b>          | <b>\$1,766</b>          | <b>\$2,990</b>                                                         | <b>\$28,351</b>                                              | <b>\$45,659</b>                      | <b>\$38,156</b>                      | <b>\$81,924</b>               | <b>\$96,501</b>               |

(1) Included in Nonmajor in 2018

(2) Included in Nonmajor in 2019



Notable changes in the major and Nonmajor governmental funds are as follows:

- General Fund total revenues increased by \$3 million and expenditures increased by \$3 million.
  - Property tax revenues increased by over \$1.3 million and sales tax increased by \$.6 million. See the Government-Wide-Financial-Analysis for an explanation of this increase.
  - Licenses and permits increased by \$.2 million, which is mostly attributed to a rise in building permit fees.
  - Current expenditures increased by \$3 million or 3% primarily resulting from increases to certain personnel costs, including a 2% across the board pay raise. Additional increases to personnel costs are attributed to civil service which include step pay increases for the Police and Fire Departments and the addition of 15 new firefighters.
- Debt Service Fund total revenues increased by \$.4 million.
  - While the overall tax rate to fund debt service decreased from \$.2103 to \$.2074 per \$100 of assessed value in fiscal year 2019, there was an increase to assessed property values resulting in the increase to revenue.
- The Certificate of Obligation Bond Capital Project Fund's total expenditures increased by \$10 million as a result of the construction of the new Law Enforcement Center, Water Utility Offices, and Municipal Court, and as a result, is considered to be a major fund for 2019.
- The General Obligation Bond Capital Project Fund's total expenditures decreased by \$5 million and is reported with the Nonmajor Governmental Funds for 2019. In December 2019, the City issued the last phase of the voter approved \$81 million in capital improvements. All remaining projects are anticipated to be completed over the next two years. This fund was not considered to be a major fund for fiscal year 2019 and is presented with the nonmajor funds.

The proprietary fund financial statements beginning on page 24 are consistent with the government wide financial statements with the exception that Internal Service Funds are included as a proprietary fund on page 24. Significant changes in the Internal Service Funds are as follows:

Net position of the Internal Service Funds decreased by \$2 million or 7%.

- In 2018, the Self Insurance Fund received one-time contributions totaling \$1.5 million from the Water and Sewer Fund, Solid Waste Services Fund, and the Fleet Management Fund as a strategy to provide the Self Insurance Fund with adequate funding. Without this additional funding in 2019, the Self Insurance Fund sustained a loss due to the accrual of a one-time claim of \$.8 million, increased property insurance premiums, and the continued rise in prescription drug costs. To address ongoing concerns with rising health and prescription drug costs, the City changed health insurance providers from Aetna to Blue Cross Blue Shield effective January 1, 2020.

## **GENERAL FUND BUDGET HIGHLIGHTS**

The City prepares its annual operating budget on a basis which differs from U.S. generally accepted accounting principles (GAAP basis). See Note 2 of the notes to financial statements for an explanation of these differences. The original General Fund budget was amended during the year which had the effect of increasing total revenues by \$2 million and increasing net other financing sources (uses) by \$(3) million. The final General Fund budget provided for a \$1 million deficit to allow for use of excess fund balance above our operating reserve for one-time expenditures. Actual budget basis revenues, expenditures, and other financing sources (uses) for 2019 resulted in a positive increase in fund balance of \$1.6 million.

The General Fund's actual budget basis total revenues were \$98 million while budgeted total revenues were \$97 million. The positive variance of \$1 million was due to sales tax and permit fees exceeding expectations.

General Fund's actual budget basis expenditures before other financing sources (uses) were \$90 million while budgeted expenditures were \$92 million. The positive variance of \$2 million was due to savings from personnel vacancies and continued conservative spending.

## **CAPITAL ASSETS**

At the end of fiscal year 2019 the City had \$669 million invested in capital assets, net of accumulated depreciation. These capital assets include land, building and improvements, improvements other than buildings, machinery and equipment, construction in progress, vehicles, infrastructure, and intangible assets such as software and water rights. See Note 5 in the notes to financial statements for additional detail of the capital assets.

The capital assets are summarized below:

### ***Capital Assets, Net of Accumulated Depreciation/Amortization (in thousands)***

|                                      | Governmental<br>Activities 2019 | Governmental<br>Activities 2018 | Business-Type<br>Activities<br>2019 | Business-<br>Type Activities<br>2018 | Total Primary<br>Government<br>2019 | Total Primary<br>Government<br>2018 |
|--------------------------------------|---------------------------------|---------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| Land                                 | \$12,097                        | \$12,422                        | \$2,162                             | \$2,133                              | \$14,259                            | \$14,555                            |
| Construction in progress             | 25,323                          | 17,107                          | 9,427                               | 6,060                                | 34,750                              | 23,167                              |
| Buildings and improvements           | 51,053                          | 51,769                          | 203,651                             | 212,294                              | 254,704                             | 264,063                             |
| Improvements other<br>than buildings | 99,109                          | 101,636                         | 136,670                             | 141,951                              | 235,779                             | 243,587                             |
| Infrastructure                       | 80,227                          | 68,121                          |                                     |                                      | 80,227                              | 68,121                              |
| Machinery and equipment              | 7,411                           | 5,833                           | 3,429                               | 3,503                                | 10,840                              | 9,336                               |
| Vehicles                             | 21,848                          | 21,141                          | 859                                 | 824                                  | 22,707                              | 21,965                              |
| Intangible Assets                    | 118                             | 283                             | 15,837                              | 16,570                               | 15,955                              | 16,853                              |
| Total                                | <u>\$297,186</u>                | <u>\$278,312</u>                | <u>\$372,035</u>                    | <u>\$383,335</u>                     | <u>\$669,221</u>                    | <u>\$661,647</u>                    |

The City's capital asset additions for fiscal year 2019 (net of construction in progress retirements) for its governmental activities and business-type activities were \$45 million.

Governmental activities capital additions (net of construction in progress retirements) were \$37 million. The more significant additions were \$12 million for street and traffic improvements, \$4 million in traffic and signal improvements, and \$2 million in parks and recreation improvements with \$16 million added to Construction in Progress. At year end Construction in Progress consisted primarily of \$5 million of street and traffic improvements and \$15 million for the new Law Enforcement Center.

Business-type activities capital additions (net of construction in progress retirements) were \$8 million. The most significant additions were \$2 million in sewer system improvements and \$3 million in water system improvements, with \$8 million added to Construction in Progress. At year end Construction in Progress consisted of water and sewer system improvement projects totaling \$9 million.

## ***LONG-TERM OBLIGATIONS***

At year end the City had \$469 million of long-term obligations, an increase of \$37 million or 8%. The table below reflects the long term obligations at year end:

### ***Long-Term Obligations (in thousands)***

|                                | Governmental<br>Activities 2019 | Governmental<br>Activities 2018 | Business-<br>Type<br>Activities<br>2019 | Business-Type<br>Activities<br>2018 | Total Primary<br>Government<br>2019 | Total Primary<br>Government<br>2018 |
|--------------------------------|---------------------------------|---------------------------------|-----------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| General obligation bonds       | \$78,995                        | \$86,205                        | \$42,900                                | \$45,240                            | \$121,895                           | \$131,445                           |
| Certificates of obligation     | 23,905                          | 25,265                          | 170,255                                 | 157,435                             | 194,160                             | 182,700                             |
| Contractual obligations        | 274                             | 191                             |                                         |                                     | 274                                 | 191                                 |
| Bond premiums                  | 11,062                          | 11,893                          | 19,519                                  | 21,002                              | 30,581                              | 32,895                              |
| Compensated absences           | 10,117                          | 9,468                           | 591                                     | 537                                 | 10,708                              | 10,005                              |
| Liability for health claims    | 795                             | 869                             |                                         |                                     | 795                                 | 869                                 |
| Workers compensation claims    | 3,414                           | 3,400                           |                                         |                                     | 3,414                               | 3,400                               |
| Liability for other claims     | 775                             | 875                             |                                         |                                     | 775                                 | 875                                 |
| Other post employment benefits | 3,356                           | 3,478                           | 729                                     | 756                                 | 4,085                               | 4,234                               |
| Net pension liability          | 95,024                          | 63,006                          | 6,863                                   | 2,273                               | 101,887                             | 65,279                              |
| Total                          | <u>\$227,717</u>                | <u>\$204,650</u>                | <u>\$240,857</u>                        | <u>\$227,243</u>                    | <u>\$468,574</u>                    | <u>\$431,893</u>                    |

During 2019, the City issued \$18.37 million of Texas Water Development Board bonds for the Automatic Meter Reading / Automatic Metering Infrastructure Water Meter System project, which will replace all water meters in the City with smart meters. Implementation of these technologies will greatly improve customer and utility access to current, accurate, and detailed information on individual water accounts while also providing more accurate measurement of water consumption. Project implementation is currently in progress and is expected to be completed over the next two years. The new debt was largely offset by planned debt payments.

The net pension liability of the City increased by \$37 million, which is determined based on actuarial valuations of the City's retirement plans, consisting of the Texas Municipal Retirement System and the Abilene Firemen's Relief and Retirement Fund. See Note 6, pages 44-50 for information on the City's pension plans.

See Note 9, pages 54-56, of the notes to financial statements for additional information on long-term obligations.

The City's bond ratings continue to be rated AA+ by Standard & Poor's and AA+ by Fitch Ratings.

## ***ECONOMIC FACTORS AND FISCAL YEAR 2020***

The City considered many factors in setting the fiscal year 2020 budget. The most significant of these factors was the passing of Senate Bill 2 which has the effect of limiting future tax rate growth to 3.5% per year. In anticipation of this change, the General Fund operating tax rate for 2020 was increased from \$.5648 per \$100 of assessed value to \$.6069 per \$100 of assessed value. Other factors considered were a 5% increase in the City's assessed property tax values and a 2.8% increase in sales tax revenues. The General Fund budgeted expenditures were set at \$107 million, a \$4 million increase over 2019. Budgeted revenues were set at \$107 million, a \$6 million increase over 2019.

The Debt Service Fund tax rate for 2020 was decreased from \$.2074 per \$100 of assessed value to \$.1808 as a result of lower debt service requirements in 2020.

During 2020, the Water and Sewer fund plans to utilize their operating reserves and have budgeted \$6 million to fund significant one-time capital expenditures. As a result of this, fiscal year 2020 budgeted expenses are \$63 million, a \$6 million increase over 2019. In an effort to ensure adequate funding is available for current operations and to meet the ongoing debt service requirements of the fund, the City has adopted a five-year plan to increase water and sewer rates, with the first rate increase effective in 2020. Fiscal year 2020 budgeted revenues are \$58 million, a \$2 million increase over 2019.

## ***REQUESTS FOR INFORMATION***

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 the Finance Department, Attention: Finance Director, P.O. Box 60, Abilene, Texas 79604, call (325) 676-6324, or e-mail at [Mike.Rains@Abilenetx.gov](mailto:Mike.Rains@Abilenetx.gov).



## BASIC FINANCIAL STATEMENTS





**CITY OF ABILENE, TEXAS**  
**Statement of Net Position**  
**September 30, 2019**

**Exhibit A-1**

|                                                | Primary Government      |                          |                       | Component Unit                     |
|------------------------------------------------|-------------------------|--------------------------|-----------------------|------------------------------------|
|                                                | Governmental Activities | Business-type Activities | Total                 | Development Corporation of Abilene |
| <b>ASSETS</b>                                  |                         |                          |                       |                                    |
| Cash and cash investments                      | \$ 50,370,826           | \$ 31,539,497            | \$ 81,910,323         | \$ 23,430,006                      |
| Investments                                    | 15,237,029              | 11,585,831               | 26,822,860            | 8,609,330                          |
| Receivables:                                   |                         |                          |                       |                                    |
| Accounts receivable, net                       | 5,680,745               | 10,843,956               | 16,524,701            | -                                  |
| Delinquent taxes receivable, net               | 961,357                 | -                        | 961,357               | -                                  |
| Internal balances                              | 1,916,265               | (1,916,265)              | -                     | -                                  |
| Due from other governments                     | 7,576,689               | 607,678                  | 8,184,367             | 2,042,065                          |
| Inventories - materials and supplies           | 435,057                 | 1,410,192                | 1,845,249             | -                                  |
| Prepaid items                                  | 242,828                 | 32,056                   | 274,884               | 17,800                             |
| Restricted Assets:                             |                         |                          |                       |                                    |
| Cash and cash investments                      | 26,386,356              | 27,409,270               | 53,795,626            | -                                  |
| Investments                                    | 1,181,972               | 467,197                  | 1,649,169             | -                                  |
| Notes receivable                               | 1,859,278               | -                        | 1,859,278             | 12,572,691                         |
| Capital assets not being depreciated           | 37,419,550              | 11,589,038               | 49,008,588            | 4,903,719                          |
| Capital assets net of accumulated depreciation | 259,766,144             | 360,446,412              | 620,212,556           | 40,410,002                         |
| <b>TOTAL ASSETS</b>                            | <b>409,034,096</b>      | <b>454,014,862</b>       | <b>863,048,958</b>    | <b>91,985,613</b>                  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>          |                         |                          |                       |                                    |
| Deferred outflow of resources                  | 24,674,652              | 5,792,159                | 30,466,811            | -                                  |
| <b>LIABILITIES</b>                             |                         |                          |                       |                                    |
| Accounts payable                               | 4,603,361               | 5,025,394                | 9,628,755             | 711,978                            |
| Retainage payable                              | 824,551                 | 321,484                  | 1,146,035             | 126,051                            |
| Accrued expenses                               | 3,030,263               | 681,731                  | 3,711,994             | 20,634                             |
| Accrued interest                               | 538,630                 | 1,124,321                | 1,662,951             | -                                  |
| Other deposits and liabilities                 | 308,248                 | 164,108                  | 472,356               | -                                  |
| Unearned revenues                              | 1,892,710               | 385,961                  | 2,278,671             | -                                  |
| Noncurrent liabilities:                        |                         |                          |                       |                                    |
| Due within one year                            | 10,520,757              | 9,067,439                | 19,588,196            | -                                  |
| Due in more than one year                      | 217,195,760             | 231,789,827              | 448,985,587           | -                                  |
| <b>TOTAL LIABILITIES</b>                       | <b>238,914,280</b>      | <b>248,560,265</b>       | <b>487,474,545</b>    | <b>858,663</b>                     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>           |                         |                          |                       |                                    |
| Deferred inflows of resources                  | 2,415,298               | 290,524                  | 2,705,822             | -                                  |
| <b>NET POSITION</b>                            |                         |                          |                       |                                    |
| Net Investment in capital assets               | 207,790,259             | 165,326,998              | 373,117,257           | 45,313,721                         |
| Restricted for:                                |                         |                          |                       |                                    |
| Contractual obligations                        | -                       | -                        | -                     | 14,136,361                         |
| Debt service                                   | 1,692,830               | 1,543,876                | 3,236,706             | -                                  |
| Capital projects                               | 2,119,881               | -                        | 2,119,881             | -                                  |
| Public safety                                  | 680,258                 | -                        | 680,258               | -                                  |
| Economic development                           | 1,837,666               | -                        | 1,837,666             | -                                  |
| Community services                             | 728,699                 | -                        | 728,699               | -                                  |
| General government                             | 377,537                 | -                        | 377,537               | -                                  |
| Other purposes                                 | 110,313                 | -                        | 110,313               | -                                  |
| Unrestricted                                   | (22,958,273)            | 44,085,358               | 21,127,085            | 31,676,868                         |
| <b>TOTAL NET POSITION</b>                      | <b>\$ 192,379,170</b>   | <b>\$ 210,956,232</b>    | <b>\$ 403,335,402</b> | <b>\$ 91,126,950</b>               |

The accompanying notes are an integral part of the financial statements.



**CITY OF ABILENE, TEXAS**  
**Statement of Activities**  
**For the Year Ended September 30, 2019**

|                                     |                | Program Revenues     |                                    |                                  |
|-------------------------------------|----------------|----------------------|------------------------------------|----------------------------------|
|                                     |                | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
|                                     | Expenses       |                      |                                    |                                  |
| <b>FUNCTIONS/PROGRAMS</b>           |                |                      |                                    |                                  |
| <b>PRIMARY GOVERNMENT:</b>          |                |                      |                                    |                                  |
| Governmental activities:            |                |                      |                                    |                                  |
| General Government                  | \$ 8,590,172   | \$ 983,543           | \$ 281,961                         | \$ 21,652                        |
| Human Resources                     | 1,498,469      | -                    | -                                  | -                                |
| Finance                             | 8,636,167      | 1,561,099            | 3,539                              | -                                |
| Planning and Development Services   | 3,498,420      | 1,340,622            | 1,010,498                          | -                                |
| Public Works                        | 12,684,946     | 4,560,807            | 272,063                            | 2,591,661                        |
| Facilities and Capital Improvements | 2,932,499      | -                    | 26,925                             | -                                |
| Police                              | 33,377,601     | 1,300,675            | 253,525                            | 115,000                          |
| Fire                                | 26,858,049     | 120,415              | 464,076                            | -                                |
| Transportation Services             | 6,122,895      | 2,020,115            | 50,000                             | 265,364                          |
| Community Services                  | 15,958,485     | 1,031,343            | 86,079                             | 287,500                          |
| Health                              | 4,784,731      | 777,786              | 2,451,659                          | -                                |
| Interest and fees on long-term debt | 3,940,312      | -                    | -                                  | -                                |
| Total governmental activities       | 128,882,746    | 13,696,405           | 4,900,325                          | 3,281,177                        |
| Business-type activities            |                |                      |                                    |                                  |
| Water and Sewer Services            | 65,594,968     | 50,551,248           | -                                  | 1,002,625                        |
| Solid Waste Services                | 12,335,938     | 15,418,218           | -                                  | -                                |
| Transit Services                    | 4,524,597      | 438,941              | 2,280,037                          | 266,488                          |
| Stormwater Services                 | 2,342,380      | 2,303,206            | -                                  | -                                |
| Total business-type activities      | 84,797,883     | 68,711,613           | 2,280,037                          | 1,269,113                        |
| Total primary government            | \$ 213,680,629 | \$ 82,408,018        | \$ 7,180,362                       | \$ 4,550,290                     |
| <b>COMPONENT UNIT:</b>              |                |                      |                                    |                                  |
| Development Corporation of Abilene  | \$ 9,503,239   | \$ -                 | \$ -                               | \$ -                             |

**General Revenues**

Property taxes, levied for general purposes  
Property taxes, levied for debt service  
Sales and use taxes  
Franchise taxes  
Occupancy tax  
Other taxes  
Investment earnings net of change in fair value of investments  
Gain on sale of capital assets  
Miscellaneous income  
Transfers  
Total general revenues and transfers  
Change in net position  
Net position, beginning of year  
Net position, end of year

The accompanying notes are an integral part of the financial statements.

| Net (Expense) Revenue and<br>Changes in Net Position |                             |                         |                                          |
|------------------------------------------------------|-----------------------------|-------------------------|------------------------------------------|
| Primary Government                                   |                             |                         | Component Unit                           |
| Governmental<br>Activities                           | Business-type<br>Activities | Total                   | Development<br>Corporation of<br>Abilene |
| \$ (7,303,016)                                       | \$ -                        | \$ (7,303,016)          | \$ -                                     |
| (1,498,469)                                          | -                           | (1,498,469)             | -                                        |
| (7,071,529)                                          | -                           | (7,071,529)             | -                                        |
| (1,147,300)                                          | -                           | (1,147,300)             | -                                        |
| (5,260,415)                                          | -                           | (5,260,415)             | -                                        |
| (2,905,574)                                          | -                           | (2,905,574)             | -                                        |
| (31,708,401)                                         | -                           | (31,708,401)            | -                                        |
| (26,273,558)                                         | -                           | (26,273,558)            | -                                        |
| (3,787,416)                                          | -                           | (3,787,416)             | -                                        |
| (14,553,563)                                         | -                           | (14,553,563)            | -                                        |
| (1,555,286)                                          | -                           | (1,555,286)             | -                                        |
| (3,940,312)                                          | -                           | (3,940,312)             | -                                        |
| <u>(107,004,839)</u>                                 | <u>-</u>                    | <u>(107,004,839)</u>    | <u>-</u>                                 |
| -                                                    | (14,041,095)                | (14,041,095)            | -                                        |
| -                                                    | 3,082,280                   | 3,082,280               | -                                        |
| -                                                    | (1,539,131)                 | (1,539,131)             | -                                        |
| -                                                    | (39,174)                    | (39,174)                | -                                        |
| <u>-</u>                                             | <u>(12,537,120)</u>         | <u>(12,537,120)</u>     | <u>-</u>                                 |
| <u>\$ (107,004,839)</u>                              | <u>\$ (12,537,120)</u>      | <u>\$ (119,541,959)</u> | <u>\$ -</u>                              |
| <u>\$ -</u>                                          | <u>\$ -</u>                 | <u>\$ -</u>             | <u>\$ (9,503,239)</u>                    |
| \$ 35,237,758                                        | \$ -                        | \$ 35,237,758           | \$ -                                     |
| 12,616,209                                           | -                           | 12,616,209              | -                                        |
| 35,369,689                                           | -                           | 35,369,689              | 11,789,896                               |
| 8,314,757                                            | -                           | 8,314,757               | -                                        |
| 3,594,163                                            | -                           | 3,594,163               | -                                        |
| 3,494,558                                            | -                           | 3,494,558               | -                                        |
| 2,648,383                                            | 1,594,674                   | 4,243,057               | 776,255                                  |
| -                                                    | 26,305                      | 26,305                  | -                                        |
| 7,322,508                                            | 715,321                     | 8,037,829               | 1,177,645                                |
| 1,740,032                                            | (1,740,032)                 | -                       | -                                        |
| <u>110,338,057</u>                                   | <u>596,268</u>              | <u>110,934,325</u>      | <u>13,743,796</u>                        |
| 3,333,218                                            | (11,940,852)                | (8,607,634)             | 4,240,557                                |
| 189,045,952                                          | 222,897,084                 | 411,943,036             | 86,886,393                               |
| <u>\$ 192,379,170</u>                                | <u>\$ 210,956,232</u>       | <u>\$ 403,335,402</u>   | <u>\$ 91,126,950</u>                     |

|                                                              | 2019                 |                     |                                                      |                       |                          |
|--------------------------------------------------------------|----------------------|---------------------|------------------------------------------------------|-----------------------|--------------------------|
|                                                              | General Fund         | Debt Service Fund   | Certificate of Obligation Bonds Capital Project Fund | Nonmajor Governmental | Total Governmental Funds |
| <b>ASSETS</b>                                                |                      |                     |                                                      |                       |                          |
| Cash and cash investments                                    | \$ 21,466,373        | \$ -                | \$ -                                                 | \$ 18,512,231         | \$ 39,978,604            |
| Investments                                                  | 5,645,473            | -                   | -                                                    | 5,773,397             | 11,418,870               |
| Receivables (net):                                           |                      |                     |                                                      |                       |                          |
| Accounts receivable                                          | 4,574,982            | -                   | -                                                    | 1,088,696             | 5,663,678                |
| Property taxes receivable                                    | 961,357              | -                   | -                                                    | -                     | 961,357                  |
| Due from other funds                                         | 985,843              | -                   | -                                                    | -                     | 985,843                  |
| Due from other governments                                   | 6,394,614            | -                   | -                                                    | 1,182,075             | 7,576,689                |
| Note receivable                                              | -                    | -                   | -                                                    | 1,859,278             | 1,859,278                |
| Inventories - materials and supplies                         | 4,913                | -                   | -                                                    | -                     | 4,913                    |
| Prepaid items                                                | 27,033               | -                   | -                                                    | 1,813                 | 28,846                   |
| Restricted assets:                                           |                      |                     |                                                      |                       |                          |
| Cash and cash investments                                    | -                    | 1,188,626           | 3,739,013                                            | 21,458,717            | 26,386,356               |
| Investments                                                  | -                    | 509,139             | -                                                    | 672,833               | 1,181,972                |
| <b>TOTAL ASSETS</b>                                          | <b>\$ 40,060,588</b> | <b>\$ 1,697,765</b> | <b>\$ 3,739,013</b>                                  | <b>\$ 50,549,040</b>  | <b>\$ 96,046,406</b>     |
| <b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>       |                      |                     |                                                      |                       |                          |
| <b>LIABILITIES:</b>                                          |                      |                     |                                                      |                       |                          |
| Accounts payable                                             | \$ 1,880,431         | \$ 1,700            | \$ 17,192                                            | \$ 1,502,062          | \$ 3,401,385             |
| Retainage payable                                            | -                    | -                   | 731,791                                              | 92,760                | 824,551                  |
| Accrued expenditures                                         | 2,627,628            | -                   | -                                                    | 337,507               | 2,965,135                |
| Due to other funds                                           | 3,750                | 3,235               | -                                                    | 982,608               | 989,593                  |
| Other deposits and liabilities                               | 225,842              | -                   | -                                                    | 82,406                | 308,248                  |
| Unearned revenues                                            | -                    | -                   | -                                                    | 1,892,710             | 1,892,710                |
| Total Liabilities                                            | <u>4,737,651</u>     | <u>4,935</u>        | <u>748,983</u>                                       | <u>4,890,053</u>      | <u>10,381,622</u>        |
| <b>DEFERRED INFLOW OF RESOURCES:</b>                         |                      |                     |                                                      |                       |                          |
| Unavailable revenue                                          | <u>3,740,668</u>     | <u>-</u>            | <u>-</u>                                             | <u>-</u>              | <u>3,740,668</u>         |
| <b>FUND BALANCES:</b>                                        |                      |                     |                                                      |                       |                          |
| Non-spendable:                                               |                      |                     |                                                      |                       |                          |
| Inventory                                                    | 4,913                | -                   | -                                                    | -                     | 4,913                    |
| Prepaid items                                                | 27,033               | -                   | -                                                    | 1,813                 | 28,846                   |
| Restricted for:                                              |                      |                     |                                                      |                       |                          |
| Debt service                                                 | -                    | 1,692,830           | -                                                    | -                     | 1,692,830                |
| Capital projects                                             | -                    | -                   | 2,990,030                                            | 23,226,220            | 26,216,250               |
| Other purposes                                               | -                    | -                   | -                                                    | 3,734,473             | 3,734,473                |
| Committed to:                                                |                      |                     |                                                      |                       | -                        |
| Other purposes                                               | -                    | -                   | -                                                    | 3,457,359             | 3,457,359                |
| Assigned to:                                                 |                      |                     |                                                      |                       |                          |
| Capital projects                                             | -                    | -                   | -                                                    | 15,239,122            | 15,239,122               |
| Other purposes                                               | 706,692              | -                   | -                                                    | -                     | 706,692                  |
| Unassigned                                                   | <u>30,843,631</u>    | <u>-</u>            | <u>-</u>                                             | <u>-</u>              | <u>30,843,631</u>        |
| Total Fund Balances                                          | <u>31,582,269</u>    | <u>1,692,830</u>    | <u>2,990,030</u>                                     | <u>45,658,987</u>     | <u>81,924,116</u>        |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b> | <b>\$ 40,060,588</b> | <b>\$ 1,697,765</b> | <b>\$ 3,739,013</b>                                  | <b>\$ 50,549,040</b>  | <b>\$ 96,046,406</b>     |

The accompanying notes are an integral part of the financial statements.

**CITY OF ABILENE, TEXAS**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Position**  
**As of September 30, 2019**

**Exhibit B-1 Continued**

Total Fund Balances - Governmental Funds \$ 81,924,116

Amounts reported for governmental activities in the statement of net position (A-1)  
are different because:

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

|                             |                |             |
|-----------------------------|----------------|-------------|
| Governmental capital assets | \$ 482,090,695 |             |
| Accumulated depreciation    | (200,681,880)  |             |
|                             |                | 281,408,815 |

Deferred outflows from refunding of debt represent a consumption of net position that  
applies to future periods and therefore will not be recognized as an outflow of resources  
until then. The amount is deferred and amortized over the shorter of the life of the  
refunded or refunding debt.

749,934

Deferred inflows from refunding of debt represent the acquisition of net position that applies  
to a future period and therefore will not be recognized as an inflow of resources until then. The  
amount is deferred and amortized over the shorter of the life of the refunded or refunded debt.

(6,037)

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

|                    |           |           |
|--------------------|-----------|-----------|
| Franchise taxes    | 923,955   |           |
| Property taxes     | 838,125   |           |
| Fines and forfeits | 1,978,588 |           |
|                    |           | 3,740,668 |

Internal service funds are used by management to charge the costs of certain activities,  
such as equipment services, information services and self-insurance to individual  
funds. The assets and liabilities of most of the internal service funds are included in  
governmental activities in the statement of net position.

25,647,567

Long-term liabilities are not due and payable in the current period and therefore are not  
reported in the funds.

|                                                              |              |               |
|--------------------------------------------------------------|--------------|---------------|
| Accrued interest payable                                     | (538,630)    |               |
| Compensated absences                                         | (10,039,519) |               |
| General obligation bonds                                     | (78,995,000) |               |
| Certificates of obligation                                   | (23,905,000) |               |
| Contractual obligation                                       | (273,776)    |               |
| Unamortized premiums on bonds and certificate of obligations | (11,061,925) |               |
|                                                              |              | (124,813,850) |

Net pension liability, Other Post Employment Benefit (OPEB) liability, pension and OPEB  
related deferred outflows and inflows of resources are not due in the current period and  
therefore are not reported in the funds. These amounts consist of:

|                                          |              |              |
|------------------------------------------|--------------|--------------|
| Other post employment benefits liability | (3,266,365)  |              |
| Net pension liability                    | (94,055,111) |              |
| Deferred outflows of resources           | 23,422,684   |              |
| Deferred inflows of resources            | (2,373,251)  |              |
|                                          |              | (76,272,043) |

Net Position of Governmental Activities \$ 192,379,170

The accompanying notes are an integral part of the financial statements.

**Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Funds  
Year Ended September 30, 2019**

|                                                                   | 2019          |                   |                                                               |                          |                                |
|-------------------------------------------------------------------|---------------|-------------------|---------------------------------------------------------------|--------------------------|--------------------------------|
|                                                                   | General Fund  | Debt Service Fund | Certificate of<br>Obligation Bonds<br>Capital Project<br>Fund | Nonmajor<br>Governmental | Total<br>Governmental<br>Funds |
| <b>REVENUES:</b>                                                  |               |                   |                                                               |                          |                                |
| Taxes                                                             | \$ 81,818,316 | \$ 12,616,209     | \$ -                                                          | \$ 4,157,627             | \$ 98,592,152                  |
| Licenses and permits                                              | 1,536,514     | -                 | -                                                             | 164,833                  | 1,701,347                      |
| Fines and forfeitures                                             | 1,419,364     | -                 | -                                                             | 122,736                  | 1,542,100                      |
| Charges for services                                              | 4,753,469     | -                 | -                                                             | 5,085,603                | 9,839,072                      |
| Intergovernmental revenues                                        | 614,886       | -                 | -                                                             | 4,255,515                | 4,870,401                      |
| Assessments/Passenger Facility Charge                             | -             | -                 | -                                                             | 583,381                  | 583,381                        |
| Investment earnings net of change in<br>fair value of investments | 864,317       | 89,895            | 231,310                                                       | 1,059,260                | 2,244,782                      |
| Miscellaneous                                                     | 6,818,951     | 23,718            | 256,850                                                       | 3,292,702                | 10,392,221                     |
| Total Revenues                                                    | 97,825,817    | 12,729,822        | 488,160                                                       | 18,721,657               | 129,765,456                    |
| <b>EXPENDITURES:</b>                                              |               |                   |                                                               |                          |                                |
| Current:                                                          |               |                   |                                                               |                          |                                |
| General Government                                                | 5,059,377     | -                 | -                                                             | 1,778,981                | 6,838,358                      |
| Human Resources                                                   | 1,647,939     | -                 | -                                                             | -                        | 1,647,939                      |
| Finance                                                           | 6,061,714     | -                 | 3,148                                                         | 2,604,743                | 8,669,605                      |
| Planning and Development Services                                 | 2,304,474     | -                 | -                                                             | 953,428                  | 3,257,902                      |
| Public Works                                                      | 6,558,906     | -                 | -                                                             | 1,091,379                | 7,650,285                      |
| Facilities and Capital Improvements                               | 2,994,503     | -                 | 57,330                                                        | -                        | 3,051,833                      |
| Police                                                            | 29,128,765    | -                 | -                                                             | 420,464                  | 29,549,229                     |
| Fire                                                              | 20,847,230    | -                 | -                                                             | 27,527                   | 20,874,757                     |
| Transportation Services                                           | 1,990,577     | -                 | -                                                             | 187,194                  | 2,177,771                      |
| Community Services                                                | 12,852,938    | -                 | 3,842                                                         | 177,020                  | 13,033,800                     |
| Health                                                            | -             | -                 | -                                                             | 4,423,530                | 4,423,530                      |
| Debt Service:                                                     |               |                   |                                                               |                          |                                |
| Principal                                                         | -             | 8,862,598         | -                                                             | -                        | 8,862,598                      |
| Interest                                                          | -             | 4,534,913         | -                                                             | -                        | 4,534,913                      |
| Fees and other charges                                            | -             | 212,880           | -                                                             | -                        | 212,880                        |
| Capital outlay                                                    | -             | -                 | 14,794,658                                                    | 17,026,205               | 31,820,863                     |
| Total expenditures                                                | 89,446,423    | 13,610,391        | 14,858,978                                                    | 28,690,471               | 146,606,263                    |
| <b>EXCESS (DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b>         | 8,379,394     | (880,569)         | (14,370,818)                                                  | (9,968,814)              | (16,840,807)                   |
| <b>OTHER FINANCING SOURCES (USES):</b>                            |               |                   |                                                               |                          |                                |
| Proceeds from sale of capital assets                              | 307,195       | -                 | -                                                             | 8,723                    | 315,918                        |
| Transfers in                                                      | 5,156,653     | 806,873           | -                                                             | 11,465,171               | 17,428,697                     |
| Transfers out                                                     | (10,489,009)  | -                 | (303)                                                         | (4,992,068)              | (15,481,380)                   |
| Total Other Financing Sources (Uses)                              | (5,025,161)   | 806,873           | (303)                                                         | 6,481,826                | 2,263,235                      |
| <b>NET CHANGE IN FUND BALANCES</b>                                | 3,354,233     | (73,696)          | (14,371,121)                                                  | (3,486,988)              | (14,577,572)                   |
| <b>FUND BALANCES BEGINNING OF YEAR</b>                            | 28,228,036    | 1,766,526         | 17,361,151                                                    | 49,145,975               | 96,501,688                     |
| <b>FUND BALANCES END OF YEAR</b>                                  | \$ 31,582,269 | \$ 1,692,830      | \$ 2,990,030                                                  | \$ 45,658,987            | \$ 81,924,116                  |

The accompanying notes are an integral part of the financial statements.

**Reconciliation of Statement of Revenues, Expenditures and Change  
In Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2019**

Net Change in Fund Balances - Governmental Funds \$ (14,577,572)

Amounts reported for governmental activities in the statement of activities (A-2)  
are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

|                     |    |                     |  |            |
|---------------------|----|---------------------|--|------------|
| Capital acquisition | \$ | 34,446,464          |  |            |
| Depreciation        |    | <u>(14,716,922)</u> |  | 19,729,542 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. This adjustment is to recognize the net change in "unavailable" revenue.

|                    |  |               |  |        |
|--------------------|--|---------------|--|--------|
| Franchise Taxes    |  | 47,283        |  |        |
| Property Taxes     |  | (12,301)      |  |        |
| Fines and forfeits |  | <u>30,505</u> |  | 65,487 |

The issuance of long-term debt 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.

|                                                                   |  |                |  |           |
|-------------------------------------------------------------------|--|----------------|--|-----------|
| Principal repayments                                              |  | 8,862,598      |  |           |
| Amortization of bond premiums and deferred loss on bond refunding |  | <u>757,197</u> |  | 9,619,795 |

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.

|                                    |  |               |  |           |
|------------------------------------|--|---------------|--|-----------|
| Change in compensated absences     |  | (649,501)     |  |           |
| Change in accrued interest payable |  | <u>50,284</u> |  | (599,217) |

|                                                                                                                                                                                                                                                                                   |  |  |  |             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|-------------|
| Changes to Other Post Employment Benefit (OPEB) liability, net pension liability, OPEB and pension related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. |  |  |  | (9,027,807) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|-------------|

Internal service funds are used by management to charge the costs of certain activities, such as equipment maintenance, equipment replacement, information service and self-insurance to individual funds. The change in net position of most of the internal service funds are reported by function within governmental activities.

|                                                   |  |                    |    |                         |
|---------------------------------------------------|--|--------------------|----|-------------------------|
|                                                   |  | <u>(1,877,010)</u> |    |                         |
| Change in Net Position of Governmental Activities |  |                    | \$ | <u><u>3,333,218</u></u> |

The accompanying notes are an integral part of the financial statements.

**CITY OF ABILENE, TEXAS**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2019**

**Exhibit B-3**

|                                                                                                                             | Business- type Activities - Enterprise Funds |                      |                           |                       | Internal Service Funds |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------|---------------------------|-----------------------|------------------------|
|                                                                                                                             | Water and Sewer                              | Solid Waste Services | Nonmajor Enterprise Funds | Total                 |                        |
| <b>CURRENT ASSETS:</b>                                                                                                      |                                              |                      |                           |                       |                        |
| Cash and cash investments                                                                                                   | \$ 27,526,052                                | \$ 2,837,526         | \$ 823,538                | \$ 31,187,116         | \$ 10,744,603          |
| Investments                                                                                                                 | 10,112,480                                   | 1,042,221            | 301,899                   | 11,456,600            | 3,947,390              |
| Accounts receivable                                                                                                         | 14,003,394                                   | 4,253,930            | 506,703                   | 18,764,027            | 17,067                 |
| Less allowance for uncollectibles                                                                                           | (5,322,207)                                  | (2,398,515)          | (199,349)                 | (7,920,071)           | -                      |
| Due from other funds                                                                                                        | -                                            | -                    | 3,750                     | 3,750                 | -                      |
| Due from other governments                                                                                                  | -                                            | -                    | 607,678                   | 607,678               | -                      |
| Prepaid items                                                                                                               | 31,706                                       | -                    | 350                       | 32,056                | 213,982                |
| Inventories - materials and supplies                                                                                        | -                                            | -                    | 421,357                   | 421,357               | 1,418,979              |
| Restricted assets:                                                                                                          |                                              |                      |                           |                       |                        |
| Cash and cash investments                                                                                                   | 27,409,270                                   | -                    | -                         | 27,409,270            | -                      |
| Investments                                                                                                                 | 467,197                                      | -                    | -                         | 467,197               | -                      |
| Total Current Assets                                                                                                        | 74,227,892                                   | 5,735,162            | 2,465,926                 | 82,428,980            | 16,342,021             |
| <b>NONCURRENT ASSETS:</b>                                                                                                   |                                              |                      |                           |                       |                        |
| Capital assets:                                                                                                             |                                              |                      |                           |                       |                        |
| Construction in progress                                                                                                    | 9,426,933                                    | -                    | -                         | 9,426,933             | -                      |
| Land                                                                                                                        | 1,575,361                                    | 202,506              | 384,238                   | 2,162,105             | -                      |
| Building and improvements                                                                                                   | 465,358,878                                  | 291,872              | 1,705,266                 | 467,356,016           | -                      |
| Machinery and equipment                                                                                                     | 10,001,121                                   | 3,611,820            | 7,078,702                 | 20,691,643            | 41,727,233             |
| Intangible assets                                                                                                           | 31,621,056                                   | -                    | 308,520                   | 31,929,576            | -                      |
| Accumulated depreciation                                                                                                    | (149,240,256)                                | (2,419,763)          | (7,870,804)               | (159,530,823)         | (25,950,354)           |
| Net Capital Assets                                                                                                          | 368,743,093                                  | 1,686,435            | 1,605,922                 | 372,035,450           | 15,776,879             |
| Total Noncurrent Assets                                                                                                     | 368,743,093                                  | 1,686,435            | 1,605,922                 | 372,035,450           | 15,776,879             |
| <b>TOTAL ASSETS</b>                                                                                                         | <b>442,970,985</b>                           | <b>7,421,597</b>     | <b>4,071,848</b>          | <b>454,464,430</b>    | <b>32,118,900</b>      |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>                                                                                      |                                              |                      |                           |                       |                        |
| Deferred outflow of resources                                                                                               | 4,680,683                                    | 844,938              | 266,538                   | 5,792,159             | 502,034                |
| <b>CURRENT LIABILITIES:</b>                                                                                                 |                                              |                      |                           |                       |                        |
| Accounts payable                                                                                                            | 4,245,547                                    | 594,744              | 140,513                   | 4,980,804             | 1,246,566              |
| Retainage payable                                                                                                           | 321,484                                      | -                    | -                         | 321,484               | -                      |
| Accrued expenses                                                                                                            | 308,869                                      | 341,023              | 31,839                    | 681,731               | 65,128                 |
| Compensated absences                                                                                                        | 94,403                                       | 45,894               | 12,142                    | 152,439               | 26,649                 |
| Accrued interest                                                                                                            | 1,124,321                                    | -                    | -                         | 1,124,321             | -                      |
| Other deposits and liabilities                                                                                              | 164,108                                      | -                    | -                         | 164,108               | -                      |
| Bonds payable                                                                                                               | 8,915,000                                    | -                    | -                         | 8,915,000             | -                      |
| Estimated liability claims                                                                                                  | -                                            | -                    | -                         | -                     | 674,217                |
| Estimated health claims                                                                                                     | -                                            | -                    | -                         | -                     | 795,052                |
| Total Current Liabilities Payable from Current Assets                                                                       | 15,173,732                                   | 981,661              | 184,494                   | 16,339,887            | 2,807,612              |
| <b>NON-CURRENT LIABILITIES:</b>                                                                                             |                                              |                      |                           |                       |                        |
| Compensated absences                                                                                                        | 254,567                                      | 171,629              | 12,773                    | 438,969               | 51,305                 |
| Unearned revenue                                                                                                            | 385,961                                      | -                    | -                         | 385,961               | -                      |
| Estimated liability claims                                                                                                  | -                                            | -                    | -                         | -                     | 3,514,318              |
| Bonds payable                                                                                                               | 223,759,296                                  | -                    | -                         | 223,759,296           | -                      |
| Other post employment benefits liability                                                                                    | 491,765                                      | 180,114              | 57,190                    | 729,069               | 89,575                 |
| Net pension liability                                                                                                       | 4,603,410                                    | 1,715,438            | 543,645                   | 6,862,493             | 968,705                |
| Total Non-Current Liabilities                                                                                               | 229,494,999                                  | 2,067,181            | 613,608                   | 232,175,788           | 4,623,903              |
| Total Liabilities                                                                                                           | 244,668,731                                  | 3,048,842            | 798,102                   | 248,515,675           | 7,431,515              |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                                                                                       |                                              |                      |                           |                       |                        |
| Deferred inflow of resources                                                                                                | 195,709                                      | 72,278               | 22,537                    | 290,524               | 36,010                 |
| <b>NET POSITION:</b>                                                                                                        |                                              |                      |                           |                       |                        |
| Net investment in capital assets                                                                                            | 162,034,641                                  | 1,686,435            | 1,605,922                 | 165,326,998           | 15,776,879             |
| Restricted for debt service                                                                                                 | 1,543,876                                    | -                    | -                         | 1,543,876             | -                      |
| Unrestricted                                                                                                                | 39,208,711                                   | 3,458,980            | 1,911,825                 | 44,579,516            | 9,376,530              |
| <b>TOTAL NET POSITION</b>                                                                                                   | <b>\$ 202,787,228</b>                        | <b>\$ 5,145,415</b>  | <b>\$ 3,517,747</b>       | <b>\$ 211,450,390</b> | <b>\$ 25,153,409</b>   |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds - Central Warehouse |                                              |                      |                           | (494,158)             |                        |
| Allocation of Internal Service funds net position                                                                           |                                              |                      |                           |                       |                        |
| Net position of business-type activities                                                                                    |                                              |                      |                           | <u>\$ 210,956,232</u> |                        |

The accompanying notes are an integral part of the financial statements.

**CITY OF ABILENE, TEXAS**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2019**

**Exhibit B-4**

|                                                                                                                             | Business-type Activities - Enterprise Funds |                      |                           |                 | Internal Service Funds |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------|---------------------------|-----------------|------------------------|
|                                                                                                                             | Water and Sewer                             | Solid Waste Services | Nonmajor Enterprise Funds | Total           |                        |
| <b>OPERATING REVENUES:</b>                                                                                                  |                                             |                      |                           |                 |                        |
| Charges for services                                                                                                        | \$ 50,181,745                               | 15,418,218           | \$ 2,742,147              | \$ 68,342,110   | \$ 24,467,093          |
| Other                                                                                                                       | 369,503                                     | -                    | -                         | 369,503         | -                      |
| Total Operating Revenues                                                                                                    | 50,551,248                                  | 15,418,218           | 2,742,147                 | 68,711,613      | 24,467,093             |
| <b>OPERATING EXPENSES:</b>                                                                                                  |                                             |                      |                           |                 |                        |
| Personnel services                                                                                                          | 9,160,732                                   | 4,214,112            | 1,064,706                 | 14,439,550      | 2,093,752              |
| Supplies                                                                                                                    | 2,911,997                                   | 46,751               | 429,488                   | 3,388,236       | 3,838,701              |
| Maintenance                                                                                                                 | 2,239,597                                   | 108,837              | 273,787                   | 2,622,221       | 2,525,656              |
| Other services and charges                                                                                                  | 19,174,500                                  | 7,778,483            | 4,757,820                 | 31,710,803      | 15,971,720             |
| Depreciation                                                                                                                | 10,512,783                                  | 249,582              | 339,380                   | 11,101,745      | 2,596,708              |
| Total Operating Expenses                                                                                                    | 43,999,609                                  | 12,397,765           | 6,865,181                 | 63,262,555      | 27,026,537             |
| <b>OPERATING INCOME (LOSS)</b>                                                                                              | 6,551,639                                   | 3,020,453            | (4,123,034)               | 5,449,058       | (2,559,444)            |
| <b>NON-OPERATING REVENUES (EXPENSES):</b>                                                                                   |                                             |                      |                           |                 |                        |
| Investment earnings net of change in fair value of investments                                                              | 1,476,926                                   | 79,268               | 26,781                    | 1,582,975       | 415,300                |
| Intergovernmental revenue                                                                                                   | -                                           | -                    | 2,280,037                 | 2,280,037       | -                      |
| Rents and royalties                                                                                                         | 255,643                                     | -                    | -                         | 255,643         | -                      |
| Net gain (loss) on disposal of assets                                                                                       | 8,342                                       | -                    | -                         | 8,342           | 291,917                |
| Interest expense and paying agent fees                                                                                      | (8,180,250)                                 | -                    | -                         | (8,180,250)     | -                      |
| Miscellaneous revenue                                                                                                       | 335,574                                     | 44,425               | 79,679                    | 459,678         | 120,249                |
| Other expense                                                                                                               | -                                           | -                    | -                         | -               | (82,308)               |
| Total Non-Operating Revenues (Expenses)                                                                                     | (6,103,765)                                 | 123,693              | 2,386,497                 | (3,593,575)     | 745,158                |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>                                                                     | 447,874                                     | 3,144,146            | (1,736,537)               | 1,855,483       | (1,814,286)            |
| <b>CONTRIBUTIONS AND TRANSFERS:</b>                                                                                         |                                             |                      |                           |                 |                        |
| Capital contributions                                                                                                       | 1,002,625                                   | -                    | 266,488                   | 1,269,113       | -                      |
| Infrastructure contributed to water district                                                                                | (13,263,164)                                | -                    | -                         | (13,263,164)    | -                      |
| Transfers in                                                                                                                | -                                           | -                    | 1,293,108                 | 1,293,108       | 1,145,375              |
| Transfers out                                                                                                               | (107,725)                                   | (2,875,532)          | (49,883)                  | (3,033,140)     | (1,352,660)            |
| Net Contributions and Transfers                                                                                             | (12,368,264)                                | (2,875,532)          | 1,509,713                 | (13,734,083)    | (207,285)              |
| <b>CHANGE IN NET POSITION</b>                                                                                               | (11,920,390)                                | 268,614              | (226,824)                 | (11,878,600)    | (2,021,571)            |
| <b>NET POSITION, BEGINNING OF YEAR</b>                                                                                      | 214,707,618                                 | 4,876,801            | 3,744,571                 | 223,328,990     | 27,174,980             |
| <b>NET POSITION AT END OF YEAR</b>                                                                                          | \$ 202,787,228                              | \$ 5,145,415         | \$ 3,517,747              | \$ 211,450,390  | \$ 25,153,409          |
| Change in net position of the enterprise funds                                                                              |                                             |                      |                           | (11,878,600)    |                        |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds - Central Warehouse |                                             |                      |                           | (62,252)        |                        |
| Change in net position of business-type activities                                                                          |                                             |                      |                           | \$ (11,940,852) |                        |

The accompanying notes are an integral part of the financial statements.



CITY OF ABILENE, TEXAS  
Statement of Cash Flow  
Proprietary Funds  
For the Year Ended September 30, 2019

Exhibit B-5  
Page 1

|                                                                  | Business-type Activities - Enterprise Funds |                      |                           |                      | Internal Service Funds |
|------------------------------------------------------------------|---------------------------------------------|----------------------|---------------------------|----------------------|------------------------|
|                                                                  | Water and Sewer                             | Solid Waste Services | Nonmajor Enterprise Funds | Total                |                        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                     |                                             |                      |                           |                      |                        |
| Receipts from customers                                          | \$ 49,914,560                               | \$ 15,600,148        | \$ 2,802,419              | \$ 68,317,127        | \$ 2,441,633           |
| Receipts from interfund services provided                        | -                                           | -                    | -                         | -                    | 31,766,187             |
| Payments to suppliers                                            | (15,771,695)                                | (3,560,496)          | (4,632,720)               | (23,964,911)         | (13,391,077)           |
| Payments to employees                                            | (8,428,373)                                 | (3,870,246)          | (984,079)                 | (13,282,698)         | (1,945,404)            |
| Payments for loss claims                                         | -                                           | -                    | -                         | -                    | (13,040,463)           |
| Payments for interfund services used                             | (8,690,913)                                 | (4,633,047)          | (972,373)                 | (14,296,333)         | (94,322)               |
| Net cash provided (used) by operating activities                 | 17,023,579                                  | 3,536,359            | (3,786,753)               | 16,773,185           | 5,736,554              |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>          |                                             |                      |                           |                      |                        |
| Intergovernmental revenues                                       | -                                           | -                    | 2,058,504                 | 2,058,504            | -                      |
| Transfers in                                                     | -                                           | -                    | 1,293,108                 | 1,293,108            | 1,145,375              |
| Transfers out                                                    | -                                           | (2,875,532)          | (49,883)                  | (2,925,415)          | (1,352,660)            |
| (Increase) Decrease in due from other funds                      | -                                           | -                    | (3,750)                   | (3,750)              | 1,287,947              |
| Increase (Decrease) in due to other funds                        | -                                           | -                    | -                         | -                    | (605,315)              |
| Net cash provided (used) by noncapital financing activities      | -                                           | (2,875,532)          | 3,297,979                 | 422,447              | 475,347                |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b> |                                             |                      |                           |                      |                        |
| Proceeds from sale of bonds                                      | 18,054,054                                  | -                    | -                         | 18,054,054           | -                      |
| Bond issuance costs                                              | (97,174)                                    | -                    | -                         | (97,174)             | -                      |
| Principal paid on bonds                                          | (7,890,000)                                 | -                    | -                         | (7,890,000)          | -                      |
| Interest and paying agent fees                                   | (9,098,710)                                 | -                    | -                         | (9,098,710)          | -                      |
| Acquisition and construction of capital assets                   | (8,543,878)                                 | (283,329)            | (272,321)                 | (9,099,528)          | (1,657,875)            |
| Proceeds from sale of capital assets                             | 26,305                                      | -                    | -                         | 26,305               | 665,854                |
| Miscellaneous revenue                                            | 79                                          | -                    | -                         | 79                   | -                      |
| Transfers out                                                    | (107,725)                                   | -                    | -                         | (107,725)            | -                      |
| Proceeds from capital grants                                     | -                                           | -                    | 266,488                   | 266,488              | -                      |
| Net cash (used) by capital and related financing activities      | (7,657,049)                                 | (283,329)            | (5,833)                   | (7,946,211)          | (992,021)              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                     |                                             |                      |                           |                      |                        |
| Cash from pooled investments                                     | 13,812,640                                  | 965,115              | 631,625                   | 15,409,380           | 1,363,560              |
| Interest on investments                                          | 1,474,837                                   | 79,268               | 26,781                    | 1,580,886            | 415,300                |
| Net cash provided by investing activities                        | 15,287,477                                  | 1,044,383            | 658,406                   | 16,990,266           | 1,778,860              |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                 | 24,654,007                                  | 1,421,881            | 163,799                   | 26,239,687           | 6,998,740              |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>            | 30,281,315                                  | 1,415,645            | 659,739                   | 32,356,699           | 3,745,863              |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                  | <u>\$ 54,935,322</u>                        | <u>\$ 2,837,526</u>  | <u>\$ 823,538</u>         | <u>\$ 58,596,386</u> | <u>\$ 10,744,603</u>   |
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS:</b>              |                                             |                      |                           |                      |                        |
| Current assets:                                                  |                                             |                      |                           |                      |                        |
| Cash and cash investments                                        | \$ 27,526,052                               | \$ 2,837,526         | \$ 823,538                | \$ 31,187,116        | \$ 10,744,603          |
| Restricted assets - cash and cash investments                    | 27,409,270                                  | -                    | -                         | 27,409,270           | -                      |
|                                                                  | <u>\$ 54,935,322</u>                        | <u>\$ 2,837,526</u>  | <u>\$ 823,538</u>         | <u>\$ 58,596,386</u> | <u>\$ 10,744,603</u>   |

The accompanying notes are an integral part of the financial statements.

**CITY OF ABILENE, TEXAS**  
**Statement of Cash Flow**  
**Proprietary Funds**  
**For the Year Ended September 30, 2019**

**Exhibit B-5**  
**Page 2**

|                                                                                                       | Business-type Activities - Enterprise Funds |                      |                           |                      | Internal Service Funds |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------|---------------------------|----------------------|------------------------|
|                                                                                                       | Water and Sewer                             | Solid Waste Services | Nonmajor Enterprise Funds | Total                |                        |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b> |                                             |                      |                           |                      |                        |
| Operating income (loss)                                                                               | \$ 6,551,639                                | \$ 3,020,453         | \$ (4,123,034)            | \$ 5,449,058         | \$ (2,559,444)         |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                                             |                      |                           |                      |                        |
| Depreciation                                                                                          | 10,512,783                                  | 249,582              | 339,380                   | 11,101,745           | 2,596,708              |
| Miscellaneous revenue                                                                                 | 335,495                                     | 44,425               | 79,679                    | 459,599              | 120,249                |
| Rents and royalties                                                                                   | 255,643                                     | -                    | -                         | 255,643              | -                      |
| Other non-operating expense                                                                           | -                                           | -                    | -                         | -                    | (82,308)               |
| Changes in assets and liabilities:                                                                    |                                             |                      |                           |                      |                        |
| (Increase) decrease in:                                                                               |                                             |                      |                           |                      |                        |
| Accounts receivable                                                                                   | (1,227,826)                                 | 137,505              | (19,407)                  | (1,109,728)          | 9,620,478              |
| Prepaid items                                                                                         | -                                           | -                    | 502                       | 502                  | (56,560)               |
| Inventory                                                                                             | -                                           | -                    | (65,238)                  | (65,238)             | (182,394)              |
| Deferred outflows of resources                                                                        | (1,563,759)                                 | (600,851)            | (188,656)                 | (2,353,266)          | (365,464)              |
| Increase (decrease) in:                                                                               |                                             |                      |                           |                      |                        |
| Accounts payable                                                                                      | (127,825)                                   | 45,303               | (79,262)                  | (161,784)            | (3,708,304)            |
| Accrued wages                                                                                         | 52,145                                      | 39,968               | 1,436                     | 93,549               | 7,940                  |
| Compensated absences                                                                                  | 850                                         | 54,306               | (393)                     | 54,763               | 368                    |
| Other deposits and liabilities                                                                        | (8,689)                                     | (304,775)            | -                         | (313,464)            | -                      |
| Estimated liability and health claims                                                                 | -                                           | -                    | -                         | -                    | (86,677)               |
| Estimated health claims                                                                               | -                                           | -                    | -                         | -                    | (73,542)               |
| Other post retirement benefits liability                                                              | (17,819)                                    | (6,681)              | (2,079)                   | (26,579)             | (3,563)                |
| Net pension liability                                                                                 | 3,076,849                                   | 1,153,818            | 358,966                   | 4,589,633            | 615,370                |
| Deferred inflows of resources                                                                         | (815,907)                                   | (296,694)            | (88,647)                  | (1,201,248)          | (106,303)              |
| Net cash provided (used) by operating activities                                                      | <u>\$ 17,023,579</u>                        | <u>\$ 3,536,359</u>  | <u>\$ (3,786,753)</u>     | <u>\$ 16,773,185</u> | <u>\$ 5,736,554</u>    |
| <b>NONCASH TRANSACTIONS:</b>                                                                          |                                             |                      |                           |                      |                        |
| Capital contributions from developers                                                                 | \$ 1,002,625                                | \$ -                 | \$ -                      | \$ 1,002,625         | \$ -                   |
| Capital contribution to water districts                                                               | (13,263,164)                                | -                    | -                         | (13,263,164)         | -                      |
| Capital asset acquisitions included in AP                                                             | 2,980,378                                   | -                    | -                         | 2,980,378            | -                      |

The accompanying notes are an integral part of the financial statements.

CITY OF ABILENE, TEXAS  
Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2019

Exhibit B-6

Agency Funds

**ASSETS**

|                           |                            |
|---------------------------|----------------------------|
| Cash and cash investments | \$ 5,418,505               |
| Investments               | 1,952,305                  |
| Accounts receivable       | <u>147,793</u>             |
| <b>TOTAL ASSETS</b>       | <b>\$ <u>7,518,603</u></b> |

**LIABILITIES**

|                                |                            |
|--------------------------------|----------------------------|
| Accounts payable               | \$ 424,413                 |
| Other deposits and liabilities | <u>7,094,190</u>           |
| <b>TOTAL LIABILITIES</b>       | <b>\$ <u>7,518,603</u></b> |

The accompanying notes are an integral part of the financial statements.

CITY OF ABILENE, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2019

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General

The City of Abilene, Texas (the "City") is a municipal corporation incorporated under Article XI, Section 5, of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, morals, comfort, safety and convenience of the City and its citizens.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the City are described below.

Reporting Entity

The basic financial statements present the City and its component units and include all activities, organizations and functions for which the City is considered to be financially accountable. The criteria considered in determining activities to be reported within the City's basic financial statements include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

The City's major activities or functions include police and fire protection, parks and libraries, public health and social services, planning and development, public works, animal services and general administrative services. In addition, the City operates four enterprise activities - the water and sewer utility system, the solid waste services, stormwater, and the transit system. These activities are included in the accompanying financial statements.

Blended Component Units

Blended component units, although legally separate entities, are included as part of the primary government because they meet the above criteria as well as serve or benefit the City exclusively. Blended component units of the City include the Abilene Reinvestment Zone #1 and the Abilene Tax Increment Reinvestment Zone #2 described below.

On December 2, 1982, the City, with the advice and consent of the Abilene Independent School District, Taylor County and West Central Texas Municipal Water District, approved the creation of a tax increment zone (Abilene Reinvestment Zone #1) as permitted by Article 1066e, of the State of Texas Tax Increment Financing Act of 1981, as amended. The area of the Zone is approximately 235 acres and includes the central business district of the City. The purpose of the Zone is to capture increments of growth in real property values in the Zone from base values established on January 1, 1983, and use the ad valorem taxes derived from these increments to contribute to the zoned area. Tax funds derived from the increment can only be spent for public improvements in the Zone or for the payment of debt service on bonds issued to provide funds for public improvements. The City has financial accountability because it has operational responsibility for the Zone. The Abilene Reinvestment Zone #1 is reported as a special revenue fund. The Zone terminated on December 31, 2007, and the City has been designated as the fiscal and administrative agent for all activities necessary to complete projects designated by the Board of Directors of the Zone. Any money remaining in the Abilene Reinvestment Zone after completion of the designated projects will be paid to the participating taxing entities on a pro rata basis.

On December 5, 2013, the City approved the creation of a tax increment zone (Abilene Tax Increment Reinvestment Zone #2) as permitted by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code. The area of the Zone is approximately 1,594 acres within downtown, and along the Pine Street and Ambler Ave corridors. The purpose of the TIRZ#2 is to capture increments of growth in real property values in the Zone from base values established on January 1, 2013, and use the ad valorem taxes derived from these increments to contribute to the zoned area. Tax funds derived from the increment can only be spent for public improvements in the Zone or for the payment of debt service on bonds issued to provide funds for public improvements. The City has financial accountability because it has operational responsibility for the Zone.

Discretely Presented Component Unit

The component unit columns in the government-wide financial statements include the financial data of the City's other component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

The Development Corporation of Abilene (DCOA) is a legally separate non-profit economic development corporation created in 1989 by the authority of the Development Corporation Act of 1979 (Tex.Rev.Civ.Stat. art.5190.6). DCOA's purpose is to promote the City, assist developing companies, help create jobs in the Abilene area and administer the one-half cent sales tax for economic development. DCOA is governed by a board appointed by the City Council. DCOA is reported as a discretely presented component unit. DCOA is audited as part of the City. The City issues a separate annual financial report with supplemental information for the DCOA. Separate annual financial reports for the DCOA are available through the City.

The Abilene Convention Center Hotel Development Corporation (ACCHDC) is a separate public, nonprofit corporation created in March 2019 by authority of the Texas Transportation Code to promote the development of the geographic area of the City included at or in the vicinity of the Abilene Convention Center, in furtherance of the promotion, development, encouragement and maintenance of employment, commerce, convention and meeting activity, tourism and economic development in the City, including specifically, without limitation, the development and financing of a convention center hotel within 1,000 feet of the Abilene Convention Center. ACCHDC is governed by a board appointed by City Council. ACCHDC is reported as a discretely presented component unit and is audited as part of the City. There was no activity to report for 2019 and therefore ACCHDC is not presented in the accompanying financial statements.

Civic Abilene, Inc. is a non-profit corporation governed by a fifteen member board of directors appointed by the City Council. Civic Abilene, Inc. is organized to foster and promote the presentation in the City of educational and cultural programs, attractions, and entertainment for the people of the City and the surrounding area. The primary receipts and disbursements are ticket sales and catering for events held at the Convention Center and the payment to the promoters for the events. The operations of the Civic Abilene are considered to be immaterial to the City's financial statements and therefore, are not included in the accompanying financial statements.

#### Related Organizations

The Abilene Firemen's Relief and Retirement Fund (the "Fund") is established and controlled through various State of Texas legislative enactments. The Fund is administered locally by a seven member board, independent of the City Council. City management does not influence or control the Fund, and the City is not financially accountable for the fund. The seven-member Board of Trustees, composed of the Mayor (or his designee) and Chief Financial Officer or his designee, three firefighters elected by majority vote of firefighters and two citizens, who must be appointed unanimously by the first five trustees, are subject to the administrative supervision of and report to the State Firemen's Pension Commissioner. The Pension Fund is funded by contributions from the firefighters and City matching contributions. As provided by enabling legislation, the City's responsibility to the AFRR fund is limited to matching bi-weekly contributions made by the members. Title to assets is vested in the AFRR Fund and not the City. The Texas State Pension Review Board is mandated to oversee all Texas public retirement systems in regard to their actuarial soundness and compliance with state law. The activities of the Firemen's Relief and Retirement Fund are not a part of the City and thus are excluded from the accompanying financial statements. Separate audited financial statements may be obtained from the AFRR Fund or from the City.

The Abilene Housing Authority (the Authority) was created in 1971 as a public body corporate and politic pursuant to the Constitution and laws of the State of Texas, particularly the Housing Authorities Law, Article 1269k, Vernon's Annotated Texas Civil Statutes (now codified as Chapter 392 of the Local Government Code). The Authority was authorized by a duly adopted and proper resolution of the Abilene City Council to transact business and exercise its powers under the Housing Authorities Law. The powers of the Authority are vested in the commissioners of the Authority, who are appointed by the City Council. The purpose of the Authority is to provide affordable housing to qualified residents within the City. The City appoints the governing body of the Authority. However, it is not financially accountable for the Authority, because the Authority's operations are subsidized by the federal government, it sets its own budget subject to federal approval, sets its rental rate, and it can issue debt in its own name. The City is not responsible for deficits or liabilities of the Authority. The operations of the Authority are not a part of the City and thus are excluded from the accompanying financial statements.

#### Government-wide and fund 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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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 fiduciary funds of the City are agency funds and as such have no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

### **Governmental Funds**

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.

Property 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. This fund is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Certificate of Obligation Bonds Capital Project Fund - The function of this fund is to account for financial resources to be used for the acquisition or construction of capital improvements financed with certificate of obligation bonds.

Additionally, the government reports the following nonmajor governmental fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than debt service or capital projects) that are restricted or committed to expenditures for specified purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

### **Proprietary Funds**

Proprietary funds are those used to account for the City's ongoing organizations and activities which are similar to those found in the private sector. The accounting objectives are determinations of operating income, changes in net position, financial position and cash flow. All assets, deferred outflows, liabilities, and deferred inflows are included on the statement of net position.

The City reports the following major proprietary funds:

Water and Sewer - The Water and Sewer Fund accounts for the revenues and expense associated with providing water and sewer services to the citizens of the City of Abilene.

Solid Waste Services - The Solid Waste Services Fund accounts for the revenues and expense associated with providing garbage removal services to the citizens of the City of Abilene.

Additionally, the City reports the following non-major proprietary funds:

Non-major Enterprise Fund - Transit - The Transit fund accounts for the revenues and expenses associated with providing transit services to the citizens of the City of Abilene.

Non-major Enterprise Fund - Stormwater - The Stormwater fund accounts for the revenues and expenses associated with providing quality and quantity of stormwater runoff due to ever-evolving regulations.

Non-major Enterprise Fund - Street Maintenance - The Street Maintenance fund accounts for the maintenance revenues generated for the purpose maintaining the city's transportation system.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis. The internal service funds of the City include fleet services, self-insurance, technology services, and the central warehouse. The central warehouse is included in the business-type activities; the other internal service funds are included in the governmental activities.

#### Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for other governmental units.

Agency Funds – Agency funds are used to account for assets held by the City as an agent for individuals, private organizations and other governmental units. Agency funds include venue taxes collected for other taxing entities and fees collected for the Abilene/Taylor County 911 Emergency Communication District. These funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

#### Interfund Activity

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 and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

#### Program Revenue

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenues include all taxes.

#### Operating and Nonoperating Items

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges for services. Operating expense for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### Fund Balance Flow Assumption

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

#### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Fair Value of Financial Instruments

Governmental Accounting Standards Board Statement No. 72, Fair Value Measurement and Application (GASB Statement No. 72), establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date under current market conditions.

GASB Statement No. 72 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

- |         |                                                                                                                                                                          |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City can access at the measurement date. |
| Level 2 | Inputs other than quotes prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.                                    |
| Level 3 | Inputs to the valuation methodology are unobservable.                                                                                                                    |



If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

## **Assets, Liabilities, and Net Position or Equity**

### **Cash Equivalents and Investments**

The City pools idle cash from all funds for the purpose of increasing income through investment activities. A "Pooled Cash" concept is used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in pooled cash and investments with an original maturity of 90 days or less are considered to be cash equivalents for the purposes of the statement of cash flows. Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

Investment valuation techniques are used to determine fair value. The valuation methodology used is based upon whichever technique is the most appropriate and provides the best representation of fair value for that particular asset or liability. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2019.

U.S. Government Securities: Level 2 securities are valued by a pricing service which uses an estimation process that values securities at the closing price reported on the active market on which the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the City's assets at fair value as of September 30, 2019:

| Assets at Fair Value as of September 30, 2019 |             |                     |             |                     |
|-----------------------------------------------|-------------|---------------------|-------------|---------------------|
|                                               | Level 1     | Level 2             | Level 3     | Total               |
| U.S. Government Securities                    | \$ -        | \$39,033,664        | \$ -        | \$39,033,664        |
| Total assets at fair value                    | <u>\$ -</u> | <u>\$39,033,664</u> | <u>\$ -</u> | <u>\$39,033,664</u> |

### **Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". All trade and property tax receivables are shown net of an allowance for uncollectibles.

### **Inventories and Prepaid Items**

Inventories are stated at cost in the governmental funds and proprietary funds. Cost is determined for inventories in the Internal Service Fleet Maintenance Fund and Central Warehouse Fund using the average cost method. The Fleet Maintenance Fund's oil and gas inventory and the Transit Fund's inventory are valued at cost.

All inventory purchases are recorded as inventory acquisitions (current assets) at the time of purchase. For all funds, the expenditure or expense is recognized when inventory is issued or consumed.

Prepaid items, recorded in both government-wide and fund financial statements, are goods or services that are paid for in advance and are applicable to future accounting periods. Using the consumption method, prepaid items are recorded as expenditures (governmental fund types) or expenses (proprietary fund types) as the goods or services are used. On the government-wide statement of activities, consumption of prepaid items is recorded as an expense.

Inventories and prepaid items reported in the General Fund and Special Revenue Funds are offset by nonspendable fund balance, which indicates that these items do not represent available expendable resources even though they are a component of current assets.

### **Restricted Assets**

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position due to their use being limited by applicable bond covenants. The capital project funds record proceeds of debt issuances restricted for construction. The Debt Service Fund is used to segregate resources accumulated for debt service payments over the next 12 months.

## Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as in the proprietary fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for machinery and equipment and more than \$20,000 for buildings and improvements, and an estimated useful life of more than one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized but are charged to operations as incurred. Improvements and betterments which materially extend the useful lives of capital assets are capitalized.

Depreciation of property, plant and equipment is generally provided by the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives for straight-line depreciation are as follows:

### Enterprise Funds:

#### Water and Sewer:

|                                      |              |
|--------------------------------------|--------------|
| Buildings and improvements           | 5 - 50 years |
| Transmission and distribution system | 5 - 60 years |
| Other machinery and equipment        | 5 - 50 years |
| Intangibles                          | 5 - 50 years |

#### Transit:

|                            |               |
|----------------------------|---------------|
| Buildings and improvements | 10 - 30 years |
| Machinery and equipment    | 5 - 10 years  |

### Internal Service Funds:

|                            |              |
|----------------------------|--------------|
| Buildings and improvements | 25 years     |
| Machinery and equipment    | 2 - 20 years |
| Vehicles                   | 4- 30 years  |

### Governmental Type Funds:

|                                   |             |
|-----------------------------------|-------------|
| Buildings and improvements        | 30-50 years |
| Improvements other than buildings | 10-30 years |
| Machinery and equipment           | 3-15 years  |
| Infrastructure                    | 20-50 years |
| Intangibles                       | 4-20 years  |

Contributions of funds from Federal, State, or local grants restricted for the purpose of purchasing property, plant and equipment are recorded as capital contributions when received. The cost of water and sewer lines installed by developers is estimated by City engineers and recorded as capital contributions in the Water and Sewer Fund. The cost of streets and drainage installed by developers is estimated by City engineers and recorded as governmental activities capital contributions.

Public domain capital assets (infrastructure) consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, and similar assets are capitalized and depreciated.

Intangible assets include the amortized cost of two water rights contracts totaling \$31,453,175 the City has entered into with the West Central Texas Municipal Water District ("WCTMWD"). Under the first City-WCTMWD agreement, dated September 29, 1959 and amended on August 22, 1985, the City is entitled to a maximum of 31,000,000 gallons of water per day from the Hubbard Creek Reservoir. In September 1985 the City entered into a contract with the West Central Texas Municipal Water District for a fifty-year assured water supply agreement to obtain a 16.54% interest in the O.H. Ivie Reservoir water rights. The asset amortization period is 50 years.

## Deferred Inflows/Outflows of Resources

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

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Other Post Employment Benefits (OPEB) contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions used to determine and OPEB liability – This difference is deferred and amortized over a five year period.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

- Difference in projected and actual investment earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Changes in actuarial assumptions used to determine net pension liability – This difference is deferred and amortized over a five year period.

In addition to liabilities, the statement of net 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 and so will not be recognized as an inflow of resources (revenue) until that time. The City has four items that qualify as deferred inflows of resources. The first item arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow is reclassified to revenue on the government-wide financial statements. The second item qualifies as deferred inflows of resources as a result of implementing GASB Statement No. 68. These deferred inflows related to pensions consisted of the difference between actual and expected experience. The third item qualifies as deferred inflows of resources as a result of implementing GASB Statement No. 75. These deferred inflows related to OPEB liabilities consisted of the difference between actual and expected experience and changes in actuarial assumptions. The fourth item relates to deferred inflows on refunding debt. When the debt is refunded, the associated gain is recognized as a deferred inflow and amortized over future years.

The components of the City's deferred outflows of resources and deferred inflows of resources are as follows:

|                                           | Governmental<br>Activities | Business Activities |                   |                                 | Total               |
|-------------------------------------------|----------------------------|---------------------|-------------------|---------------------------------|---------------------|
|                                           |                            | Water and<br>Sewer  | Solid Waste       | Non-Major<br>Enterprise<br>Fund |                     |
| Deferred Outflows of Resources            |                            |                     |                   |                                 |                     |
| Deferred outflows from pension activities | \$ 23,748,571              | \$ 2,202,694        | \$ 835,280        | \$ 263,523                      | \$ 3,301,497        |
| Deferred outflows from OPEB activities    | 176,147                    | 26,565              | 9,658             | 3,015                           | 39,238              |
| Unamortized deferred bond refunding cost  | 749,934                    | 2,451,424           | -                 | -                               | 2,451,424           |
| Total Deferred Outflows of Resources      | <u>\$ 24,674,652</u>       | <u>\$ 4,680,683</u> | <u>\$ 844,938</u> | <u>\$ 266,538</u>               | <u>\$ 5,792,159</u> |
| Deferred Inflows of Resources             |                            |                     |                   |                                 |                     |
| Deferred inflows from pension activities  | \$ 2,155,915               | \$ 158,679          | \$ 58,392         | \$ 18,217                       | \$ 235,288          |
| Deferred inflows from OPEB activities     | 253,346                    | 37,030              | 13,886            | 4,320                           | 55,236              |
| Deferred Inflows from refunding           | 6,037                      | -                   | -                 | -                               | -                   |
| Total Deferred Inflow of Resources        | <u>\$ 2,415,298</u>        | <u>\$ 195,709</u>   | <u>\$ 72,278</u>  | <u>\$ 22,537</u>                | <u>\$ 290,524</u>   |

#### Long-Term Debt

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. General obligation bonds, which have been issued to fund capital projects of both the general government and certain proprietary funds, are to be repaid from tax revenues of the City. General obligation debt is recorded in the governmental activities in the government-wide financial statements.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period in the fund financial statements. Bond proceeds and premiums are reported as an "other financing source." Bond discounts are reported as an "other financing use." Bond issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types and in the government-wide financial statements, premiums and discounts are reported as deferred charges and amortized over the life of the related debt. Bonds payable are reported net of the applicable bond premium or discount.

#### Compensated Absences

All employees may accumulate vacation and sick leave. In the event of termination, other than by death or retirement, an employee other than a police officer or firefighter may be reimbursed up to 45 vacation days. If termination is by death or retirement, the beneficiary or employee may also be reimbursed for up to 90 sick leave days. The City is liable for up to 90 days sick leave and 45 days vacation leave related to police officers and firefighters regardless of cause for termination. In the government-wide statements, vacation and sick pay are recorded as an expense and related liability in the year earned. The liability for compensated absences in the governmental funds will be liquidated by the General fund.

#### Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and Abilene Firemen's Relief and Retirement Fund (AFRRF) and additions to /deductions from TMRS's and AFRRF's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS and AFRRF. 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.

#### Other Postemployment Benefits (OPEB)

The fiduciary net position of the TMRS Supplemental Death Benefits Plan (SDBP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from SDBP's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

#### Net Position

In the government-wide financial statements and proprietary fund financial statements, the net position is reported in three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

#### Transactions Between Funds

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements to a fund for expenditures or expenses initially made from that fund which were properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

#### Federal and State Grants and Entitlements

Grants, entitlements and shared revenues may be accounted for within any of the fund types. The purpose and requirements of each grant or entitlement are carefully analyzed to determine the proper fund type in which to record the related transactions. Grants or entitlements received for purposes normally financed through a particular fund type may be accounted for in that fund type provided that applicable legal restrictions can be appropriately satisfied.

Capital grants restricted for capital acquisitions or construction, other than those associated with proprietary type funds, are accounted for in the applicable Capital Projects Funds. Such revenues received for operating purposes of proprietary funds, or which may be utilized for either operations or capital outlay at the discretion of the City, are recognized in the applicable proprietary fund.

### **NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### Budget Policies

The City Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. At least thirty days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget, which represents the financial plan for the ensuing fiscal year, includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
3. The budget for the next fiscal year is legally enacted by the City Council through passage of an ordinance not later than the twenty-fifth day of the last month of the fiscal year. If the City Council does not enact the budget within this time period, then the budget as submitted by the City Manager becomes the legally authorized budget.
4. Expenditures may not legally exceed appropriations at the department level for each legally adopted annual operating budget. The City Manager may, without Council approval, transfer appropriation balances from one expenditure account to another within a department or agency of the City. The City Council, however, must approve any transfer of unencumbered appropriation balances or portions thereof from one department or agency to another. The reported budgetary data has been revised for amendments legally authorized during the year.
5. Annual budgets are legally adopted for the General Fund, some of the Special Revenue Funds (Community Development Fund, Home Fund, Health Services Fund, Health Grants Fund, Federal Highway Administration Fund, Court Fund, Seized Fund, Hotel/Motel Occupancy Fund and Street Maintenance Fund), the Debt Service Fund, Enterprise Funds and Internal Service Funds. Multi-year budgets are adopted for capital projects and grant funds, where appropriations remain authorized for the life of the project, irrespective of fiscal year.

6. At the close of each fiscal year, any unencumbered appropriation balance (appropriations including prior year encumbrances less current year expenditures and encumbrances) lapses or reverts to the unassigned fund balance. The unencumbered appropriation balance in the Capital Projects Funds does not lapse at year end.

The City prepares its annual operating budget on a basis (budget basis) which differs from U.S. generally accepted accounting principles (GAAP basis). In order to provide a meaningful comparison of actual results with the budget, the actual and budget amounts are presented in accordance with the City's method (budget basis) in the General Fund –Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Exhibit C-1).

The major difference between GAAP and budget basis is that encumbrances are recorded as an assignment of fund balance (GAAP basis) as opposed to the equivalent of expenditures (budget basis) in governmental funds. There is also a revenue difference between GAAP and budget basis because the City does not budget revenue in accordance with GASB 33. Adjustments necessary to convert the change in fund balance from budget basis to GAAP basis are presented in the Notes to the Required Supplementary Information.

#### Encumbrances

Encumbrances represent commitments related to unperformed (executory) contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to commit or assign that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year end are reported as either commitments or assignments of fund balances and do not constitute expenditures or liabilities since the commitments will be honored during the subsequent year.

For budgetary purposes, encumbrances outstanding at year end and the related appropriation are carried forward to the new fiscal year. Encumbrances constitute the equivalent of expenditures for budgetary purposes and, accordingly, the accompanying financial statements present comparisons of actual results to the legally adopted budgets on the budget basis of accounting.

#### Nature and Purpose of Classifications for Fund Balance

During fiscal year 2011, the City implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself; using its highest level of decision –making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. City Council has authorized the City Manager as the official responsible for the assignment of fund balance for specific purposes, pursuant to the City's Fund Balance Policy.

In the general fund, the City is to maintain an unassigned fund balance equal to 25% of the annual expenditures. The City considers a balance of less than 20% to be a cause for concern, barring unusual or deliberate circumstances. In the event that the total fund balance is calculated to be less than the policy stipulates, the City will plan to adjust budget resources in subsequent fiscal years to restore the balance.

Appropriation from the minimum unassigned fund balance requires the approval of the City Council and will be utilized only for one-time expenditures, such as capital purchases, and not for ongoing expenditures unless a viable revenue plan designed to sustain the expenditure is simultaneously adopted. City Council may appropriate unassigned fund balances for emergency purposes, as deemed necessary, even if such use decreases the fund balance below the established minimum.

The City designates restricted amounts to be spent first if both restricted and unrestricted fund balance are available. Additionally, the City would first use committed, followed by assigned, and lastly unassigned balances when expenditures are incurred for purposes for which balances in any of those unrestricted fund balance classifications could be used. The table below presents additional detail of fund balances as of September 30, 2019.

|                            | Non-Major Governmental Funds |                     |                                                   |                     |                               |                               |                      |
|----------------------------|------------------------------|---------------------|---------------------------------------------------|---------------------|-------------------------------|-------------------------------|----------------------|
|                            | General                      | Debt Service        | Certificate of<br>Obligation Bond<br>Project Fund | Special<br>Revenue  | Non-Major<br>Capital Projects | Total Non-major<br>Govt Funds | Total                |
| Fund Balance               |                              |                     |                                                   |                     |                               |                               |                      |
| Non-spendable:             |                              |                     |                                                   |                     |                               |                               |                      |
| Inventory                  | \$ 4,913                     | \$ -                | \$ -                                              | \$ -                | \$ -                          | \$ -                          | \$ 4,913             |
| Prepaid items              | 27,033                       | -                   | -                                                 | 1,813               | -                             | 1,813                         | 28,846               |
| Restricted for:            |                              |                     |                                                   |                     |                               |                               |                      |
| Debt service               | -                            | 1,692,830           | -                                                 | -                   | -                             | -                             | 1,692,830            |
| Capital projects           | -                            | -                   | 2,990,030                                         | -                   | 23,226,220                    | 23,226,220                    | 26,216,250           |
| Public safety              | -                            | -                   | -                                                 | 680,258             | -                             | 680,258                       | 680,258              |
| Economic development       | -                            | -                   | -                                                 | 1,837,666           | -                             | 1,837,666                     | 1,837,666            |
| Community services         | -                            | -                   | -                                                 | 728,699             | -                             | 728,699                       | 728,699              |
| General government         | -                            | -                   | -                                                 | 377,537             | -                             | 377,537                       | 377,537              |
| Other purposes             | -                            | -                   | -                                                 | 110,313             | -                             | 110,313                       | 110,313              |
| Committed for:             |                              |                     |                                                   |                     |                               |                               |                      |
| Street Maintenance         | -                            | -                   | -                                                 | 3,457,359           | -                             | 3,457,359                     | 3,457,359            |
| Assigned to:               |                              |                     |                                                   |                     |                               |                               |                      |
| Capital projects           | -                            | -                   | -                                                 | -                   | 15,239,122                    | 15,239,122                    | 15,239,122           |
| General government         | 170,577                      | -                   | -                                                 | -                   | -                             | -                             | 170,577              |
| Human resources            | 2,475                        | -                   | -                                                 | -                   | -                             | -                             | 2,475                |
| Finance                    | 37,636                       | -                   | -                                                 | -                   | -                             | -                             | 37,636               |
| Streets and transportation | 243,797                      | -                   | -                                                 | -                   | -                             | -                             | 243,797              |
| Police                     | 57,401                       | -                   | -                                                 | -                   | -                             | -                             | 57,401               |
| Fire                       | 120,881                      | -                   | -                                                 | -                   | -                             | -                             | 120,881              |
| Aviation                   | 21,115                       | -                   | -                                                 | -                   | -                             | -                             | 21,115               |
| Community services         | 52,810                       | -                   | -                                                 | -                   | -                             | -                             | 52,810               |
| Unassigned                 | 30,843,631                   | -                   | -                                                 | -                   | -                             | -                             | 30,843,631           |
|                            | <u>\$ 31,582,269</u>         | <u>\$ 1,692,830</u> | <u>\$ 2,990,030</u>                               | <u>\$ 7,193,645</u> | <u>\$ 38,465,342</u>          | <u>\$ 45,658,987</u>          | <u>\$ 81,924,116</u> |

### NOTE 3: DEPOSITS AND INVESTMENTS

The City invests its funds in investments authorized by Texas law in accordance with investment policies approved by the City Council of the City. Both state law and the City's investment policies are subject to change.

#### Legal Investments

Under current Texas law, the City is authorized to invest in (1) obligations of the United States or its instrumentalities, (2) direct obligations of the State of Texas or its agencies, (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States or its instrumentalities, (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state that are rated A or higher by a nationally recognized investment rating agency, (6) certificates of deposit that are guaranteed or insured by the Federal Deposit Insurance Corporation or National Credit Union Share Insurance Fund or are secured as to principal by obligations described in the preceding clauses or in any other manner and amount provided by law for City deposits, (7) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause (1), and are placed through primary government securities dealer or a financial institution doing business in the State of Texas, (8) securities lending program that is 100% collateralized, can be terminated at any time, and placed through a primary government securities dealer or a financial institution in the state of Texas, and has a term of one year or less, (9) bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (10) commercial paper that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a United States or state bank, (11) no-load money market mutual funds registered with the Securities and Exchange Commission that have a dollar weighted average portfolio maturity of 90 days or less, and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share, (12) guaranteed investment contracts with a defined termination date, secured by obligations in an amount at least equal to the amount of bond proceeds invested under the contract, and is pledged to the entity and deposited with the entity or a third party selected and approved by the entity, and (13) public funds investment pools continuously rated no lower than AAA or AAAM or equivalent rating by at least one nationally recognized rating service and maintain a stable \$1 net asset value. The City may invest in such obligations directly or through government investment pools that invest solely in such obligations. The City did not engage in repurchase nor reverse repurchase agreement transactions during the current year.

#### Custodial Credit Risk

The City's demand deposits had a carrying value of \$7,182,624 at year end and are entirely covered by FDIC insurance and pledged collateral held in the City's name by the City's agent. Obligations that may be pledged as collateral are as follows:

1. Obligations of the U.S. or its agencies and instrumentalities.
2. Direct obligations of the state, agencies, counties, cities and other political subdivisions of the state of Texas rated as to investment quality by a nationally recognized investment firm not less than A or its equivalent.

### Investment Policies

Under Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived". Under Texas law and City policy, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all City funds must be invested in investments that protect principal, are consistent with the operating requirements of the City, and yield the highest possible rate of return.

### Objectives

Funds of the City are invested in accordance with State law, IRS arbitrage regulations, City Council approved policies and written administrative procedures. The City's objectives in managing its investment portfolios are as follows:

1. Safety - The first and foremost consideration of any custodian of public funds must be safety of the principal amount involved.
2. Liquidity - The City must have cash or "near cash" on hand to meet current obligations.
3. Yield - While it is certainly desirable to show a high effective rate of return on invested funds, it is important to recognize that it is essential to keep every dollar working every day, even at a reduced rate of return.

### Interest Rate Risk and Concentration Risk

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate interest rate risk (the risk that the fair value of securities in the portfolio will fall due to changes in general interest rate) and concentration risk (the risk of over reliance on any one investment type or issuer). The table below lists the City's investment policies and adherence of the current portfolio to these risks:

| Authorized<br>Investment Type     | Per Policy                  |                           | At September 30, 2019 |                   |
|-----------------------------------|-----------------------------|---------------------------|-----------------------|-------------------|
|                                   | Maximum<br>Maturity         | Maximum %<br>of Portfolio | Maximum<br>Maturity   | %<br>Of Portfolio |
| Local Government Investment Pools |                             | 100%                      | 1 day                 | 70%               |
| Certificates of Deposit           | 1 year                      | 50%                       | 1 year                | 0%                |
| U.S. Government Securities        | 2-10 years                  | 100%                      | 6 years               | 20%               |
| Money Market Mutual Funds         | Weighted Average<br>90 days | 15%                       | n/a                   | 1%                |
| Money Market                      |                             |                           | 1 day                 | 9%                |

For short term liquidity requirements, the City voluntarily participates in two local government investment pools. TexPool was created to invest funds on behalf of Texas political subdivisions. The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operation, 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. TexPool uses amortized cost rather than the market value to report net position to compute share prices. TexPool allows for same day or next day redemptions and deposits. As of September 30, 2019, TexPool's portfolio maintained a weighted average maturity of approximately 34 days.

The other local government investment pool utilized by the City is Texas Short Term Asset Reserve Fund (TexStar). This pool is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank. The fair value of the position of TexStar is measured at net asset value and is designed to approximate the share value. The pool's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pools are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The pool offers same day access to investment funds. As of September 30, 2019, TexStar's portfolio maintained a weighted average maturity of approximately 18 days.

TexPool and TexStar's investment policies limit the weighted average maturity to sixty (60) days. The pools do not invest in derivatives. In order to maintain a stable \$1 price of the funds, the pools will sell portfolio holdings if the ratio of the fair value of the portfolio divided by the book value of the portfolio is less than .995 or greater than 1.005. The \$1 price is not guaranteed or insured by the State of Texas, the Comptroller of Public Accounts, the pools or their administrators.

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2019, the City's investments in TexStar and TexPool were both rated AAAM by Standard and Poor's. In addition, the City requires all investment balances with financial institutions (certificates of deposit and money market accounts) to be fully collateralized with pledged securities or letters of credit held by third parties.

### Investment Administration

The Finance Director is responsible for the City's comprehensive cash management program, including the administration of the Investment Policies. The Finance Director is responsible for considering the quality and capability of staff involved in investment management and procedures and for authorizing investments. The Assistant Director of Finance accounts for investments and pledged collateral in order to maintain appropriate internal controls.

The City of Abilene's Investment Program is divided into three portfolios 1) Core; 2) Emergency/Liquidity; and 3) Discretionary.

#### Core Portfolio

The core portfolio is specifically managed to achieve the first three objectives of safety, liquidity, and legality. This portfolio consists of instruments that have a stated maturity date covering a twelve (12) to eighteen (18) month period. The instruments are timed to meet payrolls, bond payments, accounts payable, and capital project schedules. Typical investment types are Certificates of Deposit, Treasury Bills, Treasury Notes, and other short term obligations of agencies or instrumentalities of the United States. .

#### Emergency/Liquidity Portfolio

The emergency/liquidity portfolio is managed to not only achieve the objectives of the core portfolio but also to achieve better yields and flexibility. This portfolio consists of instruments with a stated maturity date that is not required to cover operations but is available for liquidity purposes, if necessary, or to take advantage of changes in the market. In addition, TexPool and TexStar are maintained to provide immediate access to funds should conditions warrant.

#### Discretionary Portfolio

The discretionary portfolio is managed to achieve all of the objectives while allowing somewhat more flexibility. This portfolio is utilized to enhance the overall yield of the investment program by allowing flexibility in the type of instrument purchases from monies not needed in the immediate future.

The City maintains a pooled investment fund which is shared by various funds and component units of the City. Each individual fund's and component unit's equity investment in the pooled investment fund is reflected as cash investments and investments in the accompanying financial statements.

Pooled fund cash investment and investment balances by fund type at September 30, 2019, are as follows:

|                                                     | <u>Cash Investments</u> | <u>Investments</u>  | <u>Total</u>         |
|-----------------------------------------------------|-------------------------|---------------------|----------------------|
| General Fund                                        | \$15,562,045            | \$5,645,473         | \$21,207,518         |
| Special Revenue Funds                               | 4,228,459               | 1,554,394           | 5,782,853            |
| Debt Service Fund                                   | 1,188,626               | 509,139             | 1,697,765            |
| Capital Project Funds                               | 13,312,547              | 4,891,836           | 18,204,383           |
| Enterprise Funds                                    | 32,449,178              | 11,923,797          | 44,372,975           |
| Internal Service Funds                              | 10,742,350              | 3,947,390           | 14,689,740           |
| Agency Funds                                        | 5,312,964               | 1,952,305           | 7,265,269            |
| Development Corporation of Abilene (component unit) | <u>23,429,260</u>       | <u>8,609,330</u>    | <u>32,038,590</u>    |
| Total                                               | <u>\$106,225,429</u>    | <u>\$39,033,664</u> | <u>\$145,259,093</u> |



The following represents the investments at September 30, 2019 located in the pooled investment fund:

| <u>Description</u>                    | <u>Credit Ratings</u> | <u>Interest Rate</u> | <u>Par Value</u>     | <u>Book Value (Cost)</u> | <u>Fair Value</u>    |
|---------------------------------------|-----------------------|----------------------|----------------------|--------------------------|----------------------|
| <u>Core Portfolio:</u>                |                       |                      |                      |                          |                      |
| FFCB                                  | Aaa                   | 1.870                | 3,000,000            | 2,999,732                | 2,998,880            |
| FHLB                                  | Aaa                   | 2.167                | 5,000,000            | 4,998,695                | 4,979,821            |
| FNMA                                  | Aaa                   | 2.467                | 1,000,000            | 1,000,000                | 981,770              |
| U.S. Treasury Bill                    | AA+                   | 2.647                | 2,000,000            | 1,994,617                | 1,957,040            |
| U.S. Treasury Note                    | AA+                   | 2.467                | <u>13,000,000</u>    | <u>12,971,650</u>        | <u>12,996,930</u>    |
|                                       |                       |                      | <u>24,000,000</u>    | <u>23,964,694</u>        | <u>23,914,441</u>    |
| <u>Emergency/Liquidity Portfolio:</u> |                       |                      |                      |                          |                      |
| TexPool                               | AAAm                  | 2.164                | 54,498,175           | 54,498,175               | 54,498,175           |
| TexStar                               | AAAm                  | 2.107                | 49,654,703           | 49,654,703               | 49,654,703           |
| Money Market                          | N/A                   | 1.715                | <u>2,072,551</u>     | <u>2,072,551</u>         | <u>2,072,551</u>     |
|                                       |                       |                      | <u>106,225,429</u>   | <u>106,225,429</u>       | <u>106,225,429</u>   |
| <u>Discretionary Portfolio:</u>       |                       |                      |                      |                          |                      |
| U.S. Treasury Note                    | AA+                   | 2.372                | 10,000,000           | 9,958,964                | 9,991,940            |
| FFCB                                  | Aaa                   | 2.189                | 3,000,000            | 3,002,745                | 3,001,700            |
| FHLB                                  | Aaa                   | 2.930                | 1,000,000            | 1,000,000                | 984,600              |
| FHLMC                                 | Aaa                   | 2.311                | <u>1,000,000</u>     | <u>1,000,000</u>         | <u>996,420</u>       |
|                                       |                       |                      | <u>15,000,000</u>    | <u>14,961,709</u>        | <u>14,974,660</u>    |
| Accrued Interest                      |                       |                      | -                    | <u>144,563</u>           | <u>144,563</u>       |
| Total                                 |                       |                      | <u>\$145,225,429</u> | <u>\$145,296,395</u>     | <u>\$145,259,093</u> |

The government agency securities above are registered and held in safekeeping by the City's agent in the City's name.

In addition to pooled fund cash investments, the City had cash investments invested in TexStar, (\$24,956,007 held in capital project funds, \$8,194,794 held in enterprise funds, and \$33,553 held in agency funds), money market, (\$16,233,300 held in enterprise funds), and money market mutual funds (\$1,704,182 held in enterprise funds).

#### NOTE 4: PROPERTY TAXES

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the City. The adjusted assessed value for the roll as of January 1, 2018, upon which the 2018 levy was based, was \$6,366,829,253. Taxes are due by January 31 following the October 1 levy date. Split payments are permitted: the first half by November 30; the second half by June 30. Discounts are not allowed.

A tax lien attaches to property on January 1 of each year to secure the payment of all taxes, penalties, and interest ultimately imposed on the property. The lien attaches whether or not the taxes were imposed in the year in which the lien attached. The lien exists in favor of each taxing unit having the power to tax the property. The provision applies to both real and personal property.

Legislation passed in 1979 and amended in 1981 by the Texas Legislature with certain exceptions, exempts intangible personal property, household goods and family-owned automobiles from taxation. In addition, this legislation 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 operations in January, 1980.

As of October 1, 1981, the appraisal of property within the City is the responsibility of the Central Appraisal District of Taylor County (CAD). The CAD is required under the Property Tax Code to assess all property within the Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. Beginning January 1, 1984, all real property within the Appraisal District must be reappraised every four years.

The CAD has chosen to review the value of property every year. The City may challenge appraised values established by the CAD through various appeals and if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective tax rate after adjustment for new construction, new annexation, new debt service, and revaluation, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the effective tax rate of the previous year. This legislation also provides that, if mandated by the qualified voters in the City, the collection function must be placed with the Tax Authority. In October 1982, the CAD assumed the property tax billing and collection function for the City at a fee of one-half of one percent of total current taxes collected.

The City is permitted by Article II, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term

debt. A practical limitation on taxes levied for debt service is \$1.50 per \$100 of assessed valuation as established by the attorney general of the State of Texas.

The tax rate to finance general governmental services other than payment of principal and interest on long-term debt was \$.5648 per \$100 for the year ended September 30, 2019. The tax rate to finance the payment of principal and interest on long-term debt was \$.2074 per \$100 for the year ended September 30, 2019. Current taxes collected during the year ended September 30, 2019, amounted to 98.83% of the current tax levy.

The City has adopted a policy to record all delinquent taxes in the General Fund at year end. The City's general obligation bonds require an annual tax levy sufficient to pay principal and interest on the bonds with full allowance being made for delinquent taxes. The bond ordinances require that the Debt Service Fund be funded from actual tax receipts as received. The later collection of delinquent taxes after the current year funding requirements have been satisfied will be in excess of the actual requirements for the payment of the bonds. Therefore, such delinquent taxes are deposited in the City's General Fund after the City has met the annual requirements for the payment of the bonds.

#### NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019, was as follows:

| <u>Governmental Activities:</u>             | Balance<br>September 30,<br>2018 | Additions/<br>Completions | Retirements/<br>Adjustments | Balance<br>September 30,<br>2019 |
|---------------------------------------------|----------------------------------|---------------------------|-----------------------------|----------------------------------|
| Capital assets, not being depreciated:      |                                  |                           |                             |                                  |
| Land                                        | \$ 12,421,706                    | \$ -                      | \$ (324,999)                | \$ 12,096,707                    |
| Construction in progress                    | 17,107,030                       | 16,196,722                | (7,980,909)                 | 25,322,843                       |
| Total capital assets, not being depreciated | 29,528,736                       | 16,196,722                | (8,305,908)                 | 37,419,550                       |
| Capital assets being depreciated:           |                                  |                           |                             |                                  |
| Buildings and improvements                  | 79,775,940                       | 1,614,003                 | (512,100)                   | 80,877,843                       |
| Leasehold improvements                      | 1,678,966                        | -                         | -                           | 1,678,966                        |
| Improvements other than buildings           | 153,619,796                      | 2,803,744                 | -                           | 156,423,540                      |
| Infrastructure                              | 145,706,843                      | 17,274,009                | -                           | 162,980,852                      |
| Machinery and equipment                     | 25,240,721                       | 2,843,150                 | -                           | 28,083,871                       |
| Vehicles                                    | 52,284,269                       | 4,127,163                 | (3,410,496)                 | 53,000,936                       |
| Software                                    | 3,320,355                        | 32,015                    | -                           | 3,352,370                        |
| Total assets being depreciated              | 461,626,890                      | 28,694,084                | (3,922,596)                 | 486,398,378                      |
| Less accumulated depreciation for:          |                                  |                           |                             |                                  |
| Buildings and improvements                  | (28,006,872)                     | (2,306,770)               | 488,850                     | (29,824,792)                     |
| Leasehold improvements                      | (251,845)                        | (167,896)                 | -                           | (419,741)                        |
| Improvements other than buildings           | (53,410,768)                     | (5,163,577)               | -                           | (58,574,345)                     |
| Infrastructure                              | (77,585,715)                     | (5,168,458)               | -                           | (82,754,173)                     |
| Machinery and equipment                     | (19,408,509)                     | (1,264,019)               | -                           | (20,672,528)                     |
| Vehicles                                    | (31,143,527)                     | (3,046,033)               | 3,036,558                   | (31,153,002)                     |
| Software                                    | (3,036,776)                      | (196,877)                 | -                           | (3,233,653)                      |
| Total accumulated depreciation              | (212,844,012)                    | (17,313,630)              | 3,525,408                   | (226,632,234)                    |
| Total capital assets being depreciated, net | 248,782,878                      | 11,380,454                | (397,188)                   | 259,766,144                      |
| Governmental activities capital assets, net | \$ 278,311,614                   | \$ 27,577,176             | \$ (8,703,096)              | \$ 297,185,694                   |

| <u>Business-Type Activities:</u>             | Balance<br>September 30,<br>2018 | Additions/<br>Completions | Retirements/<br>Adjustments | Balance<br>September 30,<br>2019 |
|----------------------------------------------|----------------------------------|---------------------------|-----------------------------|----------------------------------|
| Capital assets, not being depreciated:       |                                  |                           |                             |                                  |
| Land                                         | \$ 2,133,417                     | \$ 28,688                 | \$ -                        | \$ 2,162,105                     |
| Construction in progress                     | 6,060,039                        | 8,840,029                 | (5,473,135)                 | 9,426,933                        |
| Total capital assets, not being depreciated  | 8,193,456                        | 8,868,717                 | (5,473,135)                 | 11,589,038                       |
| Capital assets, being depreciated:           |                                  |                           |                             |                                  |
| Buildings and improvements                   | 248,214,744                      | -                         | (4,684,926)                 | 243,529,818                      |
| Improvements other than buildings            | 226,222,432                      | 4,261,370                 | (6,657,604)                 | 223,826,198                      |
| Machinery and equipment                      | 14,264,796                       | 514,789                   | (474,906)                   | 14,304,679                       |
| Vehicles                                     | 6,173,826                        | 213,138                   | -                           | 6,386,964                        |
| Intangible assets                            | 31,929,575                       | -                         | -                           | 31,929,575                       |
| Total assets being depreciated               | 526,805,373                      | 4,989,297                 | (11,817,436)                | 519,977,234                      |
| Less accumulated depreciation for:           |                                  |                           |                             |                                  |
| Buildings and improvements                   | (35,920,198)                     | (4,937,124)               | 978,386                     | (39,878,936)                     |
| Improvements other than buildings            | (84,271,509)                     | (4,682,286)               | 1,798,633                   | (87,155,162)                     |
| Machinery and equipment                      | (10,761,913)                     | (571,274)                 | 456,942                     | (10,876,245)                     |
| Vehicles                                     | (5,349,687)                      | (177,885)                 | -                           | (5,527,572)                      |
| Intangible assets                            | (15,359,731)                     | (733,176)                 | -                           | (16,092,907)                     |
| Total accumulated depreciation               | (151,663,038)                    | (11,101,745)              | 3,233,961                   | (159,530,822)                    |
| Total capital assets being depreciated, net  | 375,142,335                      | (6,112,448)               | (8,583,475)                 | 360,446,412                      |
| Business-type activities capital assets, net | \$ 383,335,791                   | \$ 2,756,269              | \$ (14,056,610)             | \$ 372,035,450                   |

Construction in progress in the Enterprise Funds includes various capital projects which are substantially funded by general obligation bonds, certificates of obligation and Federal and State Grants. See Note 1 for a description of significant accounting policies related to capital assets. The capital assets of the Internal Service Funds are included in the Governmental Activities in the Government-wide financial statements.

During the year, the city transferred assets acquired and constructed as part of the City's PK Second Stage Drought Strategy project to the West Central Texas Municipal Water District and the West Central Brazos Water Distribution System. The transferred assets include a product water pump station and tank, spur pipeline, parallel pipeline and improvements to the WCBWDS. Total capital contributed to the water districts was \$13,263,164.

Depreciation expense was charged to functions of the primary government as follows:

|                                                                    |               |
|--------------------------------------------------------------------|---------------|
| <u>Governmental activities:</u>                                    |               |
| General government                                                 | \$ 1,250,824  |
| Human Resources                                                    | 1,328         |
| Finance                                                            | 109,081       |
| Planning and development services                                  | 67,442        |
| Public works                                                       | 5,136,323     |
| Facilities and capital improvements                                | 147,775       |
| Police                                                             | 924,410       |
| Fire                                                               | 1,020,411     |
| Transportation services                                            | 3,853,059     |
| Community services                                                 | 2,115,279     |
| Health                                                             | 90,990        |
| Internal service funds                                             | 2,596,708     |
| Total depreciation expense - governmental activities               | \$ 17,313,630 |
| <u>Business-type activities:</u>                                   |               |
| Water and Sewer                                                    | \$ 10,512,783 |
| Solid Waste Services                                               | 249,582       |
| Transit                                                            | 339,380       |
| Total depreciation/amortization expense - business-type activities | \$ 11,101,745 |

## NOTE 6: RETIREMENT PLANS

### Plan Descriptions

#### Texas Municipal Retirement System

The City provides pension benefits for all of its eligible employees, except firefighters, through a nontraditional, joint contributory, hybrid defined benefit pension plan, one of 887 plans, administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member

Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

#### Abilene Firemen's Relief and Retirement Fund

The City provides pension benefits, through a single-employer defined benefit plan, for all of its firefighters not covered by the Texas Municipal Retirement System. The Abilene Firemen's Relief and Retirement Fund (AFRRF) is established under the authority of the Texas Local Fire Fighter's Retirement Act (TLFFRA). The fund is administered by a Board of Trustees. The Board is made up of three members elected from and by the fund members, two representatives of the City of Abilene, Texas, and two citizen members. The plan was most recently amended effective December 1, 2019. Audited financial statements are issued by the Plan and can be obtained from the City of Abilene.

All eligible firefighters of the City, not covered by TMRS or any other system or plan, are required to participate in AFRRF.

#### Benefits Provided

Texas Municipal Retirement System (TMRS) – This plan 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 payment 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.

Abilene Firemen's Relief and Retirement Fund (AFRRF) – This plan provides retirement, disability, and death benefits. Members hired before February 1, 2019 receive Tier 1 Benefits. A Tier 1 member is eligible for service retirement if they have completed 20 years of credited service and attained the age of 50. A member who retires under the service retirement provision will receive a monthly benefit equal to the sum of a) standard service benefit equal to 3 percent of the member's average monthly salary multiplied by the member's number of years of credited service not in excess of 20 years and b) an additional service benefit calculated as the sum of (i) the member's years of credited service in excess of 20 but not to exceed 21.5 years, multiplied by 3.0 percent of the member's average monthly salary and (ii) \$80.00 multiplied by the member's years of service credit in excess of 21.5. A Deferred Retirement Option Plan (DROP) is available to eligible members with 23 years of service and age 53. Effective February 1, 2019, all future new hires will accrue benefits under a Tier 2 benefit structure. A Tier 2 member is eligible for service retirement if they have completed 20 years of credited service and attained the age of 53. Key provision of the approved Tier 2 benefit structure are listed below:

| <u>Benefit</u>        | <u>Tier 2</u>             |
|-----------------------|---------------------------|
| Normal Retirement Age | 53 / 20 years of service  |
| AFC Period            | 5 years                   |
| Benefit Accrual Rate  | 2.75% per year            |
| Maximum Accrual Rate  | 55% of AFC                |
| Longevity Supplement  | \$80/month after 20 years |

Effective January 1, 2020, the definition of compensation excludes deployment pay and overtime hours in excess of 288 for purposed of determining the highest average salary.

The plans provisions for the City are as follows:

|                                                                                                | <u>Texas Municipal Retirement System</u> | <u>Abilene Firemen's Relief and Retirement Fund</u> |
|------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------|
| Employee deposit rate                                                                          | 7%                                       | 14.20% Jan 1 2019<br>15.20% Oct 1 2019              |
| Matching ratio (City to employee)<br>City's Contribution                                       | 2 to 1                                   | 19.25% thru Sept 30 2019<br>21.25% Oct 1 2019       |
| A member is vested after<br>Service retirement eligibility (expressed as age/years of service) | 5 years<br>60/5, 0/20                    | 20 years<br>Tier 1 50/20<br>Tier 2 53/20            |
| Updated Service Credit                                                                         | 100% Repeating,<br>Transfers             |                                                     |
| Annuity increase to retirees                                                                   | 0% of CPI                                | 0% of CPI                                           |

As of the most recent measurement date of the net pension liability, membership data for the pension plans are as follows:

|                                                               | Texas Municipal<br>Retirement System | Abilene Firemen's<br>Relief and<br>Retirement Fund |
|---------------------------------------------------------------|--------------------------------------|----------------------------------------------------|
| Measurement Date                                              | December 31, 2018                    | October 1, 2017                                    |
| Retirees and beneficiaries currently receiving benefits       | 840                                  | 177                                                |
| Inactive employees entitled to but not yet receiving benefits | 574                                  | 5                                                  |
| Active employees                                              | <u>1,026</u>                         | <u>174</u>                                         |
| Total participants                                            | <u>2,440</u>                         | <u>356</u>                                         |

#### Contributions

Texas Municipal Retirement System (TMRS) – 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 Abilene were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 11.18% and 10.93% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019 were \$5,776,961 and were equal to the required contributions.

Abilene Firemen's Relief and Retirement Fund (AFRRF) – The City's contribution rate for fiscal year 2018 and 2019 was 19.25% of each member's gross pay. Of this amount 1.75 percent of pay is dedicated to providing post-retirement benefit increase to inactive members, unless the contribution is needed in order to meet the funding requirements of the plan. Fund members contribution rate was increased from 13.2% to 14.2% of gross pay effective January 1, 2019 and from 14.2% to 15.2% of gross pay effective October 1, 2019. Employee contributions are "picked up" by the City, as permitted under Section 414(h)(2) of the Internal Revenue Code. For this reason, a members' contributions are excluded from taxable income when paid into the fund. The City's contributions to AFRRF for the year ended September 30, 2019 were \$2,742,367 and were equal to the required contribution.

#### Net Pension Liability

The "Net Pension Liability" (NPL) is the difference between the "Total Pension Liability" (TPL) and the plan's "Fiduciary Net Position" (FNP). The TPL is the present value of pension benefits that are allocated to current members due to past service by entry age normal actuarial cost method. The TPL includes benefits related to projected salary and service, and automatic cost of living adjustments (COLA's). In addition, ad hoc COLA's are also included in the TPL to the extent they are substantively automatic. The FNP is determined on the same basis used by the pension plans.

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

Abilene Firemen's Relief and Retirement Fund (AFRRF) – The City's Net Pension Liability (NPL) was measured as of September 30, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of October 1, 2017.

|                         | Texas Municipal<br>Retirement System | Abilene Firemen's<br>Relief and<br>Retirement Fund | Total                 |
|-------------------------|--------------------------------------|----------------------------------------------------|-----------------------|
| Measurement Date        | December 31, 2018                    | September 30, 2019                                 |                       |
| Total Pension Liability | \$ 304,758,749                       | \$ 118,742,653                                     | \$ 423,501,402        |
| Fiduciary Net Position  | 265,927,033                          | 55,688,061                                         | 321,615,094           |
| Net Pension Liability   | <u>\$ 38,831,716</u>                 | <u>\$ 63,054,592</u>                               | <u>\$ 101,886,308</u> |

#### Actuarial Assumptions

##### Texas Municipal Retirement System

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

|                           |                                                                    |
|---------------------------|--------------------------------------------------------------------|
| Inflation                 | 2.5% per year                                                      |
| Overall payroll growth    | 3.0% per year                                                      |
| Investment Rate of Return | 6.75%, net of pension plan investment expense, including inflation |

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, TMRS adopted the Entry Age Normal (EAN) actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

|                       | Target<br>Allocation | Long-Term Expected<br>Real Rate of Return<br>(Arithmetic) |
|-----------------------|----------------------|-----------------------------------------------------------|
| Domestic Equity       | 17.5%                | 4.30%                                                     |
| International Equity  | 17.5%                | 6.10%                                                     |
| Core Fixed Income     | 10.0%                | 1.00%                                                     |
| Non-Core Fixed Income | 20.0%                | 3.39%                                                     |
| Real Return           | 10.0%                | 3.78%                                                     |
| Real Estate           | 10.0%                | 4.44%                                                     |
| Absolute Return       | 10.0%                | 3.56%                                                     |
| Private Equity        | 5.0%                 | 7.75%                                                     |
| Total                 | <u>100.0%</u>        |                                                           |

#### Abilene Firemen's Relief and Retirement Fund

The Total Pension Liability in the October 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement. Update procedures were used to roll forward the total pension liability from the actuarial valuation date to the pension plan's fiscal year-end.

|                           |                                    |
|---------------------------|------------------------------------|
| Inflation                 | 2.5% per year                      |
| Overall payroll growth    | 3.5% per year, compounded annually |
| Salary increases          | Service based                      |
| Investment Rate of Return | 7.5%                               |

Mortality rates for employee and healthy annuitants were based upon the RP-2000 Mortality Table, projected to 2024 using Scale AA, with separate rates for males and females. Termination rates were based upon Table T-1 from the *Actuary's Pension Handbook* with specimen rates at age 25 – 4.97%, age 35 – 2.49%, age 45 - .62%, age 55 - 0.00%. Disability rates were developed from the 1985 Society of Actuaries Disability Table Study using Class 1 male rates with a 90-day elimination period. Disability specimen rates at age 25 - .111%, age 35 - .152%, age 45 - .335% and age 55 - .858%. The actuarial assumptions used in the October 1, 2017 valuation were based on the results of an actuarial experience study for the period October 1, 2013 through September 30, 2015.

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. For 2019 the inflation rate assumption was 2.25%. 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. The target allocation and the best estimates of geometric real rates of return for each major asset class are summarized in the following table:

|                            | Target<br>Allocation | Long-Term Expected<br>Real Rate of Return<br>(Arithmetic) |
|----------------------------|----------------------|-----------------------------------------------------------|
| US Equities Large-cap      | 9.5%                 | 5.15%                                                     |
| US Equities Mid-cap        | 11.5%                | 6.05%                                                     |
| US Equities Small-cap      | 10.5%                | 6.25%                                                     |
| International Equities     | 13.1%                | 5.15%                                                     |
| Emerging Market Equity     | 9.0%                 | 6.95%                                                     |
| Fixed Income Intermediate  | 17.0%                | 1.25%                                                     |
| Emerging Market Debt       | 2.0%                 | 3.95%                                                     |
| Master Limited Partnership | 4.0%                 | 5.65%                                                     |
| REITs                      | 7.4%                 | 4.25%                                                     |
| Alternative investments    | <u>16.0%</u>         | 2.90%                                                     |
| Total                      | <u>100.0%</u>        |                                                           |

#### Discount Rate

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

Abilene Firemen's Relief and Retirement Fund (AFRRF) – The discount rate used to measure the Total Pension Liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that City contributions will continue at the negotiated rate of 21.25% of payroll each year. Based on those assumptions, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. 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. For purposes of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.58% (based on the weekly rate closest to but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index); and the resulting single discount rate is 7.50%.

#### Schedule of Changes in the Net Pension Liability

Changes in the City's net pension liability presented below are calculated on the same basis as each of the plans. The Change in Net Pension Liability for TMRS and AFRRF for the fiscal year ended September 30, 2019 are as follows:

#### **Texas Municipal Retirement System**

|                                                                  | Increase(Decrease)                |                                       |                                       |
|------------------------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
|                                                                  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
| Balance at 12/31/2017                                            | \$ 296,487,294                    | \$ 283,295,984                        | \$ 13,191,310                         |
| Changes for the year:                                            |                                   |                                       |                                       |
| Service cost                                                     | 7,536,316                         | -                                     | 7,536,316                             |
| Interest                                                         | 19,656,954                        | -                                     | 19,656,954                            |
| Change of benefit terms                                          | -                                 | -                                     | -                                     |
| Difference between expected and actual experience                | (839,185)                         | -                                     | (839,185)                             |
| Change of assumptions                                            | -                                 | -                                     | -                                     |
| Contributions - employer                                         | -                                 | 5,759,096                             | (5,759,096)                           |
| Contributions - employee                                         | -                                 | 3,605,893                             | (3,605,893)                           |
| Net investment income                                            | -                                 | (8,478,734)                           | 8,478,734                             |
| Benefit payments, including refunds of<br>employee contributions | (18,082,630)                      | (18,082,630)                          | -                                     |
| Administrative expenses                                          | -                                 | (164,007)                             | 164,007                               |
| Other changes                                                    | -                                 | (8,569)                               | 8,569                                 |
| Net changes                                                      | <u>8,271,455</u>                  | <u>(17,368,951)</u>                   | <u>25,640,406</u>                     |
| Balance at 12/31/2018                                            | <u>\$ 304,758,749</u>             | <u>\$ 265,927,033</u>                 | <u>\$ 38,831,716</u>                  |

# **Abilene Firemen's Relief and Retirement Fund**

|                                                               | Increase(Decrease)      |                             |                       |
|---------------------------------------------------------------|-------------------------|-----------------------------|-----------------------|
|                                                               | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
|                                                               | (a)                     | (b)                         | (a) - (b)             |
| Balance at 10/1/18                                            | \$ 109,215,314          | \$ 57,127,453               | \$ 52,087,861         |
| Changes for the year:                                         |                         |                             |                       |
| Service cost                                                  | 2,309,391               | -                           | 2,309,391             |
| Interest                                                      | 8,614,997               | -                           | 8,614,997             |
| Change of benefit terms                                       | 141,190                 | -                           | 141,190               |
| Difference between expected and actual experience             | -                       | -                           | -                     |
| Change of assumptions                                         | 6,418,623               | -                           | 6,418,623             |
| Contributions - employer                                      | -                       | 2,742,367                   | (2,742,367)           |
| Contributions - employee                                      | -                       | 1,985,350                   | (1,985,350)           |
| Net investment income                                         | -                       | 1,890,470                   | (1,890,470)           |
| Benefit payments, including refunds of employee contributions | (7,956,862)             | (7,956,862)                 | -                     |
| Administrative expenses                                       | -                       | (100,717)                   | 100,717               |
| Other changes                                                 | -                       | -                           | -                     |
| Net changes                                                   | 9,527,339               | (1,439,392)                 | 10,966,731            |
| Balance at 9/30/19                                            | \$ 118,742,653          | \$ 55,688,061               | \$ 63,054,592         |

## Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability for each of the City's plans, calculated using the discount rate, as well as what the City's net pension liability would have been if it were calculated using a discount rate that is 1-percentage-point lower and 1-percentage-point higher than the current rate:

|                               | 1% Decrease in Discount Rate | Current Discount Rate Assumption | 1% Increase in Discount Rate |
|-------------------------------|------------------------------|----------------------------------|------------------------------|
|                               | 5.75%                        | 6.75%                            | 7.75%                        |
| TMRS - Net pension liability  | \$75,715,310                 | \$38,831,716                     | \$8,043,546                  |
|                               | 6.5%                         | 7.50%                            | 8.50%                        |
| AFRRF - Net pension liability | \$73,513,759                 | \$63,054,592                     | \$49,253,503                 |

## Pension Plan Fiduciary Net Position

Detailed information about the pension plans' Fiduciary Net Position is available in a separately-issued TMRS financial report which may be obtained on the Internet at [www.tmr.com](http://www.tmr.com) and a AFRRF financial report which may be obtained from the Abilene Firemen's Relief and Retirement Fund, 102 Cedar St., Suite 100, Abilene, Texas 79601.

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

For the year ended September 30, 2019, the City recognized total pension expense of \$18,475,090. Pension expense recognized for the TMRS plan was \$11,240,894 and for the AFRRF was \$7,234,196.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                             | Texas Municipal Retirement System | Abilene Firemen's Relief and Retirement Fund | Total         |
|-------------------------------------------------------------|-----------------------------------|----------------------------------------------|---------------|
| <b>Deferred Outflows of Resources</b>                       |                                   |                                              |               |
| Contributions subsequent to the measurement date            | \$ 4,168,655                      | \$ -                                         | \$ 4,168,655  |
| Difference between projected and actual investment earnings | 14,654,341                        | 2,284,498                                    | 16,938,839    |
| Changes in actuarial assumptions                            | -                                 | 5,942,574                                    | 5,942,574     |
| Total Deferred Outflows of Resources                        | \$ 18,822,996                     | \$ 8,227,072                                 | \$ 27,050,068 |
| <b>Deferred Inflows of Resources</b>                        |                                   |                                              |               |
| Differences between expected and actual economic experience | \$ 1,301,215                      | \$ 1,089,988                                 | \$ 2,391,203  |
| Total Deferred Intflows of Resources                        | \$ 1,301,215                      | \$ 1,089,988                                 | \$ 2,391,203  |

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$4,168,655 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2019 (i.e. recognized in the city's financial statements September 30, 2020).



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

| Year ended September 30: | Texas Municipal Retirement System | Abilene Firemen's Relief and Retirement Fund |
|--------------------------|-----------------------------------|----------------------------------------------|
|                          |                                   |                                              |
| 2020                     | \$ 4,747,556                      | \$ 1,325,595                                 |
| 2021                     | 1,391,523                         | 1,365,469                                    |
| 2022                     | 1,693,806                         | 1,502,323                                    |
| 2023                     | 5,520,241                         | 1,303,759                                    |
| 2024                     | -                                 | 722,994                                      |
| Thereafter               | -                                 | 916,946                                      |
| Total                    | <u>\$ 13,353,126</u>              | <u>\$ 7,137,086</u>                          |

#### NOTE 7: OTHER POST EMPLOYMENT BENEFITS

##### Supplemental Death Benefits Plan

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term insurance plan known as the Supplemental Death Benefits Fund (SDBF). This a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of \$7,500. The SBDF covers both active and retiree participants, with no segregation of assets, the SBDF is considered to be a single employer unfunded OPEB plan (i.e. no assets are accumulated).

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 employee's entire careers.

##### Membership

As of the most recent actuarial valuation of the total OPEB liability, membership data is as follows:

|                                                           |                   |
|-----------------------------------------------------------|-------------------|
| Actuarial Valuation Measurement Date                      | December 31, 2018 |
| Inactive employees currently receiving benefits           | 689               |
| Inactive employees entitled to but not receiving benefits | 16                |
| Active employees                                          | <u>1,026</u>      |
| Total                                                     | <u>1,884</u>      |

##### Total OPEB Liability and Summary of Actuarial Assumptions:

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The total OPEB liability was based upon an actuarial valuation as of December 31, 2018. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014. A summary of the actuarial assumptions is listed below:

|                                          |                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation                                | 2.5%                                                                                                                                                                                                                                                                                                                               |
| Salary Increases                         | 3.50% to 10.5% including inflation                                                                                                                                                                                                                                                                                                 |
| Discount rate*                           | 3.71%                                                                                                                                                                                                                                                                                                                              |
| Retiree's share of benefit-related costs | \$0.00                                                                                                                                                                                                                                                                                                                             |
| Administrative expenses                  | All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.                                                                                                                                                                                         |
| Mortality rates – service retirees       | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.                                                                                                                                      |
| Mortality rates – disable retirees       | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor. |

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

### Changes in Total OPEB Liability

Changes in the City's total OPEB liability for the fiscal year ended September 30, 2019 are as follows:

#### Changes in the Total OPEB Liability

|                                                              |    |           |
|--------------------------------------------------------------|----|-----------|
| Total OPEB Liability - beginning of year December 31, 2017 * | \$ | 4,233,499 |
| Changes for the year                                         |    |           |
| Service Cost                                                 |    | 149,387   |
| Interest on Total OPEB Liability                             |    | 141,749   |
| Changes of benefit terms                                     |    | -         |
| Difference between expected and actual experience            |    | (120,242) |
| Changes in assumptions or other inputs                       |    | (267,872) |
| Benefit payments **                                          |    | (51,513)  |
| Net changes                                                  |    | (148,491) |
| Total OPEB Liability - end of year December 31, 2018 *       | \$ | 4,085,008 |

\* The dates listed are based upon the actuarial valuation date.

\*\* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

### Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability, calculated using the discount rate, as well as what the City's total OPEB liability would have been if it were calculated using a discount rate that is 1-percentage-point lower and 1-percentage-point higher than the current rate:

|                      | 1% Decrease | Current Discount Rate | 1% Increase |
|----------------------|-------------|-----------------------|-------------|
|                      | 2.71%       | 3.71%                 | 4.71%       |
| Total OPEB liability | \$4,806,589 | \$4,085,008           | \$3,515,526 |

### OPEB Expense

For the fiscal year ended September 30, 2019, the City recognized total OPEB expense of \$273,148. OPEB expenses recognized is as follows:

|                                                                   |    |          |
|-------------------------------------------------------------------|----|----------|
| OPEB Expense                                                      |    |          |
| Service Cost                                                      | \$ | 149,387  |
| Interest on total OPEB liability                                  |    | 141,749  |
| Changes in benefit terms                                          |    | -        |
| Employer administrative costs                                     |    | -        |
| Recognition of deferred outflows/inflows of resources             |    |          |
| Differences between expected the actual experience <sup>(1)</sup> |    | (24,640) |
| Changes in assumptions or other inputs                            |    | 6,652    |
| Total OPEB expense                                                | \$ | 273,148  |

1 Generally, this will only be the annual change in the municipal bond index rate.

### Schedule of Deferred Outflows and Inflows of Resources

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

|                                                    | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------|--------------------------------|-------------------------------|
| Differences between expected and actual experience | \$ -                           | \$ 95,602                     |
| Changes in assumptions and other inputs            | 177,246                        | 212,980                       |
| Contributions made subsequent to measurement date  | 38,139                         | -                             |
| Total                                              | \$ 215,385                     | \$308,582                     |

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$38,139, will be recognized as a reduction of the total OPEB liability for the measurement year ending December 31, 2019 (i.e. recognized in the city's financial statements September 30, 2020). Other amounts reported as deferred outflows of resources related to OPEB at September 30, 2019 will be recognized in OPEB expense as follows:

|                          | <u>Deferred Outflows /<br/>(Inflows) of Resources</u> |
|--------------------------|-------------------------------------------------------|
| Year ended September 30: |                                                       |
| 2020                     | \$ (17,988)                                           |
| 2021                     | (17,998)                                              |
| 2022                     | (25,374)                                              |
| 2023                     | <u>(69,986)</u>                                       |
| Total                    | \$ <u>(131,336)</u>                                   |

#### **NOTE 8: SELF-INSURANCE**

The City has established a Self-Insurance Fund to separately report the activities of the City's general and police professional liability, health, life and property insurance and worker's compensation plans.

##### General and Professional Liability

During the current year, the City's liability insurance was a "self-insured" retention for loss plan. At September 30, 2019, a liability insurance policy for bodily injury and property damage was in effect for the airport. The airport insurance coverage is \$1,000,000 per occurrence. The City informally budgets for current claims based on actuarial valuations and historical data. The City incurred \$211,046 for liability claims and paid \$43,563 for liability insurance premiums for the year ended September 30, 2019. With the exception of the airport, the City is fully self-insured in regard to general and professional liability.

##### Health Insurance

The City's health insurance program is a "self-insured" minimum premium cash flow plan. The City and each covered employee make a pre-determined monthly contribution to the plan. All claims are reviewed and processed by an independent insurance company. The insurance company pays claims based on the health plan, and the City reimburses the insurance company for the amount of each claim paid. The insurance company charges the City a fee for each claim processed. The insurance company also secures bids for aggregate and individual stop loss coverage. The City informally budgets for current claims, administrative costs, and stop loss coverage based on actuarial valuations and current health care statistics. Prescriptions for medication are covered through a self-insured prescription card. Under this plan, the card holder pays one pre-set co-payment for generic medications and a higher co-payment for name brand drugs with the City paying the difference, thereby sharing the cost between the City and the card holder. Funding covers both the cost of claims and administrative expenses. The City paid \$10,143,283 in health and prescription claims and paid \$1,020,911 for administrative costs for the year ended September 30, 2019. The City contributed \$7,248,211 and City employees contributed \$2,707,054 to the health insurance program for the year ended September 30, 2019. Retirees and other agency contributions were \$164,956 for the year ended September 30, 2019.

Estimated health claims that have been incurred but not reported are accrued at year end. The estimated liability for health claims is \$795,052 at September 30, 2019. The estimated liability for health claims is based upon historical claims experience. All of the health claims liability is expected to be paid within one year. The following is a walkforward of the activity in the estimated liability account for the years ended September 30, 2017, 2018 and 2019:

|                          | <u>Accrued<br/>Liability<br/>Beginning<br/>of Year</u> | <u>Claims<br/>Expense</u> | <u>Payments</u> | <u>Accrued<br/>Liability<br/>End of<br/>Year</u> |
|--------------------------|--------------------------------------------------------|---------------------------|-----------------|--------------------------------------------------|
| Estimated health claims: |                                                        |                           |                 |                                                  |
| 2017                     | \$1,616,903                                            | \$10,399,492              | \$10,083,112    | \$1,933,283                                      |
| 2018                     | 1,933,283                                              | 9,465,072                 | 10,529,761      | 868,594                                          |
| 2019                     | 868,594                                                | 10,069,741                | 10,143,283      | 795,052                                          |

##### Life Insurance

The City's employee life insurance program is administered by an independent insurance company. The City collects premium payments from employees and retirees electing to participate in the program and remits these premium payments to the insurance company. Life insurance premiums collected and remitted for employees and retirees amounted to \$15,000 and \$2,889, respectively, for the year ended September 30, 2019.

### Property Insurance

The City's property insurance program included a blanket property insurance policy of \$510,809,012 for buildings, contents and equipment with a \$250,000 deductible and a \$5,000,000 limit for flood and earthquake loss. In addition, the City maintained \$50,000,000 coverage on boiler and building machinery, with a \$50,000 deductible and \$9,397,810 of coverage on mobile equipment with a deductible of \$250,000. Catastrophic automobile coverage of \$20,110,124 was maintained on the fleet with a deductible of \$250,000. The City paid \$790,234 in property insurance premiums and \$875,521 for property claims for the year ended September 30, 2019.

### Other Claims

The following is a walkforward of the activity in the estimated liability account for property and judgement claims for the year ended September 30, 2017, 2018 and 2019:

|                             | Accrued<br>Liability<br>Beginning<br>of Year | Claims<br>Expense | Payments | Accrued<br>Liability<br>End of<br>Year |
|-----------------------------|----------------------------------------------|-------------------|----------|----------------------------------------|
| Estimated liability claims: |                                              |                   |          |                                        |
| 2017                        | \$ 1,047,550                                 | -                 | 9,196    | 1,038,354                              |
| 2018                        | 1,038,354                                    | -                 | 162,833  | 875,521                                |
| 2019                        | 875,521                                      | 775,000           | 875,521  | 775,000                                |

### Worker's Compensation

The City's worker's compensation plan is part of the Texas Municipal League Intergovernmental Risk Pool ("TMLIRP") in which the City is a member (however, the City is responsible only for claims of the City). TMLIRP reviews and processes all worker's compensation claims. The City maintains a \$1,000,000 per occurrence retention and informally budgets for current claims based on actuarial valuations and historical data. The City paid \$1,019,114 in worker's compensation claims for the year ended September 30, 2019, and \$120,000 in administrative and other charges. Estimated liability claims that have been incurred but not reported are accrued at year end. The estimated liability for worker's compensation claims is \$3,413,535 at September 30, 2019. The estimated liability claims are based upon historical claims experience as well as expected known claims.

The following is a walkforward of the activity in the estimated liability account for the years ended September 30, 2017, 2018 and 2019:

|                             | Accrued<br>Liability<br>Beginning<br>of Year | Claims<br>Expense | Payments  | Accrued<br>Liability<br>End of<br>Year |
|-----------------------------|----------------------------------------------|-------------------|-----------|----------------------------------------|
| Estimated liability claims: |                                              |                   |           |                                        |
| 2017                        | \$2,460,289                                  | 2,357,244         | 973,266   | 3,844,267                              |
| 2018                        | 3,844,267                                    | 544,009           | 988,585   | 3,399,691                              |
| 2019                        | 3,399,691                                    | 1,032,958         | 1,019,114 | 3,413,535                              |

### Summary

The Self-Insurance Fund net position was (\$1,633,551) at September 30, 2019.

There were no significant reductions in insurance coverage from coverage in the previous year. The amounts of settlements incurred during the year were covered by available self-insurance funds under stop loss limits and deductibles and insurance coverage above the stop loss limits and deductibles. There were no settlements which exceeded the maximum insurance coverage in the past three years.

**NOTE 9: LONG-TERM OBLIGATIONS AND AMOUNTS DUE WITHIN ONE YEAR**

The following is a summary of changes in long-term obligations for the year ended September 30, 2019:

|                                         | Balance at<br>September 30,<br>2018 | Additions            | Retirements          | Balance at<br>September 30,<br>2019 | Due Within<br>One Year |
|-----------------------------------------|-------------------------------------|----------------------|----------------------|-------------------------------------|------------------------|
| <b>Governmental Activities:</b>         |                                     |                      |                      |                                     |                        |
| Bonds and contractual obligations:      |                                     |                      |                      |                                     |                        |
| General obligation bonds payable        | \$ 86,205,000                       | \$ -                 | \$ 7,210,000         | \$ 78,995,000                       | \$ 6,240,000           |
| Certificates of obligation payable      | 25,265,000                          | -                    | 1,360,000            | 23,905,000                          | 1,510,000              |
| Contractual obligation payable          | 191,373                             | 375,000              | 292,597              | 273,776                             | 273,776                |
| Bond premiums                           | 11,893,253                          | -                    | 831,328              | 11,061,925                          | -                      |
| Total bonds/contractual obligations     | 123,554,626                         | 375,000              | 9,693,925            | 114,235,701                         | 8,023,776              |
| Compensated absences                    | 9,467,606                           | 1,471,128            | 821,261              | 10,117,473                          | 1,027,712              |
| Estimated unpaid claims                 | 5,143,806                           | 11,877,699           | 12,037,918           | 4,983,587                           | 1,469,269              |
| Other post employment benefit liability | 3,477,851                           | -                    | 121,911              | 3,355,940                           | -                      |
| Net pension liability                   | 63,006,311                          | 32,017,505           | -                    | 95,023,816                          | -                      |
| <b>Total Governmental Activities</b>    | <b>\$ 204,650,200</b>               | <b>\$ 45,741,332</b> | <b>\$ 22,675,015</b> | <b>\$ 227,716,517</b>               | <b>\$ 10,520,757</b>   |
| <b>Business Type Activities:</b>        |                                     |                      |                      |                                     |                        |
| Bonds:                                  |                                     |                      |                      |                                     |                        |
| Bonds payable                           | \$ 202,675,000                      | \$ 18,370,000        | \$ 7,890,000         | 213,155,000                         | \$ 8,915,000           |
| Bond premiums (discounts)               | 21,002,504                          | -                    | 1,483,208            | 19,519,296                          | -                      |
| Total bonds payable                     | 223,677,504                         | 18,370,000           | 9,373,208            | 232,674,296                         | 8,915,000              |
| Compensated absences                    | 536,645                             | 207,363              | 152,600              | 591,408                             | 152,439                |
| Other post employment benefit liability | 755,648                             | -                    | 26,579               | 729,069                             | -                      |
| Net pension liability                   | 2,272,860                           | 4,589,633            | -                    | 6,862,493                           | -                      |
| <b>Total Business Type Activities</b>   | <b>\$ 227,242,657</b>               | <b>\$ 23,166,996</b> | <b>\$ 9,552,387</b>  | <b>\$ 240,857,266</b>               | <b>\$ 9,067,439</b>    |

**Governmental Activities**

Capital Projects Funds are used to account for the acquisition or construction of capital assets and certain capital assets of proprietary funds (except for Water and Sewer Fund capital assets financed through revenue bonds). The acquisition or construction of water and sewer system capital assets has been funded substantially by the issuance of general obligation and certificates of obligation bonds and intergovernmental revenues. The bond covenants on the general obligation and certificates of obligation bonds sold to fund capital assets of the water and sewer system are secured by future ad valorem tax levies. Although the Water and Sewer Fund is not obligated by the applicable bond indentures to repay any portion of principal and interest on outstanding general obligation bonds, the City provides for a portion of the debt service of these bonds from budgeted allocations of surplus water and sewer system net revenues. If such funds are not available, the debt service would be financed from governmental funds.

Payments for the governmental activities general obligation and certificate of obligation bonds payable are made in the Debt Service Fund. Accrued compensated absences that pertain to governmental activities will be liquidated by the General Fund and Special Revenue Funds. The Self Insurance Internal Service Fund will liquidate insurance claims payable that pertain to governmental activities. The other post-employment benefit liability and net pension liability that pertains to the governmental activities will be liquidated mainly by the General Fund.

The City intends to retire all of its general obligation and certificates of obligation bonds, plus interest, from future ad valorem tax levies and is required by ordinance to create from such tax revenues a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due. The general obligation and certificates of obligation bonds outstanding at September 30, 2019, will be amortized serially each year on dates prescribed by each respective bond ordinance through 2039. Total interest requirement for these bonds, at rates ranging from 2.0% to 6.75%, aggregate \$37,453,395. \$1,692,830 is available in the Debt Service Fund to service the general obligation and certificates of obligation bonds. All of these bonds are callable on dates prescribed by each respective bond ordinance.

The attorney general of the State of Texas established a practical limitation of \$1.50 per \$100 of assessed valuation on the debt service tax rate levied to service general obligation bonds, including interest. The tax rate to finance the payment of principal and interest on general obligation long-term debt for the year ended September 30, 2019, was \$.2074 per \$100 assessed valuation.

A number of limitations and restrictions are contained in the various general obligation bond indentures. The City is in compliance with all significant limitations and restrictions.

The Bond and the Certificate Capital Projects Funds, with fund balance aggregating \$24,357,446 arise principally from proceeds of general obligation bonds and certificates of obligation sales. These proceeds may be used solely for the designated purposes as stated in the respective bond indenture and prospectus under which such bonds were sold. The City is in compliance with these requirements.

The following is a schedule of the governmental activities General Obligation and Certificates of Obligations bonds:

|                            | Date of<br>Issue | Amount of<br>Original<br>Issue | True<br>Interest<br>Cost | Maturity and<br>Option Date | Amount<br>Outstanding<br>09/30/19 |
|----------------------------|------------------|--------------------------------|--------------------------|-----------------------------|-----------------------------------|
| Certificates of Obligation | 07/15/2006       | \$ 1,205,000                   | 6.1705                   | 2-15-21/16                  | \$ 160,000                        |
| General Obligation Bonds   | 08/01/2007       | 1,070,000                      | 5.0467                   | 2-15-27/17                  | 410,000                           |
| Certificates of Obligation | 08/01/2007       | 4,895,000                      | 4.7993                   | 2-15-22/17                  | 1,310,000                         |
| General Obligation Bonds   | 05/01/2009       | 8,505,000                      | 2.7528                   | 2-15-20/20                  | 185,000                           |
| General Obligation Bonds   | 01/15/2010       | 2,165,000                      | 2.7312                   | 2-15-21/20                  | 270,000                           |
| General Obligation Bonds   | 12/15/2010       | 3,740,000                      | 3.1574                   | 2-15-22/21                  | 170,000                           |
| Certificates of Obligation | 12/15/2010       | 1,400,000                      | 3.2800                   | 2-15-26/20                  | 100,000                           |
| General Obligation Bonds   | 08/15/2015       | 13,820,000                     | 3.3500                   | 2-15-35/25                  | 6,050,000                         |
| General Obligation Bonds   | 08/15/2015       | 21,115,000                     | 3.3500                   | 2-15-35/25                  | 18,100,000                        |
| Certificates of Obligation | 08/15/2015       | 1,955,000                      | 3.4000                   | 2-15-35/25                  | 1,560,000                         |
| General Obligation Bonds   | 09/01/2016       | 13,895,000                     | 2.4131                   | 2-15-36/25                  | 12,525,000                        |
| General Obligation Bonds   | 09/01/2016       | 25,765,000                     | 2.4131                   | 2-15-36/25                  | 22,895,000                        |
| Certificates of Obligation | 09/01/2016       | 2,000,000                      | 2.1100                   | 2-15-31/25                  | 1,600,000                         |
| General Obligation Bonds   | 07/01/2017       | 13,660,000                     | 3.2167                   | 2-15-37/26                  | 12,830,000                        |
| Certificates of Obligation | 07/01/2017       | 7,830,000                      | 3.2165                   | 2-15-37/26                  | 7,345,000                         |
| General Obligation Bonds   | 12/01/2017       | 830,000                        | 2.0893                   | 2-15-35/28                  | 825,000                           |
| General Obligation Bonds   | 07/01/2018       | 4,880,000                      | 3.4000                   | 2-15-38/28                  | 4,735,000                         |
| Certificates of Obligation | 07/01/2018       | 10,215,000                     | 3.4719                   | 2-15-39/28                  | 10,215,000                        |
| Certificates of Obligation | 07/01/2018       | 1,615,000                      | 3.4368                   | 2-15-39/28                  | 1,615,000                         |
|                            |                  |                                |                          |                             | <u>\$ 102,900,000</u>             |

The following is a maturity schedule for the bonds:

| Fiscal Year<br>Ended<br>September 30                           | Debt Service Requirements to Maturity -<br>Bonds Payable |                      |                       |
|----------------------------------------------------------------|----------------------------------------------------------|----------------------|-----------------------|
|                                                                | Principal                                                | Interest             | Total<br>Requirement  |
| 2020                                                           | \$ 7,750,000                                             | \$ 4,156,802         | \$ 11,906,802         |
| 2021                                                           | 7,365,000                                                | 3,868,718            | 11,233,718            |
| 2022                                                           | 7,020,000                                                | 3,593,968            | 10,613,968            |
| 2023                                                           | 6,285,000                                                | 3,326,788            | 9,611,788             |
| 2024                                                           | 5,575,000                                                | 3,077,263            | 8,652,263             |
| 2025-2029                                                      | 27,655,000                                               | 11,871,638           | 39,526,638            |
| 2030-2034                                                      | 26,160,000                                               | 6,407,497            | 32,567,497            |
| 2035-2039                                                      | 15,090,000                                               | 1,150,722            | 16,240,722            |
| Total Debt Service Requirements to<br>Maturity - Bonds Payable | <u>\$ 102,900,000</u>                                    | <u>\$ 37,453,395</u> | <u>\$ 140,353,395</u> |

On May 9, 2015, voters of the City authorized the issuance of \$80,690,000 General obligation bonds. City Council has authorized issuance of \$23,000,000 as General Obligation Improvement Bonds, Series 2015, \$28,441,000 as General Obligation Improvement Bonds, Series 2016, \$15,739,000 as General Obligation Improvement Bonds, Series 2017 and \$5,227,000 as General Obligation Improvement Bonds, Series 2018. At September 30, 2019, the City had \$8,283,000 of authorized and unissued general obligation bonds from 2015 and also had authorized and unissued general obligation bonds of \$300,000 proposed for sanitary landfill purposes which the City has no plans to sell.

#### Business Type Activities

#### Water and Wastewater Obligations

On November 27, 2018 the City of Abilene issued Combination Tax and Surplus Revenue Certificates of Obligation, Series 2018 of \$18,370,000 with an interest rate range of 0.43 to 1.85 percent and a final maturity of February 15, 2039. Proceeds

from the bond sale will be used for constructing, installing, acquiring and equipping additions, improvements and extensions to the City's water system, including the replacement of water meters.

The following is a schedule of Water and Wastewater Obligation Bonds outstanding as of 9/30/19:

|                                 | <u>Date of<br/>Issue</u> | <u>Amount of<br/>Original<br/>Issue</u> | <u>True<br/>Interest<br/>Cost</u> | <u>Maturity and<br/>Option Dates</u> | <u>Amount<br/>Outstanding<br/>09/30/19</u> |
|---------------------------------|--------------------------|-----------------------------------------|-----------------------------------|--------------------------------------|--------------------------------------------|
| General Obligation Bonds        | 12/15/2010               | \$17,430,000                            | 3.1574                            | 2-15-22/21                           | \$ 1,610,000                               |
| Certificate of Obligation       | 12/20/2012               | 2,500,000                               | 0.9400                            | 2-15-33/23                           | 1,780,000                                  |
| General Obligation Bonds        | 12/15/2012               | 12,595,000                              | 3.1319                            | 2-15-43/22                           | 7,775,000                                  |
| Certificate of Obligation Bonds | 10/24/2013               | 62,080,000                              | 4.205                             | 2-15-39/23                           | 25,270,000                                 |
| Certificate of Obligation Bonds | 11/1/2014                | 57,580,000                              | 3.690                             | 2-15-40/24                           | 52,155,000                                 |
| Certificate of Obligation Bonds | 4/1/2015                 | 67,350,000                              | 3.661                             | 2-15-41/25                           | 62,600,000                                 |
| General Obligation Bonds        | 8/15/2015                | 2,305,000                               | 3.350                             | 2-15-35/26                           | 450,000                                    |
| General Obligation Bonds        | 9/01/2016                | 1,890,000                               | 2.413                             | 2-15-36/25                           | 1,880,000                                  |
| Certificate of Obligation Bonds | 7/01/2017                | 10,740,000                              | 3.2165                            | 2-15-37/26                           | 10,080,000                                 |
| General Obligation Bonds        | 12/01/2017               | 31,885,000                              | 2.0893                            | 2-15-35/28                           | 31,185,000                                 |
| Certificate of Obligation Bonds | 11/27/2018               | 18,370,000                              | 1.693375                          | 2-15-39                              | <u>18,370,000</u>                          |
|                                 |                          |                                         |                                   |                                      | <u>\$213,155,000</u>                       |

The following is a maturity schedule for the above bonds:

| <u>Fiscal Year<br/>Ended<br/>September 30</u> | <u>Total<br/>Principal</u> | <u>Total<br/>Interest</u> | <u>Total<br/>Requirement</u> |
|-----------------------------------------------|----------------------------|---------------------------|------------------------------|
| 2020                                          | \$ 8,915,000               | \$ 8,833,138              | \$ 17,748,138                |
| 2021                                          | 8,695,000                  | 8,497,423                 | 17,192,423                   |
| 2022                                          | 7,365,000                  | 8,183,655                 | 15,548,655                   |
| 2023                                          | 7,640,000                  | 7,893,768                 | 15,533,768                   |
| 2024                                          | 7,940,000                  | 7,579,999                 | 15,519,999                   |
| 2025 - 2029                                   | 42,750,000                 | 32,932,226                | 75,682,226                   |
| 2030 - 2034                                   | 52,310,000                 | 23,239,703                | 75,549,703                   |
| 2035 - 2039                                   | 63,200,000                 | 10,697,976                | 73,897,976                   |
| 2040 - 2043                                   | 14,340,000                 | 663,075                   | 15,003,075                   |
| Total                                         | <u>\$ 213,155,000</u>      | <u>\$ 108,520,963</u>     | <u>\$ 321,675,963</u>        |

#### Prior Year Defeased Debt

In fiscal year 2018, the City defeased \$31,805,000 of the 2011 General Obligation Bonds, 2011 Certificate of Obligation Bonds and 2013 Certificate of Obligation Bonds by placing new bond proceeds in an escrow to provide for future debt payments on the defeased bonds. Accordingly, the escrowed assets and the liability for the defeased bonds are not included in the government section of the financial statements. As of September 30, 2019, \$31,805,000 of defeased bonds are still outstanding.

#### **NOTE 10: DEFICITS IN FUND BALANCE / NET POSITION**

At September 30, 2019, the following funds of the City had deficit balances:

|                         |               |
|-------------------------|---------------|
| Internal Service Funds: |               |
| Self Insurance Fund     | (\$1,633,551) |

Funds were available from other sources; therefore no adverse effect to the Self Insurance fund is anticipated. Beginning January 1<sup>st</sup>, 2020, the City will transition to a new health insurance provider to have access to more favorable contracts with health providers and health facilities. In addition, during the budget process the City will be reviewing contributions to the Self Insurance Fund as well as other plan changes necessary to make the fund self-sustaining.

#### **NOTE 11: INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances in the fund financial statements, specifically the due to and due from other funds, are short-term loans to cover temporary cash deficits in various funds. This occasionally occurs prior to bond sales or grant reimbursements. Interfund balances, specifically advances to and from other funds, are longer-term loans to cover Council directed internal financing of certain projects.

The following amounts of due to other funds or due from other funds are included in the fund financial statements:

|                                   | Due From<br>Other Funds | Due To<br>Other Funds |
|-----------------------------------|-------------------------|-----------------------|
| General Fund:                     |                         |                       |
| Debt Service Fund                 | \$ 3,235                | \$ -                  |
| Nonmajor Governmental Funds       | 982,608                 | -                     |
| Nonmajor Enterprise Fund          | -                       | 3,750                 |
| Total General Fund                | <u>985,843</u>          | <u>3,750</u>          |
| Debt Service Fund:                |                         |                       |
| General Fund                      | -                       | 3,235                 |
| Total Debt Service Fund           | -                       | <u>3,235</u>          |
| Nonmajor Governmental Funds:      |                         |                       |
| General Funds                     | -                       | 982,608               |
| Total Nonmajor Governmental Funds | -                       | <u>982,608</u>        |
| Nonmajor Enterprise Funds:        |                         |                       |
| General Fund                      | 3,750                   | -                     |
| Total Nonmajor Enterprise Funds   | <u>3,750</u>            | -                     |
| Total All Funds                   | <u>\$ 989,593</u>       | <u>\$ 989,593</u>     |

**NOTE 12: INTERFUND TRANSFERS**

Interfund transfers relate to the funding of deficits by the general fund to the health services fund, federal highway administration fund, transit fund, self-insurance fund, and excess amounts to the general fund from the solid waste services fund. Transfers were also made from the general fund to service debt in the 2007 airport debt service fund and to fund several capital projects. The matching requirements for various grants are also transferred to the related project fund.

Transfers for the year ended September 30, 2019 are as follows:

|                                                      | Transfers In      | Transfers Out     |
|------------------------------------------------------|-------------------|-------------------|
| General Fund:                                        |                   |                   |
| Debt Service Fund                                    | \$ -              | \$ 773,280        |
| Nonmajor Governmental Funds                          | 1,470,338         | 8,146,073         |
| Solid Waste Enterprise Fund                          | 2,500,000         | -                 |
| Nonmajor Enterprise Funds                            | -                 | 1,008,110         |
| Internal Service Funds                               | <u>1,186,315</u>  | <u>561,546</u>    |
| Total General Fund                                   | <u>5,156,653</u>  | <u>10,489,009</u> |
| Debt Service Fund:                                   |                   |                   |
| General Fund                                         | 773,280           | -                 |
| Certificate of Obligation Capital Project Fund       | 303               | -                 |
| Solid Waste Enterprise Fund                          | <u>33,290</u>     | -                 |
| Total Debt Service Fund                              | <u>806,873</u>    | -                 |
| Certificate of Obligation Capital Project Fund:      |                   |                   |
| Debt Service Fund                                    | -                 | 303               |
| Total Certificate of Obligation Capital Project Fund | -                 | <u>303</u>        |
| Nonmajor Governmental Funds:                         |                   |                   |
| General Fund                                         | 8,146,073         | 1,470,338         |
| Nonmajor Governmental Funds                          | 3,066,710         | 3,066,710         |
| Water Enterprise Fund                                | 86,205            | -                 |
| Solid Waste Enterprise Fund                          | 2,920             | -                 |
| Nonmajor Enterprise Fund                             | 49,883            | 284,998           |
| Internal Service Funds                               | <u>113,380</u>    | <u>170,022</u>    |
| Total Nonmajor Governmental Funds                    | <u>11,465,171</u> | <u>4,992,068</u>  |
| Enterprise Funds:                                    |                   |                   |
| Water Enterprise Fund                                |                   |                   |
| Nonmajor Governmental Funds                          | -                 | 86,205            |
| Internal Service Funds                               | -                 | 21,520            |
| Solid Waste Enterprise Fund:                         |                   |                   |
| General Fund                                         | -                 | 2,500,000         |
| Debt Service Fund                                    | -                 | 33,290            |
| Nonmajor Governmental Funds                          | -                 | 2,920             |
| Internal Service Funds                               | -                 | 339,322           |
| Nonmajor Enterprise Funds:                           |                   |                   |
| Nonmajor Governmental Funds                          | 284,998           | 49,883            |
| General Fund                                         | <u>1,008,110</u>  | -                 |
| Total Enterprise Funds                               | <u>1,293,108</u>  | <u>3,033,140</u>  |



|                              | Transfers In         | Transfers Out        |
|------------------------------|----------------------|----------------------|
| Internal Service Funds:      |                      |                      |
| General Fund                 | \$ 561,546           | \$ 1,186,315         |
| Nonmajor Governmental Funds  | 170,022              | 113,380              |
| Water Enterprise Fund        | 21,520               | -                    |
| Solid Waste Enterprise Fund  | 339,322              | -                    |
| Internal Service Funds       | <u>52,965</u>        | <u>52,965</u>        |
| Total Internal Service Funds | <u>1,145,375</u>     | <u>1,352,660</u>     |
| Total All Funds              | <u>\$ 19,867,180</u> | <u>\$ 19,867,180</u> |

#### NOTE 13: LITIGATION

At September 30, 2019, the City is involved in various lawsuits pending against the City. These lawsuits generally involve claims relating to general liability, automobile liability, civil rights actions and various contractual matters. Any settlements arising out of these lawsuits will be paid from the Self-Insurance Fund. As of September 30, 2019, the City has recorded a \$775,000 liability related to these claims. In the opinion of management, any additional liabilities resulting from such suits would not have a material adverse effect on the City's financial statements.

#### NOTE 14: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

##### Significant Accounting Policies

The Development Corporation of Abilene (DCOA), which is a discretely presented component unit of the City, is presented on the accrual basis of accounting in the government-wide financial statements.

##### Deposits and Cash Investments

Cash and cash investments at September 30, 2019 includes demand deposits and investments that are pooled with the City's. At year end demand deposits are entirely covered by FDIC insurance and pledged collateral held in the entity's name by the entity's agent.

Pooled cash investments represent funds invested with the City of Abilene's pooled investment fund. Cash investments consisted \$23,429,260 and investments consisted of \$8,609,330 at September 30, 2019. See Note 3 for additional disclosures related to this pooled investment fund.

##### Capital Assets

Capital assets activity for the year ended September 30, 2019, was as follows:

|                                             | Balance<br>September 30,<br>2018 | Additions/<br>Completions | Retirements/<br>Adjustments | Balance<br>September 30,<br>2019 |
|---------------------------------------------|----------------------------------|---------------------------|-----------------------------|----------------------------------|
| Capital assets, not being depreciated:      |                                  |                           |                             |                                  |
| Land                                        | \$ 3,314,653                     | \$ 106,505                | \$ (84,269)                 | \$ 3,336,889                     |
| Construction in Progress                    | 738,513                          | 1,566,830                 | (738,513)                   | 1,566,830                        |
| Total capital assets, not being depreciated | <u>4,053,166</u>                 | <u>1,673,335</u>          | <u>(822,782)</u>            | <u>4,903,719</u>                 |
| Capital assets, being depreciated:          |                                  |                           |                             |                                  |
| Buildings and improvements                  | 38,069,539                       | 959,669                   | (3,380,446)                 | 35,648,762                       |
| Improvements other than buildings           | 17,435,653                       | 1,271,788                 | -                           | 18,707,441                       |
| Machinery and equipment                     | 812,123                          | -                         | (787,459)                   | 24,664                           |
| Vehicles                                    | 40,452                           | 45,863                    | (15,453)                    | 70,862                           |
| Total assets being depreciated              | <u>56,357,767</u>                | <u>2,277,320</u>          | <u>(4,183,358)</u>          | <u>54,451,729</u>                |
| Less accumulated depreciation for:          |                                  |                           |                             |                                  |
| Buildings and improvements                  | (9,794,221)                      | (933,197)                 | 902,935                     | (9,824,483)                      |
| Improvements other than buildings           | (3,552,563)                      | (615,517)                 | -                           | (4,168,080)                      |
| Machinery and equipment                     | (744,947)                        | (18,473)                  | 743,841                     | (19,579)                         |
| Vehicles                                    | (40,453)                         | (4,585)                   | 15,453                      | (29,585)                         |
| Total accumulated depreciation              | <u>(14,132,184)</u>              | <u>(1,571,772)</u>        | <u>1,662,229</u>            | <u>(14,041,727)</u>              |
| Total capital assets being depreciated, net | <u>42,225,583</u>                | <u>705,548</u>            | <u>(2,521,129)</u>          | <u>40,410,002</u>                |
| Capital assets, net                         | <u>\$ 46,278,749</u>             | <u>\$ 2,378,883</u>       | <u>\$ (3,343,911)</u>       | <u>\$ 45,313,721</u>             |

Depreciation expense for the fiscal year ending September 30, 2019 totaled \$1,571,772.

#### NOTE 15: COMMITMENTS AND CONTINGENCIES

##### Federally Assisted Programs - Compliance Audits

The City participates in numerous federally-assisted programs, on both a direct and state pass-through basis, as well as on a service-provider basis. Principal among these grants are Community Development Block Grants, Home Investment Partnership, Health Services, Airport Improvements, Emergency Management and Transportation Grants. In connection with these grants, the City is required to comply with specific terms and agreements as well as applicable Federal and State laws and regulations. Such compliance is subject to review and audit by the grantors and their representatives. In the opinion of management, the City has complied with all requirements. However, since such programs are subject to future audit or

review, the possibility of disallowed expenditures exists. In the event of any disallowance of claimed expenditures, the City expects the resulting liability to be immaterial.

#### Encumbrances

As discussed in Note 2, Stewardship, Compliance and Accountability, budgetary control for budgetary purposes includes the impact of encumbrances. Encumbrances represent commitments related to unperformed contracts for goods or services. At September 30, 2019, there were outstanding encumbrances in the General fund of \$706,692.

#### Construction Commitments

The City has active construction and information technology projects at fiscal year end. The key projects in progress include improvements to transportation infrastructure, water and wastewater systems, park system and city facilities. At fiscal year end, the City's commitments with contractors and vendors are as follows:

| <u>Capital Projects</u>       | <u>Spent-to-Date</u> | <u>Remaining<br/>Commitment</u> |
|-------------------------------|----------------------|---------------------------------|
| Governmental Activities:      |                      |                                 |
| Public Safety                 | \$ 22,629,007        | \$ 564,510                      |
| Streets and Traffic           | 579,974              | 1,690,803                       |
| Public recreation and culture | 1,229,721            | 1,472,253                       |
| Airport construction          | 772,030              | 648,253                         |
| Animal Shelter                | 112,109              | 35,890                          |
| Business-Type Activities:     |                      |                                 |
| Water and Sewer               | <u>9,426,934</u>     | <u>22,175,696</u>               |
| Total                         | <u>\$ 34,749,775</u> | <u>\$ 26,587,405</u>            |

These commitments will be funded through unspent bond proceeds, capital grants and unrestricted cash.

#### Lease Agreements

Commitments under operating lease agreements for equipment are immaterial; therefore, minimum annual rental payments are not presented.

### **NOTE 16: NEW PRONOUNCEMENTS**

The GASB has issued the following statements which will become effective in future years.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of governments and for identifying fiduciary component units and post employment benefit arrangements that are fiduciary activities. The statement will become effective for financial statements beginning after December 15, 2018.

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. The statement will become effective for financial statements for periods beginning after December 15, 2019.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interest-an amendment of GASB Statements No. 14 and No. 61*. This statement will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. The requirements of this statement become effective for reporting periods beginning after December 15, 2018.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2020.

In January 2020, the GASB Issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements related to Statement 87 and Implementation Guide 2019-3 are effective upon issuance. The other requirements of this statement are effective for fiscal years beginning after June 15, 2020.

The City will fully analyze the impact of these new Statements prior to the effective dates for the Statements listed above.

**NOTE 17: SUBSEQUENT EVENTS**

In December 2019, the City issued \$7,315,000 of General Obligation Bonds, Series 2019. The proceeds will be used for 1) constructing, improving, extending, expanding, upgrading and developing streets and roads, including related utility relocation, sidewalks, traffic safety and operational improvements, drainage, right-of-ways; and 2) installing and equipping runways and taxiways and other improvements at the City's airport.

In December 2019, the City issued \$23,930,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019. The proceeds from the sale of the certificates will be used for 1) constructing, acquiring, installing and equipping additions, extensions and improvements to the City's waterworks and sewer system, including water treatment improvements, distributions lines, lift and pump stations, sewer and manhole rehabilitation, control system improvements, engineering fees and acquisition of easements and equipment for water treatment improvement and transmission lines; 2) radio equipment and microwave communication infrastructure and 3) acquiring, constructing, installing and equipping energy efficiency equipment including HVAC and chiller replacements, LED lighting, low flow water valves and electrical infrastructure and mechanical retrofits in City owned buildings.

In December 2019, the City issued \$73,030,000 General Obligation Refunding Bonds, Taxable Series 2019. Proceeds from the sale of the bonds will be used to refund a portion of the City's outstanding debt in order to lower the overall debt service requirements of the City.

## REQUIRED SUPPLEMENTAL INFORMATION





**CITY OF ABILENE, TEXAS**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**Year Ended September 30, 2019**

**Exhibit C-1**

|                                                                 | Budgeted Amounts |               | Actual Amounts       |                                     |                                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-----------------------------------------------------------------|------------------|---------------|----------------------|-------------------------------------|--------------------------------|----------------------------------------------------------|
|                                                                 | Original         | Final         | Actual GAAP<br>Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis |                                                          |
| REVENUES: (Exhibit D-3)                                         |                  |               |                      |                                     |                                |                                                          |
| General property taxes                                          | \$ 34,718,560    | \$ 34,740,320 | \$ 34,555,317        | \$ (42,199)                         | \$ 34,513,118                  | \$ (227,202)                                             |
| Sales taxes                                                     | 32,946,000       | 34,784,000    | 35,369,689           | (176,665)                           | 35,193,024                     | 409,024                                                  |
| Other taxes                                                     | 3,432,620        | 3,428,640     | 3,494,558            | -                                   | 3,494,558                      | 65,918                                                   |
| Franchise fees                                                  | 7,968,500        | 8,044,950     | 8,022,283            | 144                                 | 8,022,427                      | (22,523)                                                 |
| Penalties and interest                                          | 374,070          | 374,070       | 376,469              | -                                   | 376,469                        | 2,399                                                    |
| Licenses and permits                                            | 1,319,370        | 1,189,040     | 1,536,514            | -                                   | 1,536,514                      | 347,474                                                  |
| Intergovernmental revenues                                      | 78,240           | 632,890       | 614,886              | -                                   | 614,886                        | (18,004)                                                 |
| Charges for services                                            | 4,695,690        | 4,665,260     | 4,753,469            | -                                   | 4,753,469                      | 88,209                                                   |
| Fines and forfeitures                                           | 1,454,720        | 1,474,180     | 1,419,364            | 611                                 | 1,419,975                      | (54,205)                                                 |
| Interest earnings net of change in<br>fair value of investments | 531,990          | 748,820       | 864,317              | (41,667)                            | 822,650                        | 73,830                                                   |
| Miscellaneous                                                   | 7,241,620        | 6,749,970     | 6,818,951            | (1)                                 | 6,818,950                      | 68,980                                                   |
| Total Revenue                                                   | 94,761,380       | 96,832,140    | 97,825,817           | (259,777)                           | 97,566,040                     | 733,900                                                  |
| EXPENDITURES: (Exhibit D-4)                                     |                  |               |                      |                                     |                                |                                                          |
| General Government                                              | 5,212,310        | 5,317,100     | 5,059,377            | 32,400                              | 5,091,777                      | 225,323                                                  |
| Human Resources                                                 | 1,646,700        | 1,728,880     | 1,647,939            | 2,475                               | 1,650,414                      | 78,466                                                   |
| Finance                                                         | 6,271,150        | 6,264,950     | 6,061,714            | (10,304)                            | 6,051,410                      | 213,540                                                  |
| Planning and Development Services                               | 2,418,540        | 2,383,170     | 2,304,474            | -                                   | 2,304,474                      | 78,696                                                   |
| Public Works                                                    | 7,065,420        | 6,997,850     | 6,558,906            | 65,034                              | 6,623,940                      | 373,910                                                  |
| Facilities and Capital Improvements                             | 3,388,510        | 3,282,310     | 2,994,503            | (8,415)                             | 2,986,088                      | 296,222                                                  |
| Police                                                          | 29,031,050       | 29,596,300    | 29,128,765           | 134,185                             | 29,262,950                     | 333,350                                                  |
| Fire                                                            | 21,176,290       | 21,002,290    | 20,847,230           | 36,556                              | 20,883,786                     | 118,504                                                  |
| Transportation Services                                         | 2,152,760        | 2,127,830     | 1,990,577            | 21,116                              | 2,011,693                      | 116,137                                                  |
| Community Services                                              | 12,991,840       | 13,017,720    | 12,852,938           | 3,986                               | 12,856,924                     | 160,796                                                  |
| Total Expenditures                                              | 91,354,570       | 91,718,400    | 89,446,423           | 277,033                             | 89,723,456                     | 1,994,944                                                |
| EXCESS (DEFICIT) OF REVENUES<br>OVER EXPENDITURES               |                  |               |                      |                                     |                                |                                                          |
|                                                                 | 3,406,810        | 5,113,740     | 8,379,394            | (536,810)                           | 7,842,584                      | 2,728,844                                                |
| OTHER FINANCING SOURCES (USES):                                 |                  |               |                      |                                     |                                |                                                          |
| Proceeds from sale of capital assets                            | -                | 106,200       | 307,195              | -                                   | 307,195                        | 200,995                                                  |
| Transfers in                                                    | 3,899,310        | 3,963,980     | 5,156,653            | (1,202,210)                         | 3,954,443                      | (9,537)                                                  |
| Transfers out                                                   | (7,295,780)      | (10,496,980)  | (10,489,009)         | 758                                 | (10,488,251)                   | 8,729                                                    |
| Total Other Financing Sources (Uses)                            | (3,396,470)      | (6,426,800)   | (5,025,161)          | (1,201,452)                         | (6,226,613)                    | 200,187                                                  |
| NET CHANGE IN FUND BALANCE                                      | 10,340           | (1,313,060)   | 3,354,233            | (1,738,262)                         | 1,615,971                      | 2,929,031                                                |
| FUND BALANCE BEGINNING OF YEAR                                  | 25,642,927       | 25,642,927    | 28,228,036           | (2,585,109)                         | 25,642,927                     | -                                                        |
| FUND BALANCE AT END OF YEAR                                     | \$ 25,653,267    | \$ 24,329,867 | \$ 31,582,269        | \$ (4,323,371)                      | \$ 27,258,898                  | \$ 2,929,031                                             |

**CITY OF ABILENE, TEXAS**

Texas Municipal Retirement System and Abilene Firemen's Relief and Retirement Fund  
Schedule of Changes in Net Pension Liability and Related Ratios  
For the year ending September 30, 2019 \*

|                                                                                   | Texas Municipal Retirement System |                              |                              |
|-----------------------------------------------------------------------------------|-----------------------------------|------------------------------|------------------------------|
|                                                                                   | Measurement<br>Date 12/31/14      | Measurement<br>Date 12/31/15 | Measurement<br>Date 12/31/16 |
| <b>Total pension liability:</b>                                                   |                                   |                              |                              |
| Service cost                                                                      | \$ 5,643,672                      | \$ 6,541,197                 | \$ 6,934,050                 |
| Interest                                                                          | 17,653,387                        | 18,240,348                   | 18,552,482                   |
| Changes in benefit terms                                                          | -                                 | -                            | -                            |
| Difference between expected and actual experience                                 | 83,960                            | 355,391                      | (476,439)                    |
| Change in assumptions                                                             | -                                 | 4,882,439                    | -                            |
| Benefit payments, including refunds of employee contributions                     | (15,410,179)                      | (15,479,070)                 | (16,402,169)                 |
| Net change in total pension liability                                             | \$ 7,970,840                      | \$ 14,540,305                | \$ 8,607,924                 |
| Total pension liability - beginning                                               | 257,074,499                       | 265,045,339                  | 279,585,644                  |
| Total pension liability - ending (a)                                              | \$ 265,045,339                    | \$ 279,585,644               | \$ 288,193,568               |
| <b>Plan fiduciary net position</b>                                                |                                   |                              |                              |
| Contributions - employer                                                          | \$ 4,773,166                      | \$ 4,907,057                 | \$ 4,726,465                 |
| Contributions - employee                                                          | 3,076,625                         | 3,297,310                    | 3,301,928                    |
| Net investment income                                                             | 14,222,741                        | 376,470                      | 16,754,508                   |
| Gain or (Loss) due to difference in projected vs actual earnings                  | -                                 | -                            | -                            |
| Benefit payments, including refunds of employee contributions                     | (15,410,179)                      | (15,479,070)                 | (16,402,169)                 |
| Administrative expenses                                                           | (148,514)                         | (229,330)                    | (189,304)                    |
| Other                                                                             | (12,210)                          | (11,327)                     | (10,199)                     |
| Net change in plan fiduciary net position                                         | \$ 6,501,629                      | \$ (7,138,890)               | \$ 8,181,229                 |
| Plan fiduciary net position - beginning                                           | 248,659,868                       | 255,161,497                  | 248,022,607                  |
| Plan fiduciary net position - ending (b)                                          | \$ 255,161,497                    | \$ 248,022,607               | \$ 256,203,836               |
| <b>Net pension liability (a) - (b)</b>                                            | <b>\$ 9,883,842</b>               | <b>\$ 31,563,037</b>         | <b>\$ 31,989,732</b>         |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | 96.27%                            | 88.71%                       | 88.90%                       |
| <b>Covered payroll</b>                                                            | \$ 43,951,794                     | \$ 47,092,853                | \$ 47,170,406                |
| <b>Net pension liability as a percentage of covered payroll</b>                   | 22.49%                            | 67.02%                       | 67.82%                       |

\* A full 10-year schedule will be displayed as it becomes available.

| Measurement<br>Date 12/31/17 | Measurement<br>Date 12/31/18 |
|------------------------------|------------------------------|
| \$ 7,281,125                 | \$ 7,536,316                 |
| 19,126,024                   | 19,656,954                   |
| -                            | -                            |
| (1,142,179)                  | (839,185)                    |
| -                            | -                            |
| <u>(16,971,244)</u>          | <u>(18,082,630)</u>          |
| \$ 8,293,726                 | \$ 8,271,455                 |
| <u>288,193,568</u>           | <u>296,487,294</u>           |
| <u>\$ 296,487,294</u>        | <u>\$ 304,758,749</u>        |
| <br>                         |                              |
| \$ 5,275,439                 | \$ 5,759,096                 |
| 3,490,207                    | 3,605,893                    |
| 35,491,094                   | (8,478,734)                  |
| -                            | -                            |
| (16,971,244)                 | (18,082,630)                 |
| (184,022)                    | (164,007)                    |
| <u>(9,326)</u>               | <u>(8,569)</u>               |
| \$ 27,092,148                | \$ (17,368,951)              |
| <u>256,203,836</u>           | <u>283,295,984</u>           |
| <u>\$ 283,295,984</u>        | <u>\$ 265,927,033</u>        |
| <br>                         |                              |
| <u><u>\$ 13,191,310</u></u>  | <u><u>\$ 38,831,716</u></u>  |
| <br>                         |                              |
| 95.55%                       | 87.26%                       |
| \$ 49,464,164                | \$ 51,512,756                |
| 26.67%                       | 75.38%                       |



**CITY OF ABILENE, TEXAS**

Texas Municipal Retirement System and Abilene Firemen's Relief and Retirement Fund  
Schedule of Changes in Net Pension Liability and Related Ratios  
For the year ending September 30, 2019 \*

|                                                                                   | Abilene Firemen's Relief and Retirement Fund |                             |                             |
|-----------------------------------------------------------------------------------|----------------------------------------------|-----------------------------|-----------------------------|
|                                                                                   | Measurement<br>Date 9/30/14                  | Measurement<br>Date 9/30/15 | Measurement<br>Date 9/30/16 |
| <b>Total pension liability:</b>                                                   |                                              |                             |                             |
| Service cost                                                                      | \$ 2,138,525                                 | \$ 2,193,044                | \$ 2,144,536                |
| Interest                                                                          | 7,286,652                                    | 7,571,766                   | 7,941,173                   |
| Changes in benefit terms                                                          | -                                            | -                           | -                           |
| Difference between expected and actual experience                                 | -                                            | -                           | (244,812)                   |
| Change in assumptions                                                             | -                                            | -                           | 897,768                     |
| Benefit payments, including refunds of employee contributions                     | (6,159,004)                                  | (5,701,132)                 | (5,834,204)                 |
| Net change in total pension liability                                             | \$ 3,266,173                                 | \$ 4,063,678                | \$ 4,904,461                |
| Total pension liability - beginning                                               | 92,054,430                                   | 95,320,603                  | 99,384,281                  |
| Total pension liability - ending (a)                                              | \$ 95,320,603                                | \$ 99,384,281               | \$ 104,288,742              |
| <b>Plan fiduciary net position</b>                                                |                                              |                             |                             |
| Contributions - employer                                                          | \$ 2,358,620                                 | \$ 2,506,895                | \$ 2,508,282                |
| Contributions - employee                                                          | 1,617,340                                    | 1,719,015                   | 1,719,964                   |
| Net investment income                                                             | 3,151,280                                    | 4,364,476                   | 4,321,006                   |
| Gain or (Loss) due to difference in projected vs actual earnings                  | NA                                           | (5,823,288)                 | -                           |
| Benefit payments, including refunds of employee contributions                     | (6,159,004)                                  | (5,701,132)                 | (5,834,204)                 |
| Administrative expenses                                                           | (60,601)                                     | (32,003)                    | (40,529)                    |
| Net change in plan fiduciary net position                                         | \$ 907,635                                   | \$ (2,966,037)              | \$ 2,674,519                |
| Plan fiduciary net position - beginning                                           | 54,401,912                                   | 55,309,547                  | 52,343,510                  |
| Plan fiduciary net position - ending (b)                                          | \$ 55,309,547                                | \$ 52,343,510               | \$ 55,018,029               |
| <b>Net pension liability (a) - (b)</b>                                            | <b>\$ 40,011,056</b>                         | <b>\$ 47,040,771</b>        | <b>\$ 49,270,713</b>        |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | 58.02%                                       | 52.67%                      | 52.76%                      |
| <b>Covered payroll</b>                                                            | \$ 12,252,576                                | \$ 13,022,831               | \$ 13,030,036               |
| <b>Net pension liability as a percentage of covered payroll</b>                   | 326.55%                                      | 361.22%                     | 378.13%                     |

\* A full 10-year schedule will be displayed as it becomes available.

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**
**1 Changes in Benefit Terms:**

The measurement date 9/30/19, amounts reported as changes of benefit terms resulted from the following changes:

-The member contribution rate was increased from 13.2% to 14.2% effective January 1, 2019 and from 14.2% to 15.2% effective October 1, 2019.

- Effective February 1, 2019, all future new hires will accrue benefits under a Tier 2 benefit structure. Key provision of the approved Tier 2 benefit structure are listed in the table below.

| Benefit                | Tier 2                    |
|------------------------|---------------------------|
| Normal Retirement Age  | 53/20                     |
| AFC Period             | 5 Years                   |
| Benefit Accrual Rate   | 2.75% per year            |
| Maximum Accrual Rate   | 55% of AFC                |
| Longevity Supplement   | \$80/month after 20 years |
| Normal Form of Payment | Life Annuity              |
| Vesting Requirements   | 20 years                  |
| Maximum DROP Period    | 3 years                   |

Effective January 1, 2020, the definition of compensation excludes deployment pay and pay for overtime hours in excess of 288 for purposes of determining the highest average salary.

**2 Changes of assumptions:**

For measurement date 9/30/19, amounts reported as changes of assumptions resulted from the following changes:

-The mortality rates were updated to reflect the PubS-2010 (amount-weighted) tables.

-The mortality improvement scale was updated from MP-2017 table to MP-2019 table.

-The investment return was decreased from 8.00% to 7.50%, net of all expenses.

-The payroll growth assumption was lowered from 4.00% to 3.50%

| Measurement<br>Date 9/30/17 | Measurement<br>Date 9/30/18 | Measurement<br>Date 9/30/19 |
|-----------------------------|-----------------------------|-----------------------------|
| \$ 2,230,317                | \$ 2,297,343                | \$ 2,309,391                |
| 8,249,550                   | 8,493,830                   | 8,614,997                   |
| -                           | -                           | 141,190                     |
| -                           | (1,357,662)                 | -                           |
| -                           | -                           | 6,418,623                   |
| (6,799,344)                 | (8,187,462)                 | (7,956,862)                 |
| \$ 3,680,523                | \$ 1,246,049                | \$ 9,527,339                |
| 104,288,742                 | 107,969,265                 | 109,215,314                 |
| \$ 107,969,265              | \$ 109,215,314              | \$ 118,742,653              |
|                             |                             |                             |
| \$ 2,541,026                | \$ 2,603,746                | \$ 2,742,367                |
| 1,742,417                   | 1,785,425                   | 1,985,350                   |
| 4,983,880                   | 3,508,260                   | 1,890,470                   |
| -                           | -                           | -                           |
| (6,799,344)                 | (8,187,462)                 | (7,956,862)                 |
| (29,699)                    | (38,825)                    | (100,717)                   |
| \$ 2,438,280                | \$ (328,856)                | \$ (1,439,392)              |
| 55,018,029                  | 57,456,309                  | 57,127,453                  |
| \$ 57,456,309               | \$ 57,127,453               | \$ 55,688,061               |
| \$ 50,512,956               | \$ 52,087,861               | \$ 63,054,592               |
|                             |                             |                             |
| 53.22%                      | 52.31%                      | 46.90%                      |
| \$ 13,200,135               | \$ 13,525,947               | \$ 14,246,004               |
| 382.67%                     | 385.10%                     | 442.61%                     |

**CITY OF ABILENE, TEXAS**

Texas Municipal Retirement System and Abilene Firemen's Relief and Retirement Fund

Schedule of Contributions

Last Ten Fiscal Years \*

|                                                                      | Texas Municipal Retirement System |                  |                  |                  |                  |
|----------------------------------------------------------------------|-----------------------------------|------------------|------------------|------------------|------------------|
|                                                                      | Fiscal Year 2015                  | Fiscal Year 2016 | Fiscal Year 2017 | Fiscal Year 2018 | Fiscal Year 2019 |
| Actuarially determined contributions                                 | \$ 4,712,585                      | \$ 4,794,915     | \$ 5,097,814     | \$ 5,597,011     | \$ 5,776,962     |
| Contributions in relation to the actuarially determined contribution | 4,712,585                         | 4,794,915        | 5,097,814        | 5,597,011        | 5,776,962        |
| Contribution deficiency (excess)                                     | \$ -                              | \$ -             | \$ -             | \$ -             | \$ -             |
| Covered payroll                                                      | \$ 44,782,080                     | \$ 47,341,203    | \$ 48,853,670    | \$ 50,795,393    | \$ 52,526,421    |
| Contributions as a percentage of covered payroll                     | 10.52%                            | 10.13%           | 10.43%           | 11.02%           | 11.00%           |

**Notes to Schedule of Contributions:****Texas Municipal Retirement System**

Valuation Date:

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

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

|                               |                                                                                                                                                                                               |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method         | Entry Age Normal                                                                                                                                                                              |
| Amortization Method           | Level Percentage of Payroll, Closed                                                                                                                                                           |
| Remaining Amortization Period | 27 years                                                                                                                                                                                      |
| Asset Valuation Method        | 10 Year smoothed market; 15% soft corridor                                                                                                                                                    |
| Inflation                     | 2.5%                                                                                                                                                                                          |
| Salary Increases              | 3.50 to 10.50% including inflation                                                                                                                                                            |
| Investment Rate of Return     | 6.75 %                                                                                                                                                                                        |
| Retirement Age                | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.              |
| Mortality                     | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. |
| Other Information:            | There were no benefit changes during the year.                                                                                                                                                |

**Abilene Firemen's Relief and Retirement Fund**

Valuation Date:

October 1, 2017. Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

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

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method         | Entry Age Normal                                                                                                                                                                                                                                                                                                                                                                                                        |
| Amortization Method           | Level Percentage of Payroll, Open                                                                                                                                                                                                                                                                                                                                                                                       |
| Remaining Amortization Period | 31.9 years                                                                                                                                                                                                                                                                                                                                                                                                              |
| Asset Valuation Method        | 5 Year smoothed market with a 20% of market value corridor                                                                                                                                                                                                                                                                                                                                                              |
| Inflation                     | 2.5%                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Salary Increases              | 4.50% to 11.30%, including inflation based on service at attained age (Fund specific)                                                                                                                                                                                                                                                                                                                                   |
| Investment Rate of Return     | 7.5%                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Retirement Age                | Experience-based table of rates that are specific to the Abilene Firemen's Relief and Retirement Fund.                                                                                                                                                                                                                                                                                                                  |
| Mortality                     | RP-2000 projected to 2024 using Scale AA - Gender Distinct.                                                                                                                                                                                                                                                                                                                                                             |
| Other Information:            | The member contribution rate was increased from 13.20% to 14.20% effective January 1, 2019 and from 14.20% to 15.20% effective October 1, 2019. Effective February 1, 2019, all future new hires will accrue benefits under a Tier 2 benefit structure. Key provision of the approved Tier 2 benefit structure are listed in the table in the Notes to Schedule of Changes in Net Pension Liability and Related Ratios. |

\* A full 10-year schedule will be displayed as it becomes available.

| Abilene Firement Relief and Retirement Fund |                  |                  |                  |                  |
|---------------------------------------------|------------------|------------------|------------------|------------------|
| Fiscal Year 2015                            | Fiscal Year 2016 | Fiscal Year 2017 | Fiscal Year 2018 | Fiscal Year 2019 |
| \$ 2,506,895                                | \$ 2,508,282     | \$ 2,541,026     | \$ 2,603,746     | \$ 2,742,367     |
| 2,506,895                                   | 2,508,282        | 2,541,026        | 2,603,746        | 2,742,367        |
| \$ -                                        | \$ -             | \$ -             | \$ -             | \$ -             |
| \$ 13,022,831                               | \$ 13,030,036    | \$ 13,200,135    | \$ 13,525,947    | \$ 14,246,004    |
| 19.25%                                      | 19.25%           | 19.25%           | 19.25%           | 19.25%           |

**CITY OF ABILENE, TEXAS**

Texas Municipal Retirement System

Changes in the Total OPEB Liability and Related Ratios

Last Ten Fiscal Years \*

**Exhibit C-4**

|                                                               | Measurement<br>Date 12/31/17 | Measurement<br>Date 12/31/18 |
|---------------------------------------------------------------|------------------------------|------------------------------|
| <b>Changes in the Total OPEB Liability</b>                    |                              |                              |
| Total OPEB Liability - beginning of year                      | \$ 3,712,205                 | \$ 4,233,499                 |
| Changes for the year                                          |                              |                              |
| Service Cost                                                  | 128,607                      | 149,387                      |
| Interest on Total OPEB Liability                              | 141,817                      | 141,749                      |
| Changes of benefit terms                                      | -                            | -                            |
| Difference between expected and actual experience             | -                            | (120,242)                    |
| Changes in assumptions or other inputs                        | 300,334                      | (267,872)                    |
| Benefit payments **                                           | (49,464)                     | (51,513)                     |
| Net changes                                                   | 521,294                      | (148,491)                    |
| Total OPEB Liability - end of year                            | <u>\$ 4,233,499</u>          | <u>\$ 4,085,008</u>          |
| <br>Covered employee payroll                                  | <br>\$ 49,464,164            | <br>\$ 51,512,756            |
| <br>Contributions as a percentage of covered employee payroll | <br>8.56%                    | <br>7.93%                    |

\*\* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefits payments are treated as being equal to the employer's yearly contributions for retirees.

\* A full 10-year schedule will be displayed as it becomes available.

Note 1: BUDGET BASIS REPORTING

General

The City prepares its annual operating budget on a basis (budget basis) which differs from U.S. generally accepted accounting principles (GAAP basis). In order to provide a meaningful comparison of actual results with the budget, the actual and budget amounts are presented in accordance with the City's method (budget basis) in the General Fund –Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Exhibit C-1).

Reconciliation of GAAP Basis and Budget Basis Amounts

The major difference between GAAP and budget basis is that encumbrances are recorded as an assignment of fund balance (GAAP basis) as opposed to the equivalent of expenditures (budget basis) in governmental funds. There is also a revenue difference between GAAP and budget basis because the City does not budget revenue in accordance with GASB 33. Adjustments necessary to convert the change in fund balance from budget basis to GAAP basis are as follows:

|                                                            | <u>General Fund</u> |
|------------------------------------------------------------|---------------------|
| Net change in fund balance – GAAP basis                    | \$ 3,354,233        |
| Adjustments – increases (decreases) due to:                |                     |
| Outstanding encumbrances established in current year       | (551,746)           |
| Payments against prior year encumbrances                   | 274,713             |
| Transfer from Hotel Motel Fund                             | (19,645)            |
| Transfer from CDBG                                         | (43,200)            |
| Transfer from Fleet Maintenance Fund                       | (1,186,315)         |
| Transfer to Fleet Maintenance Fund                         | 758                 |
| Unrealized gain due to change in fair value of investments | (41,667)            |
| GASB 33 adjustment                                         | <u>(171,160)</u>    |
| Net change in fund balance – budget basis                  | <u>\$ 1,615,971</u> |

Budget Amendments

The original budget of the General Fund was amended once during fiscal year 2019. The original and final budgets are presented in the accompanying financial statements.



# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES







## GOVERNMENTAL ACTIVITIES



CITY OF ABILENE



# GOVERNMENTAL ACTIVITIES

## **Major Funds**

**General Fund:** This fund is the principal operating fund of the City and is used to account for all financial resources and expenditures, which are not required to be accounted for in any other fund.

**Debt Service Fund:** This fund is used to account for the accumulation of resources for and the payment of general long-term debt principal and interest, other than debt service payments made by enterprise funds.

**Certificate of Obligation Bond Other Projects** – The primary purpose of this fund is to account for the capital project expenditures related to the issuance of certificate of obligation bonds for capital projects other than airport improvements.

## **Nonmajor Special Revenue Funds**

**Section 108 Loan Guarantee:** The function of this fund is to account for all major Housing and Urban Development (HUD) Section 108 projects.

**Community Development:** Community Development Block Grant revenues and expenditures are accounted for in this fund.

**Home:** This fund is to account for revenues and related expenditures for the HOME grant.

**Library:** This fund is used to account for revenues and related expenditures for local, state and federal grants for Library activities.

**Health Services:** The function of this fund is to account for the operations and City's share of health programs operated within Taylor County. Financing is provided from the General Fund and Taylor County to the extent patient's fees and miscellaneous revenues are not sufficient to provide support for operations.

**Health Grants:** This fund is used to account for revenues and related expenditures for the state grants for health services.

**Health Facility Operating:** This fund is used to account for the annual rental payments to the Abilene Public Health Corporation for use of the Public Health Facility.

**Federal Highway Administration:** This fund is used to account for operations financed by a grant from the Federal Highway Administration.

**Court Fund:** This fund is used to account for amounts restricted for court security, technology and child safety

**Seized Funds:** This fund is used to account for the receipts and disbursements of funds confiscated by law enforcement officers within the City of Abilene, Texas.

**Miscellaneous Projects:** This fund is used to account for the receipts and disbursements of funds donated for specific projects.

**Miscellaneous Grants:** The function of this fund is to account for short-term and /or non-recurring grants.

**Hotel/Motel Occupancy:** This fund accounts for the revenues and related expenditures of the hotel/motel occupancy tax.

**Abilene Reinvestment Zone #1:** This fund is used for activities of a tax increment zone, which was created as a means to finance public improvements in the downtown area of the City of Abilene. This is a blended component unit of the City.

**Abilene Tax Increment Reinvestment Zone #2:** This fund is used for activities of a tax increment zone, which was created as a means to finance public improvements within downtown, and along the Pine Street and Ambler Avenue Corridors. This is a blended component unit of the City.

**Street Maintenance Fund:** This fund accounts for the street maintenance fee and other revenues generated for the purpose of construction and maintenance of the City's street and alley transportation system.

## **Nonmajor Capital Projects Funds**

**Capital Projects Funds:** The Capital Projects Funds account for all capital improvements, which are financed by the City's general obligation bonds, certificate of obligation bonds, federal and state grants, and other specific receipts (except for those accounted for in proprietary funds).

**General Capital Projects** – The primary purpose of this fund is to account for capital project expenditures related to specific receipts and donations.

**Airport Projects** – The primary purpose of this fund is to account for terminal expansion, runways or other airport construction and related projects. These projects are financed with federal grants, general obligation bonds and certificate of obligation bonds specifically issued for airport projects.

**General Obligation Bonds Capital Projects** – The primary purpose of this fund is to account for the capital project expenditures related to the issuance of general obligations bonds for capital projects other than airport improvements.

**CITY OF ABILENE, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2019**

|                                                   | Section 108<br>Loan Guarantee | Community<br>Development | Home              | Library     | Health Services   |
|---------------------------------------------------|-------------------------------|--------------------------|-------------------|-------------|-------------------|
| <b>ASSETS:</b>                                    |                               |                          |                   |             |                   |
| Cash and cash investments                         | \$ 67,039                     | \$ -                     | \$ -              | \$ -        | \$ 526,483        |
| Investments                                       | -                             | -                        | -                 | -           | -                 |
| Accounts receivable, net                          | -                             | -                        | -                 | -           | 10,034            |
| Paving assessments notes receivable               | -                             | -                        | -                 | -           | -                 |
| Less allowance for uncollectible assessment notes | -                             | -                        | -                 | -           | -                 |
| Due from other governments                        | -                             | 224,225                  | 119,075           | -           | 10,240            |
| Note receivable                                   | 1,859,278                     | -                        | -                 | -           | -                 |
| Prepaid items                                     | -                             | -                        | -                 | -           | -                 |
| Restricted assets:                                |                               |                          |                   |             |                   |
| Cash and cash investments                         | -                             | -                        | -                 | -           | -                 |
| Investments                                       | -                             | -                        | -                 | -           | -                 |
| <b>TOTAL ASSETS</b>                               | <b>\$ 1,926,317</b>           | <b>\$ 224,225</b>        | <b>\$ 119,075</b> | <b>\$ -</b> | <b>\$ 546,757</b> |
| <b>LIABILITIES AND FUND BALANCES:</b>             |                               |                          |                   |             |                   |
| <b>LIABILITIES:</b>                               |                               |                          |                   |             |                   |
| Accounts payable                                  | \$ -                          | \$ 3,554                 | \$ 17,623         | \$ -        | \$ 70,032         |
| Retainage payable                                 | -                             | -                        | -                 | -           | -                 |
| Accrued expenditures                              | -                             | 5,126                    | 1,900             | -           | 62,663            |
| Due to other funds                                | -                             | 211,921                  | 99,024            | -           | -                 |
| Other deposits and liabilities                    | 67,039                        | -                        | -                 | -           | -                 |
| Unearned revenues                                 | 1,859,278                     | -                        | -                 | -           | -                 |
| <b>Total Liabilities</b>                          | <b>1,926,317</b>              | <b>220,601</b>           | <b>118,547</b>    | <b>-</b>    | <b>132,695</b>    |
| <b>FUND BALANCES:</b>                             |                               |                          |                   |             |                   |
| Non-spendable:                                    |                               |                          |                   |             |                   |
| Prepaid items                                     | -                             | -                        | -                 | -           | -                 |
| Restricted for:                                   |                               |                          |                   |             |                   |
| Capital projects                                  | -                             | -                        | -                 | -           | -                 |
| Other purposes                                    | -                             | 3,624                    | 528               | -           | 414,062           |
| Committed to:                                     |                               |                          |                   |             |                   |
| Other purposes                                    | -                             | -                        | -                 | -           | -                 |
| Assigned to:                                      |                               |                          |                   |             |                   |
| Capital projects                                  | -                             | -                        | -                 | -           | -                 |
| Unassigned                                        | -                             | -                        | -                 | -           | -                 |
| <b>Total Fund Balances</b>                        | <b>-</b>                      | <b>3,624</b>             | <b>528</b>        | <b>-</b>    | <b>414,062</b>    |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b>        | <b>\$ 1,926,317</b>           | <b>\$ 224,225</b>        | <b>\$ 119,075</b> | <b>\$ -</b> | <b>\$ 546,757</b> |

| Special Revenue Funds |                              |                                      |                   |                   |                           |
|-----------------------|------------------------------|--------------------------------------|-------------------|-------------------|---------------------------|
| Health Grants         | Health Facility<br>Operating | Federal<br>Highway<br>Administration | Court Funds       | Seized Funds      | Miscellaneous<br>Projects |
| \$ -                  | \$ 120,528                   | \$ -                                 | \$ 168,251        | \$ 142,943        | \$ 551,800                |
| -                     | -                            | -                                    | 61,519            | 52,368            | 202,716                   |
| -                     | -                            | 221                                  | -                 | -                 | 58,671                    |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| 582,991               | -                            | 133,505                              | -                 | -                 | -                         |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| -                     | -                            | -                                    | -                 | -                 | 1,813                     |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| <u>\$ 582,991</u>     | <u>\$ 120,528</u>            | <u>\$ 133,726</u>                    | <u>\$ 229,770</u> | <u>\$ 195,311</u> | <u>\$ 815,000</u>         |
|                       |                              |                                      |                   |                   |                           |
| \$ 53,900             | \$ -                         | \$ 30,622                            | \$ -              | \$ 1,870          | \$ 9,916                  |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| 48,465                | -                            | 5,790                                | -                 | -                 | -                         |
| 459,356               | -                            | 97,312                               | -                 | -                 | -                         |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| <u>561,721</u>        | <u>-</u>                     | <u>133,724</u>                       | <u>-</u>          | <u>1,870</u>      | <u>9,916</u>              |
|                       |                              |                                      |                   |                   |                           |
| -                     | -                            | -                                    | -                 | -                 | 1,813                     |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| 21,270                | 120,528                      | 2                                    | 229,770           | 193,441           | 803,271                   |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| <u>21,270</u>         | <u>120,528</u>               | <u>2</u>                             | <u>229,770</u>    | <u>193,441</u>    | <u>805,084</u>            |
| <u>\$ 582,991</u>     | <u>\$ 120,528</u>            | <u>\$ 133,726</u>                    | <u>\$ 229,770</u> | <u>\$ 195,311</u> | <u>\$ 815,000</u>         |

**CITY OF ABILENE, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2019**

|                                                   | Special Revenue Funds   |                          |                                    |                                    |                               |
|---------------------------------------------------|-------------------------|--------------------------|------------------------------------|------------------------------------|-------------------------------|
|                                                   | Miscellaneous<br>Grants | Hotel Motel<br>Occupancy | Abilene<br>Reinvestment<br>Zone #1 | Abilene<br>Reinvestment<br>Zone #2 | Street<br>Maintenance<br>Fund |
| <b>ASSETS:</b>                                    |                         |                          |                                    |                                    |                               |
| Cash and cash investments                         | \$ 41,122               | \$ 253,837               | \$ 440,037                         | \$ 853,849                         | \$ 2,075,216                  |
| Investments                                       | -                       | -                        | 161,576                            | 313,999                            | 762,216                       |
| Accounts receivable, net                          | -                       | 328,558                  | -                                  | -                                  | 689,617                       |
| Paving assessments notes receivable               | -                       | -                        | -                                  | -                                  | -                             |
| Less allowance for uncollectible assessment notes | -                       | -                        | -                                  | -                                  | -                             |
| Due from other governments                        | 76,483                  | -                        | -                                  | -                                  | -                             |
| Note receivable                                   | -                       | -                        | -                                  | -                                  | -                             |
| Prepaid items                                     | -                       | -                        | -                                  | -                                  | -                             |
| Restricted assets:                                |                         |                          |                                    |                                    |                               |
| Cash and cash investments                         | -                       | -                        | -                                  | -                                  | -                             |
| Investments                                       | -                       | -                        | -                                  | -                                  | -                             |
| <b>TOTAL ASSETS</b>                               | <b>\$ 117,605</b>       | <b>\$ 582,395</b>        | <b>\$ 601,613</b>                  | <b>\$ 1,167,848</b>                | <b>\$ 3,527,049</b>           |
| <b>LIABILITIES AND FUND BALANCES:</b>             |                         |                          |                                    |                                    |                               |
| <b>LIABILITIES:</b>                               |                         |                          |                                    |                                    |                               |
| Accounts payable                                  | \$ 7,294                | \$ 185,632               | \$ -                               | \$ -                               | \$ 36,258                     |
| Retainage payable                                 | -                       | -                        | -                                  | -                                  | -                             |
| Accrued expenditures                              | -                       | 213,563                  | -                                  | -                                  | -                             |
| Due to other funds                                | -                       | 114,995                  | -                                  | -                                  | -                             |
| Other deposits and liabilities                    | -                       | -                        | -                                  | -                                  | -                             |
| Unearned revenues                                 | -                       | -                        | -                                  | -                                  | 33,432                        |
| <b>Total Liabilities</b>                          | <b>7,294</b>            | <b>514,190</b>           | <b>-</b>                           | <b>-</b>                           | <b>69,690</b>                 |
| <b>FUND BALANCES:</b>                             |                         |                          |                                    |                                    |                               |
| Non-spendable:                                    |                         |                          |                                    |                                    |                               |
| Prepaid items                                     | -                       | -                        | -                                  | -                                  | -                             |
| Restricted for:                                   |                         |                          |                                    |                                    |                               |
| Capital projects                                  | -                       | -                        | -                                  | -                                  | -                             |
| Other purposes                                    | 110,311                 | 68,205                   | 601,613                            | 1,167,848                          | -                             |
| Committed to:                                     |                         |                          |                                    |                                    |                               |
| Other purposes                                    | -                       | -                        | -                                  | -                                  | 3,457,359                     |
| Assigned to:                                      |                         |                          |                                    |                                    |                               |
| Capital projects                                  | -                       | -                        | -                                  | -                                  | -                             |
| Unassigned                                        | -                       | -                        | -                                  | -                                  | -                             |
| <b>Total Fund Balances</b>                        | <b>110,311</b>          | <b>68,205</b>            | <b>601,613</b>                     | <b>1,167,848</b>                   | <b>3,457,359</b>              |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b>        | <b>\$ 117,605</b>       | <b>\$ 582,395</b>        | <b>\$ 601,613</b>                  | <b>\$ 1,167,848</b>                | <b>\$ 3,527,049</b>           |

| Total Special<br>Revenue Funds | Capital Project Funds       |                                 |                                                  | Total Capital<br>Project Funds | Total Nonmajor<br>Governmental<br>Funds |
|--------------------------------|-----------------------------|---------------------------------|--------------------------------------------------|--------------------------------|-----------------------------------------|
|                                | General Capital<br>Projects | Airport Capital<br>Project Fund | General<br>Obligation<br>Bonds Other<br>Projects |                                |                                         |
| \$ 5,241,105                   | \$ 9,317,982                | \$ 3,953,144                    | \$ -                                             | \$ 13,271,126                  | \$ 18,512,231                           |
| 1,554,394                      | 3,422,935                   | 796,068                         | -                                                | 4,219,003                      | 5,773,397                               |
| 1,087,101                      | 1,595                       | -                               | -                                                | 1,595                          | 1,088,696                               |
| -                              | 79,970                      | -                               | -                                                | 79,970                         | 79,970                                  |
| -                              | (79,970)                    | -                               | -                                                | (79,970)                       | (79,970)                                |
| 1,146,519                      | 8,723                       | 26,833                          | -                                                | 35,556                         | 1,182,075                               |
| 1,859,278                      | -                           | -                               | -                                                | -                              | 1,859,278                               |
| 1,813                          | -                           | -                               | -                                                | -                              | 1,813                                   |
| -                              | -                           | 342,141                         | 21,116,576                                       | 21,458,717                     | 21,458,717                              |
| -                              | -                           | 653,479                         | 19,354                                           | 672,833                        | 672,833                                 |
| <u>\$ 10,890,210</u>           | <u>\$ 12,751,235</u>        | <u>\$ 5,771,665</u>             | <u>\$ 21,135,930</u>                             | <u>\$ 39,658,830</u>           | <u>\$ 50,549,040</u>                    |
|                                |                             |                                 |                                                  |                                |                                         |
| \$ 416,701                     | \$ 942,891                  | \$ 36,365                       | \$ 106,105                                       | \$ 1,085,361                   | \$ 1,502,062                            |
| -                              | 92,760                      | -                               | -                                                | 92,760                         | 92,760                                  |
| 337,507                        | -                           | -                               | -                                                | -                              | 337,507                                 |
| 982,608                        | -                           | -                               | -                                                | -                              | 982,608                                 |
| 67,039                         | 15,367                      | -                               | -                                                | 15,367                         | 82,406                                  |
| 1,892,710                      | -                           | -                               | -                                                | -                              | 1,892,710                               |
| <u>3,696,565</u>               | <u>1,051,018</u>            | <u>36,365</u>                   | <u>106,105</u>                                   | <u>1,193,488</u>               | <u>4,890,053</u>                        |
|                                |                             |                                 |                                                  |                                |                                         |
| 1,813                          | -                           | -                               | -                                                | -                              | 1,813                                   |
| -                              | -                           | 2,196,395                       | 21,029,825                                       | 23,226,220                     | 23,226,220                              |
| 3,734,473                      | -                           | -                               | -                                                | -                              | 3,734,473                               |
| 3,457,359                      | -                           | -                               | -                                                | -                              | 3,457,359                               |
| -                              | 11,700,217                  | 3,538,905                       | -                                                | 15,239,122                     | 15,239,122                              |
| -                              | -                           | -                               | -                                                | -                              | -                                       |
| <u>7,193,645</u>               | <u>11,700,217</u>           | <u>5,735,300</u>                | <u>21,029,825</u>                                | <u>38,465,342</u>              | <u>45,658,987</u>                       |
| <u>\$ 10,890,210</u>           | <u>\$ 12,751,235</u>        | <u>\$ 5,771,665</u>             | <u>\$ 21,135,930</u>                             | <u>\$ 39,658,830</u>           | <u>\$ 50,549,040</u>                    |



**CITY OF ABILENE, TEXAS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -**  
**Nonmajor Governmental Funds**  
**Year Ended September 30, 2019**

|                                                                   | <u>Section 108</u><br><u>Loan Guarantee</u> | <u>Community</u><br><u>Development</u> | <u>Home</u>    | <u>Library</u> | <u>Health Services</u> |
|-------------------------------------------------------------------|---------------------------------------------|----------------------------------------|----------------|----------------|------------------------|
| <b>REVENUES:</b>                                                  |                                             |                                        |                |                |                        |
| Taxes                                                             | \$ -                                        | \$ -                                   | \$ -           | \$ -           | \$ -                   |
| Licenses and permits                                              | -                                           | -                                      | -              | -              | 164,810                |
| Fines and forfeitures                                             | -                                           | -                                      | -              | -              | -                      |
| Charges for services                                              | -                                           | -                                      | -              | -              | 559,421                |
| Intergovernmental revenues                                        | -                                           | 682,764                                | 327,734        | 75,000         | 529,694                |
| Assessments/Passenger Facility Charge                             | -                                           | -                                      | -              | -              | -                      |
| Investment earnings net of change in<br>fair value of investments | -                                           | -                                      | -              | -              | -                      |
| Miscellaneous                                                     | -                                           | 2,660                                  | -              | -              | 281,439                |
|                                                                   | <u>-</u>                                    | <u>685,424</u>                         | <u>327,734</u> | <u>75,000</u>  | <u>1,535,364</u>       |
| Total Revenues                                                    | -                                           | 685,424                                | 327,734        | 75,000         | 1,535,364              |
| <b>EXPENDITURES:</b>                                              |                                             |                                        |                |                |                        |
| Current:                                                          |                                             |                                        |                |                |                        |
| General Government                                                | -                                           | -                                      | -              | -              | -                      |
| Finance                                                           | -                                           | -                                      | -              | -              | -                      |
| Planning and Development Services                                 | -                                           | 597,258                                | 346,170        | -              | -                      |
| Public Works                                                      | -                                           | -                                      | -              | -              | -                      |
| Police                                                            | -                                           | -                                      | -              | -              | -                      |
| Fire                                                              | -                                           | -                                      | -              | -              | -                      |
| Transportation Services                                           | -                                           | -                                      | -              | -              | -                      |
| Community Services                                                | -                                           | -                                      | -              | 82,329         | -                      |
| Health                                                            | -                                           | -                                      | -              | -              | 2,376,493              |
| Capital outlay                                                    | -                                           | -                                      | -              | -              | -                      |
|                                                                   | <u>-</u>                                    | <u>597,258</u>                         | <u>346,170</u> | <u>82,329</u>  | <u>2,376,493</u>       |
| Total Expenditures                                                | -                                           | 597,258                                | 346,170        | 82,329         | 2,376,493              |
| <b>EXCESS (DEFICIT) OF REVENUES</b>                               |                                             |                                        |                |                |                        |
| <b>OVER EXPENDITURES</b>                                          | -                                           | 88,166                                 | (18,436)       | (7,329)        | (841,129)              |
| <b>OTHER FINANCING SOURCES (USES):</b>                            |                                             |                                        |                |                |                        |
| Proceeds from sale of capital assets                              | -                                           | -                                      | -              | -              | -                      |
| Transfers in                                                      | -                                           | -                                      | -              | -              | 813,755                |
| Transfers out                                                     | -                                           | (88,200)                               | -              | -              | -                      |
|                                                                   | <u>-</u>                                    | <u>(88,200)</u>                        | <u>-</u>       | <u>-</u>       | <u>-</u>               |
| Total Other Financing Sources (Uses)                              | -                                           | (88,200)                               | -              | -              | 813,755                |
| <b>NET CHANGE IN FUND BALANCES</b>                                | -                                           | (34)                                   | (18,436)       | (7,329)        | (27,374)               |
| <b>FUND BALANCES BEGINNING OF YEAR</b>                            | -                                           | 3,658                                  | 18,964         | 7,329          | 441,436                |
| <b>FUND BALANCES END OF YEAR</b>                                  | <u>\$ -</u>                                 | <u>\$ 3,624</u>                        | <u>\$ 528</u>  | <u>\$ -</u>    | <u>\$ 414,062</u>      |

| Special Revenue Funds |                              |                                      |                   |                   |                           |
|-----------------------|------------------------------|--------------------------------------|-------------------|-------------------|---------------------------|
| Health Grants         | Health Facility<br>Operating | Federal<br>Highway<br>Administration | Court Funds       | Seized Funds      | Miscellaneous<br>Projects |
| \$ -                  | \$ -                         | \$ -                                 | \$ -              | \$ -              | \$ 245,191                |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| -                     | -                            | -                                    | 83,643            | 39,093            | -                         |
| 62,144                | -                            | -                                    | -                 | -                 | -                         |
| 1,762,018             | -                            | 272,063                              | -                 | -                 | 9,352                     |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| -                     | -                            | -                                    | 7,067             | 5,915             | 255                       |
| -                     | -                            | -                                    | -                 | -                 | 230,488                   |
| <u>1,824,162</u>      | <u>-</u>                     | <u>272,063</u>                       | <u>90,710</u>     | <u>45,008</u>     | <u>485,286</u>            |
| -                     | -                            | -                                    | -                 | -                 | 225,241                   |
| -                     | -                            | -                                    | 2,413             | -                 | -                         |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| -                     | -                            | 272,062                              | -                 | -                 | -                         |
| -                     | -                            | -                                    | -                 | 122,683           | 70,145                    |
| -                     | -                            | -                                    | -                 | -                 | 26,381                    |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| -                     | -                            | -                                    | -                 | -                 | 46,230                    |
| 2,047,037             | -                            | -                                    | -                 | -                 | -                         |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| <u>2,047,037</u>      | <u>-</u>                     | <u>272,062</u>                       | <u>2,413</u>      | <u>122,683</u>    | <u>367,997</u>            |
| (222,875)             | -                            | 1                                    | 88,297            | (77,675)          | 117,289                   |
| -                     | -                            | -                                    | -                 | -                 | -                         |
| 244,145               | -                            | 619                                  | -                 | -                 | -                         |
| -                     | -                            | -                                    | (772,590)         | -                 | (357,198)                 |
| <u>244,145</u>        | <u>-</u>                     | <u>619</u>                           | <u>(772,590)</u>  | <u>-</u>          | <u>(357,198)</u>          |
| 21,270                | -                            | 620                                  | (684,293)         | (77,675)          | (239,909)                 |
| -                     | 120,528                      | (618)                                | 914,063           | 271,116           | 1,044,993                 |
| <u>\$ 21,270</u>      | <u>\$ 120,528</u>            | <u>\$ 2</u>                          | <u>\$ 229,770</u> | <u>\$ 193,441</u> | <u>\$ 805,084</u>         |

**CITY OF ABILENE, TEXAS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -**  
**Nonmajor Governmental Funds**  
**Year Ended September 30, 2019**

|                                                                   | Special Revenue Funds   |                          |                                    |                                    |                               |
|-------------------------------------------------------------------|-------------------------|--------------------------|------------------------------------|------------------------------------|-------------------------------|
|                                                                   | Miscellaneous<br>Grants | Hotel Motel<br>Occupancy | Abilene<br>Reinvestment<br>Zone #1 | Abilene<br>Reinvestment<br>Zone #2 | Street<br>Maintenance<br>Fund |
| <b>REVENUES:</b>                                                  |                         |                          |                                    |                                    |                               |
| Taxes                                                             | \$ -                    | \$ 3,594,163             | \$ -                               | \$ 318,273                         | \$ -                          |
| Licenses and permits                                              | 23                      | -                        | -                                  | -                                  | -                             |
| Fines and forfeitures                                             | -                       | -                        | -                                  | -                                  | -                             |
| Charges for services                                              | 2,635                   | -                        | -                                  | -                                  | 4,461,403                     |
| Intergovernmental revenues                                        | 331,526                 | -                        | -                                  | -                                  | -                             |
| Assessments/Passenger Facility Charge                             | -                       | -                        | -                                  | -                                  | -                             |
| Investment earnings net of change in<br>fair value of investments | -                       | -                        | 14,686                             | 24,110                             | 31,613                        |
| Miscellaneous                                                     | 241,395                 | -                        | -                                  | -                                  | 1,000                         |
| Total Revenues                                                    | 575,579                 | 3,594,163                | 14,686                             | 342,383                            | 4,494,016                     |
| <b>EXPENDITURES:</b>                                              |                         |                          |                                    |                                    |                               |
| Current:                                                          |                         |                          |                                    |                                    |                               |
| General Government                                                | 233,213                 | -                        | -                                  | -                                  | -                             |
| Finance                                                           | 2,258                   | 2,336,831                | -                                  | -                                  | -                             |
| Planning and Development Services                                 | -                       | -                        | -                                  | 10,000                             | -                             |
| Public Works                                                      | -                       | -                        | -                                  | -                                  | 714,254                       |
| Police                                                            | 227,636                 | -                        | -                                  | -                                  | -                             |
| Fire                                                              | 1,146                   | -                        | -                                  | -                                  | -                             |
| Transportation Services                                           | -                       | -                        | -                                  | -                                  | -                             |
| Community Services                                                | 450                     | -                        | -                                  | -                                  | -                             |
| Health                                                            | -                       | -                        | -                                  | -                                  | -                             |
| Capital outlay                                                    | -                       | -                        | -                                  | -                                  | -                             |
| Total Expenditures                                                | 464,703                 | 2,336,831                | -                                  | 10,000                             | 714,254                       |
| <b>EXCESS (DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b>         | 110,876                 | 1,257,332                | 14,686                             | 332,383                            | 3,779,762                     |
| <b>OTHER FINANCING SOURCES (USES):</b>                            |                         |                          |                                    |                                    |                               |
| Proceeds from sale of capital assets                              | -                       | -                        | -                                  | -                                  | -                             |
| Transfers in                                                      | -                       | -                        | -                                  | -                                  | 1,107,295                     |
| Transfers out                                                     | -                       | (1,258,293)              | -                                  | -                                  | (1,429,698)                   |
| Total Other Financing Sources (Uses)                              | -                       | (1,258,293)              | -                                  | -                                  | (322,403)                     |
| <b>NET CHANGE IN FUND BALANCES</b>                                | 110,876                 | (961)                    | 14,686                             | 332,383                            | 3,457,359                     |
| <b>FUND BALANCES BEGINNING OF YEAR</b>                            | (565)                   | 69,166                   | 586,927                            | 835,465                            | -                             |
| <b>FUND BALANCES END OF YEAR</b>                                  | \$ 110,311              | \$ 68,205                | \$ 601,613                         | \$ 1,167,848                       | \$ 3,457,359                  |

| Total Special<br>Revenue Funds | Capital Project Funds       |                                 |                                                  | Total Capital<br>Project Funds | Total Nonmajor<br>Governmental<br>Funds |
|--------------------------------|-----------------------------|---------------------------------|--------------------------------------------------|--------------------------------|-----------------------------------------|
|                                | General Capital<br>Projects | Airport Capital<br>Project Fund | General<br>Obligation<br>Bonds Other<br>Projects |                                |                                         |
| \$ 4,157,627                   | \$ -                        | \$ -                            | \$ -                                             | \$ -                           | \$ 4,157,627                            |
| 164,833                        | -                           | -                               | -                                                | -                              | 164,833                                 |
| 122,736                        | -                           | -                               | -                                                | -                              | 122,736                                 |
| 5,085,603                      | -                           | -                               | -                                                | -                              | 5,085,603                               |
| 3,990,151                      | -                           | 265,364                         | -                                                | 265,364                        | 4,255,515                               |
| -                              | -                           | 583,381                         | -                                                | 583,381                        | 583,381                                 |
| 83,646                         | 236,314                     | 135,270                         | 604,030                                          | 975,614                        | 1,059,260                               |
| 756,982                        | 2,511,720                   | 24,000                          | -                                                | 2,535,720                      | 3,292,702                               |
| 14,361,578                     | 2,748,034                   | 1,008,015                       | 604,030                                          | 4,360,079                      | 18,721,657                              |
| 458,454                        | 1,320,527                   | -                               | -                                                | 1,320,527                      | 1,778,981                               |
| 2,341,502                      | 255,859                     | 649                             | 6,733                                            | 263,241                        | 2,604,743                               |
| 953,428                        | -                           | -                               | -                                                | -                              | 953,428                                 |
| 986,316                        | 104,967                     | -                               | 96                                               | 105,063                        | 1,091,379                               |
| 420,464                        | -                           | -                               | -                                                | -                              | 420,464                                 |
| 27,527                         | -                           | -                               | -                                                | -                              | 27,527                                  |
| -                              | -                           | 187,194                         | -                                                | 187,194                        | 187,194                                 |
| 129,009                        | 45,639                      | -                               | 2,372                                            | 48,011                         | 177,020                                 |
| 4,423,530                      | -                           | -                               | -                                                | -                              | 4,423,530                               |
| -                              | 8,650,958                   | 486,645                         | 7,888,602                                        | 17,026,205                     | 17,026,205                              |
| 9,740,230                      | 10,377,950                  | 674,488                         | 7,897,803                                        | 18,950,241                     | 28,690,471                              |
| 4,621,348                      | (7,629,916)                 | 333,527                         | (7,293,773)                                      | (14,590,162)                   | (9,968,814)                             |
| -                              | 8,723                       | -                               | -                                                | 8,723                          | 8,723                                   |
| 2,165,814                      | 9,275,540                   | 23,817                          | -                                                | 9,299,357                      | 11,465,171                              |
| (3,905,979)                    | (1,059,192)                 | -                               | (26,897)                                         | (1,086,089)                    | (4,992,068)                             |
| (1,740,165)                    | 8,225,071                   | 23,817                          | (26,897)                                         | 8,221,991                      | 6,481,826                               |
| 2,881,183                      | 595,155                     | 357,344                         | (7,320,670)                                      | (6,368,171)                    | (3,486,988)                             |
| 4,312,462                      | 11,105,062                  | 5,377,956                       | 28,350,495                                       | 44,833,513                     | 49,145,975                              |
| \$ 7,193,645                   | \$ 11,700,217               | \$ 5,735,300                    | \$ 21,029,825                                    | \$ 38,465,342                  | \$ 45,658,987                           |

## General Fund

## Schedule of Revenues - Budget and Actual - Budget Basis

Year Ended September 30, 2019

With Comparative Totals for Year Ended September 30, 2018

|                                   | 2019               |                 |                        |                                     |                                | 2018                                                      |                                |
|-----------------------------------|--------------------|-----------------|------------------------|-------------------------------------|--------------------------------|-----------------------------------------------------------|--------------------------------|
|                                   | Original<br>Budget | Final<br>Budget | Actual - GAAP<br>Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) | Actual -<br>Budgetary<br>Basis |
| <b>GENERAL PROPERTY TAXES:</b>    |                    |                 |                        |                                     |                                |                                                           |                                |
| Current City taxes                | \$ 34,272,070      | 34,272,070      | \$ 34,090,406          | \$ -                                | \$ 34,090,406                  | \$ (181,664)                                              | \$ 32,755,594                  |
| Delinquent City taxes             | 446,490            | 468,250         | 464,911                | (42,199)                            | 422,712                        | (45,538)                                                  | 468,251                        |
| Total General Property Taxes      | 34,718,560         | 34,740,320      | 34,555,317             | (42,199)                            | 34,513,118                     | (227,202)                                                 | 33,223,845                     |
| <b>SALES TAXES</b>                | 32,946,000         | 34,784,000      | 35,369,689             | (176,665)                           | 35,193,024                     | 409,024                                                   | 34,337,032                     |
| <b>OTHER TAXES:</b>               |                    |                 |                        |                                     |                                |                                                           |                                |
| Payment in lieu of taxes          | 2,995,550          | 2,995,550       | 2,995,550              | -                                   | 2,995,550                      | -                                                         | 2,636,230                      |
| Mixed beverage taxes              | 326,860            | 354,130         | 394,113                | -                                   | 394,113                        | 39,983                                                    | 354,125                        |
| Bingo tax                         | 110,210            | 78,960          | 104,895                | -                                   | 104,895                        | 25,935                                                    | 78,959                         |
| Total Other Taxes                 | 3,432,620          | 3,428,640       | 3,494,558              | -                                   | 3,494,558                      | 65,918                                                    | 3,069,314                      |
| <b>FRANCHISE FEES:</b>            |                    |                 |                        |                                     |                                |                                                           |                                |
| Electric franchise fee            | 1,491,290          | 1,491,290       | 1,529,579              | (14,951)                            | 1,514,628                      | 23,338                                                    | 1,553,337                      |
| Gas franchise fee                 | 1,220,460          | 1,376,600       | 1,376,603              | -                                   | 1,376,603                      | 3                                                         | 1,220,458                      |
| Telephone franchise fee           | 605,400            | 588,430         | 557,458                | 11,457                              | 568,915                        | (19,515)                                                  | 588,426                        |
| Cable television franchise fee    | 1,266,910          | 1,204,190       | 1,174,203              | 3,638                               | 1,177,841                      | (26,349)                                                  | 1,204,190                      |
| Water and sewer franchise fee     | 2,606,660          | 2,606,660       | 2,606,660              | -                                   | 2,606,660                      | -                                                         | 2,363,300                      |
| Solid waste franchise fee         | 665,260            | 665,260         | 665,260                | -                                   | 665,260                        | -                                                         | 653,270                        |
| Stormwater franchise fee          | 112,520            | 112,520         | 112,520                | -                                   | 112,520                        | -                                                         | 95,310                         |
| Total Franchise Fees              | 7,968,500          | 8,044,950       | 8,022,283              | 144                                 | 8,022,427                      | (22,523)                                                  | 7,678,291                      |
| <b>PENALTIES AND INTEREST:</b>    |                    |                 |                        |                                     |                                |                                                           |                                |
| Penalties / interest on del taxes | 374,070            | 374,070         | 376,469                | -                                   | 376,469                        | 2,399                                                     | 394,905                        |
| <b>LICENSES AND PERMITS:</b>      |                    |                 |                        |                                     |                                |                                                           |                                |
| Liquor licenses                   | 32,860             | 32,860          | 36,738                 | -                                   | 36,738                         | 3,878                                                     | 38,067                         |
| Drainage plan review              | 800                | 800             | 425                    | -                                   | 425                            | (375)                                                     | 800                            |
| Sign permits                      | 33,740             | 33,740          | 38,462                 | -                                   | 38,462                         | 4,722                                                     | 27,965                         |
| House moving permits              | 4,500              | 2,000           | 1,700                  | -                                   | 1,700                          | (300)                                                     | 25,600                         |
| Burglar alarm permits             | 96,460             | 96,460          | 112,124                | -                                   | 112,124                        | 15,664                                                    | 111,987                        |
| Fire prevention licenses          | 31,240             | 31,240          | 40,415                 | -                                   | 40,415                         | 9,175                                                     | 33,760                         |
| Contractor's registration         | 50,300             | -               | 100                    | -                                   | 100                            | 100                                                       | 25,690                         |
| Swimming pool contractors         | 450                | -               | -                      | -                                   | -                              | -                                                         | 525                            |
| Stop work order release fee       | 250                | 300             | 1,000                  | -                                   | 1,000                          | 700                                                       | 750                            |
| Building permits                  | 474,930            | 565,400         | 802,141                | -                                   | 802,141                        | 236,741                                                   | 551,969                        |
| Electrical permits                | 109,730            | 67,000          | 64,194                 | -                                   | 64,194                         | (2,806)                                                   | 93,774                         |
| Plumbing permits                  | 150,680            | 90,500          | 90,595                 | -                                   | 90,595                         | 95                                                        | 121,028                        |
| Sidewalk and driveway permits     | 16,500             | 16,500          | 30,270                 | -                                   | 30,270                         | 13,770                                                    | 18,125                         |
| Animal licenses                   | 148,700            | 109,700         | 131,234                | -                                   | 131,234                        | 21,534                                                    | 140,863                        |
| Board of Adjustment               | 14,000             | 14,000          | (1,100)                | -                                   | (1,100)                        | (15,100)                                                  | 10,400                         |
| Mechanical permits                | 85,930             | 56,000          | 77,000                 | -                                   | 77,000                         | 21,000                                                    | 93,305                         |
| Development permits               | 1,500              | 1,500           | 1,350                  | -                                   | 1,350                          | (150)                                                     | 1,350                          |
| Street use licenses               | 1,500              | 1,500           | 16,155                 | -                                   | 16,155                         | 14,655                                                    | 2,135                          |

## General Fund

## Schedule of Revenues - Budget and Actual - Budget Basis

Year Ended September 30, 2019

With Comparative Totals for Year Ended September 30, 2018

|                                     | 2019               |                 |                        |                                     |                                | 2018                                                      |                                |
|-------------------------------------|--------------------|-----------------|------------------------|-------------------------------------|--------------------------------|-----------------------------------------------------------|--------------------------------|
|                                     | Original<br>Budget | Final<br>Budget | Actual - GAAP<br>Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) | Actual -<br>Budgetary<br>Basis |
| <b>LICENSES AND PERMITS (CONT):</b> |                    |                 |                        |                                     |                                |                                                           |                                |
| Mobile home installation permits    | \$ 3,500           | \$ 2,000        | \$ 2,850               | \$ -                                | \$ 2,850                       | \$ 850                                                    | \$ 3,550                       |
| Reroof permits                      | 43,640             | 25,400          | 33,115                 | -                                   | 33,115                         | 7,715                                                     | 24,193                         |
| Temporary certificate of occupancy  | 600                | 15,800          | 18,750                 | -                                   | 18,750                         | 2,950                                                     | 4,775                          |
| Special inspection                  | 4,030              | 6,000           | 9,725                  | -                                   | 9,725                          | 3,725                                                     | 478                            |
| Code compliance                     | 30                 | -               | -                      | -                                   | -                              | -                                                         | 75                             |
| Other licenses and permits          | 8,810              | 15,860          | 24,225                 | -                                   | 24,225                         | 8,365                                                     | 21,200                         |
| Grading permits                     | 2,210              | 2,000           | 2,076                  | -                                   | 2,076                          | 76                                                        | 1,012                          |
| Bounce house permits                | 200                | 200             | 675                    | -                                   | 675                            | 475                                                       | 576                            |
| Food vendor permits                 | 2,280              | 2,280           | 2,295                  | -                                   | 2,295                          | 15                                                        | 1,028                          |
| Total Licenses and Permits          | 1,319,370          | 1,189,040       | 1,536,514              | -                                   | 1,536,514                      | 347,474                                                   | 1,354,980                      |
| <b>INTERGOVERNMENTAL REVENUE:</b>   |                    |                 |                        |                                     |                                |                                                           |                                |
| Emergency Management Grant          | 41,590             | 38,590          | 37,768                 | -                                   | 37,768                         | (822)                                                     | 36,080                         |
| Senior Citizens Grant               | 11,350             | 11,350          | 11,079                 | -                                   | 11,079                         | (271)                                                     | 9,997                          |
| Federal Grants                      | -                  | 470,940         | 453,756                | -                                   | 453,756                        | (17,184)                                                  | -                              |
| State Grants                        | 22,480             | 59,000          | 54,727                 | -                                   | 54,727                         | (4,273)                                                   | 47,231                         |
| Taylor County                       | -                  | 50,190          | 54,976                 | -                                   | 54,976                         | 4,786                                                     | -                              |
| Taylor County Child Advocacy        | 2,820              | 2,820           | 2,580                  | -                                   | 2,580                          | (240)                                                     | 2,580                          |
| Total Intergovernmental Revenue     | 78,240             | 632,890         | 614,886                | -                                   | 614,886                        | (18,004)                                                  | 95,888                         |
| <b>CHARGES FOR SERVICES:</b>        |                    |                 |                        |                                     |                                |                                                           |                                |
| Sale of maps and publications       | -                  | -               | 84                     | -                                   | 84                             | 84                                                        | 28                             |
| Animal control and shelter fees     | 58,400             | 45,400          | 52,167                 | -                                   | 52,167                         | 6,767                                                     | 36,376                         |
| Animal cremation                    | 24,700             | 18,700          | 18,921                 | -                                   | 18,921                         | 221                                                       | 22,363                         |
| Vet spay / neuter                   | 115,800            | 105,800         | 98,552                 | -                                   | 98,552                         | (7,248)                                                   | 109,051                        |
| Disposal for veterinarians          | 3,300              | 3,300           | 4,512                  | -                                   | 4,512                          | 1,212                                                     | 2,524                          |
| Rabies vaccination                  | 51,200             | 21,200          | 20,754                 | -                                   | 20,754                         | (446)                                                     | 36,998                         |
| Animal Shot Clinic                  | 10,000             | 5,000           | 7,816                  | -                                   | 7,816                          | 2,816                                                     | 12,150                         |
| Non-Residential Release             | 27,500             | 17,500          | 17,737                 | -                                   | 17,737                         | 237                                                       | 4,135                          |
| Spay/Neuter Voucher                 | -                  | 18,000          | 30,390                 | -                                   | 30,390                         | 12,390                                                    | -                              |
| Teen court                          | 3,450              | 3,940           | 2,767                  | -                                   | 2,767                          | (1,173)                                                   | 3,935                          |
| Administration fee - venue          | 51,340             | 51,340          | 53,243                 | -                                   | 53,243                         | 1,903                                                     | 52,494                         |
| Zoning fees                         | 71,650             | 71,650          | 83,607                 | -                                   | 83,607                         | 11,957                                                    | 96,575                         |
| Sub-division fees                   | 47,630             | 47,630          | 36,320                 | -                                   | 36,320                         | (11,310)                                                  | 41,260                         |
| Weed mowing and cleaning            | 50,120             | 50,120          | 54,310                 | -                                   | 54,310                         | 4,190                                                     | 32,687                         |
| Parking meters                      | 9,060              | 9,060           | 10,832                 | -                                   | 10,832                         | 1,772                                                     | 10,670                         |
| Paving cuts                         | 45,580             | 45,580          | 41,722                 | -                                   | 41,722                         | (3,858)                                                   | 65,938                         |
| Police accident reports             | 21,760             | 21,760          | 17,795                 | -                                   | 17,795                         | (3,965)                                                   | 23,161                         |
| Abandoned property disposal         | 401,080            | 431,080         | 485,818                | -                                   | 485,818                        | 54,738                                                    | 411,392                        |
| Special police services             | 592,890            | 591,430         | 619,934                | -                                   | 619,934                        | 28,504                                                    | 622,687                        |
| Taylor County fire protection fee   | 80,000             | 80,000          | 80,000                 | -                                   | 80,000                         | -                                                         | 80,000                         |
| Clearance letters                   | 110                | 110             | 65                     | -                                   | 65                             | (45)                                                      | 55                             |
| Fingerprint                         | 2,120              | 2,120           | 1,930                  | -                                   | 1,930                          | (190)                                                     | 2,545                          |
| Terminal use                        | 1,850              | 1,850           | 2,600                  | -                                   | 2,600                          | 750                                                       | 2,272                          |
| Landing fees                        | 55,410             | 55,410          | 56,078                 | -                                   | 56,078                         | 668                                                       | 50,002                         |

## General Fund

## Schedule of Revenues - Budget and Actual - Budget Basis

Year Ended September 30, 2019

With Comparative Totals for Year Ended September 30, 2018

|                                      | 2019               |                 |                        |                                     |                                | 2018                                                      |                                |
|--------------------------------------|--------------------|-----------------|------------------------|-------------------------------------|--------------------------------|-----------------------------------------------------------|--------------------------------|
|                                      | Original<br>Budget | Final<br>Budget | Actual -<br>GAAP Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) | Actual -<br>Budgetary<br>Basis |
| <b>CHARGES FOR SERVICES (CONT):</b>  |                    |                 |                        |                                     |                                |                                                           |                                |
| Hangar rentals                       | \$ 47,680          | \$ 47,680       | \$ 67,521              | -                                   | \$ 67,521                      | \$ 19,841                                                 | \$ 57,316                      |
| Terminal parking                     | 660,000            | 660,000         | 720,359                | -                                   | 720,359                        | 60,359                                                    | 708,679                        |
| Airline office space rentals         | 74,180             | 74,180          | 78,016                 | -                                   | 78,016                         | 3,836                                                     | 72,677                         |
| Rental car commissions               | 438,280            | 438,280         | 434,728                | -                                   | 434,728                        | (3,552)                                                   | 460,228                        |
| Fuel flowage fees                    | 53,650             | 53,650          | 58,578                 | -                                   | 58,578                         | 4,928                                                     | 64,714                         |
| Terminal advertising                 | 18,660             | 18,660          | 18,854                 | -                                   | 18,854                         | 194                                                       | 18,854                         |
| Non resident fee                     | 7,240              | 7,240           | 9,577                  | -                                   | 9,577                          | 2,337                                                     | 8,431                          |
| Adventure Cove fees                  | 252,570            | 252,570         | 278,050                | -                                   | 278,050                        | 25,480                                                    | 250,114                        |
| Adventure Cove concessions           | 124,420            | 117,300         | 110,569                | -                                   | 110,569                        | (6,731)                                                   | 92,977                         |
| Adventure Cove rental                | 8,400              | 24,000          | 40,100                 | -                                   | 40,100                         | 16,100                                                    | 24,052                         |
| Bike race                            | 3,570              | 3,570           | 6,576                  | -                                   | 6,576                          | 3,006                                                     | 7,097                          |
| Basketball                           | 57,310             | 57,310          | 53,511                 | -                                   | 53,511                         | (3,799)                                                   | 58,028                         |
| Instruction classes                  | 29,510             | 20,060          | 15,407                 | -                                   | 15,407                         | (4,653)                                                   | 15,593                         |
| Facility rentals                     | 83,010             | 83,010          | 78,774                 | -                                   | 78,774                         | (4,236)                                                   | 76,421                         |
| Summer playground program            | 130,000            | 130,000         | 147,874                | -                                   | 147,874                        | 17,874                                                    | 144,702                        |
| Duathlon                             | 500                | 500             | -                      | -                                   | -                              | (500)                                                     | 306                            |
| Adaptive Rec contract                | 173,790            | 173,790         | 149,491                | -                                   | 149,491                        | (24,299)                                                  | 165,782                        |
| Senior Jamboree                      | 2,150              | 2,150           | 1,750                  | -                                   | 1,750                          | (400)                                                     | 2,316                          |
| Adaptive recreation program          | 46,330             | 46,330          | 17,031                 | -                                   | 17,031                         | (29,299)                                                  | 32,688                         |
| Recreation Admin fee                 | 6,660              | 6,660           | 4,270                  | -                                   | 4,270                          | (2,390)                                                   | 5,792                          |
| BC Half Marathon                     | 2,340              | 520             | 1,898                  | -                                   | 1,898                          | 1,378                                                     | 843                            |
| Light Fee                            | 2,000              | 2,000           | -                      | -                                   | -                              | (2,000)                                                   | -                              |
| Lot sales                            | 36,900             | 36,900          | 36,200                 | -                                   | 36,200                         | (700)                                                     | 42,800                         |
| Grave services                       | 61,600             | 61,600          | 59,965                 | -                                   | 59,965                         | (1,635)                                                   | 75,491                         |
| Monument setting fees                | 2,150              | 2,150           | 2,600                  | -                                   | 2,600                          | 450                                                       | 2,900                          |
| Lot transfer fee                     | 100                | 100             | -                      | -                                   | -                              | (100)                                                     | 100                            |
| Library auditorium fees              | 540                | 540             | 500                    | -                                   | 500                            | (40)                                                      | 1,325                          |
| Convention Center rentals            | 330                | 330             | 2,835                  | -                                   | 2,835                          | 2,505                                                     | 5,628                          |
| Convention Center room rentals       | 227,120            | 227,120         | 228,552                | -                                   | 228,552                        | 1,432                                                     | 219,327                        |
| Convention Center equipment set fees | 310,290            | 310,290         | 223,414                | -                                   | 223,414                        | (86,876)                                                  | 241,790                        |
| Convention Center stage fees         | 102,680            | 102,680         | 103,749                | -                                   | 103,749                        | 1,069                                                     | 82,875                         |
| Convention Center RV Parking         | 500                | 500             | 230                    | -                                   | 230                            | (270)                                                     | 230                            |
| Code enforcement                     | 1,160              | 1,160           | 118                    | -                                   | 118                            | (1,042)                                                   | 842                            |
| Other service charges                | 3,300              | 3,300           | 3,284                  | -                                   | 3,284                          | (16)                                                      | 3,057                          |
| Returned check charges               | 1,820              | 1,150           | 1,134                  | -                                   | 1,134                          | (16)                                                      | 1,148                          |
| Total Charges for Services           | 4,695,690          | 4,665,260       | 4,753,469              | -                                   | 4,753,469                      | 88,209                                                    | 4,664,421                      |
| <b>FINES AND FORFEITURES:</b>        |                    |                 |                        |                                     |                                |                                                           |                                |
| Municipal Court fines                | 1,415,260          | 1,432,970       | 1,389,807              | 611                                 | 1,390,418                      | (42,552)                                                  | 1,432,965                      |
| Library fines                        | 14,460             | 14,460          | 1,906                  | -                                   | 1,906                          | (12,554)                                                  | 28,723                         |
| Library lost and damaged             | -                  | 1,750           | 3,735                  | -                                   | 3,735                          | 1,985                                                     | 3,250                          |
| Other arrest fees                    | 25,000             | 25,000          | 23,916                 | -                                   | 23,916                         | (1,084)                                                   | 21,842                         |
| Total Fines and Forfeitures          | 1,454,720          | 1,474,180       | 1,419,364              | 611                                 | 1,419,975                      | (54,205)                                                  | 1,486,780                      |

## General Fund

## Schedule of Revenues - Budget and Actual - Budget Basis

Year Ended September 30, 2019

With Comparative Totals for Year Ended September 30, 2018

|                                                                   | 2019                 |                      |                        |                                     |                                | 2018                                                      |                                |
|-------------------------------------------------------------------|----------------------|----------------------|------------------------|-------------------------------------|--------------------------------|-----------------------------------------------------------|--------------------------------|
|                                                                   | Original<br>Budget   | Final<br>Budget      | Actual -<br>GAAP Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) | Actual -<br>Budgetary<br>Basis |
| <b>INTEREST AND MISCELLANEOUS:</b>                                |                      |                      |                        |                                     |                                |                                                           |                                |
| Investment earnings net of change<br>in fair value of investments | \$ 531,990           | \$ 748,820           | \$ 864,317             | \$ (41,667)                         | \$ 822,650                     | \$ 73,830                                                 | \$ 558,711                     |
| Senior citizens donations                                         | 65,080               | 65,080               | 61,367                 | -                                   | 61,367                         | (3,713)                                                   | 61,602                         |
| Transportation donation                                           | 5,010                | 5,010                | 3,579                  | -                                   | 3,579                          | (1,431)                                                   | 3,974                          |
| Miscellaneous donation                                            | 25,000               | -                    | 1,800                  | -                                   | 1,800                          | 1,800                                                     | 25,883                         |
| Adaptive recreation donations                                     | 66,410               | 55,000               | 48,504                 | -                                   | 48,504                         | (6,496)                                                   | 43,486                         |
| CDBG Contributions                                                | -                    | -                    | 1                      | (1)                                 | -                              | -                                                         | 80,625                         |
| Land leases                                                       | 250,830              | 244,770              | 268,624                | -                                   | 268,624                        | 23,854                                                    | 221,512                        |
| Building space rental                                             | 409,850              | 402,500              | 402,395                | -                                   | 402,395                        | (105)                                                     | 412,941                        |
| Row rental telephone co.                                          | 6,800                | 6,800                | 6,799                  | -                                   | 6,799                          | (1)                                                       | 6,799                          |
| League rental                                                     | 100                  | 100                  | -                      | -                                   | -                              | (100)                                                     | -                              |
| Indirect cost recovery                                            | 2,146,730            | 2,175,390            | 2,154,615              | -                                   | 2,154,615                      | (20,775)                                                  | 2,072,853                      |
| Demolition and cleanup                                            | 13,650               | 21,820               | 24,124                 | -                                   | 24,124                         | 2,304                                                     | 11,239                         |
| Rose country store                                                | 1,450                | 1,450                | 924                    | -                                   | 924                            | (526)                                                     | 1,345                          |
| Interfund recoveries                                              | 932,840              | 412,240              | 381,662                | -                                   | 381,662                        | (30,578)                                                  | 254,006                        |
| Personnel recoveries                                              | 2,759,630            | 2,741,100            | 2,818,679              | -                                   | 2,818,679                      | 77,579                                                    | 2,679,986                      |
| Miscellaneous recoveries                                          | 280,900              | 287,820              | 308,011                | -                                   | 308,011                        | 20,191                                                    | 890,861                        |
| Security badge charge                                             | 8,360                | 8,360                | 10,765                 | -                                   | 10,765                         | 2,405                                                     | 10,896                         |
| Food service recoveries                                           | 65,150               | 55,000               | 54,739                 | -                                   | 54,739                         | (261)                                                     | 60,818                         |
| AISD reimbursements                                               | 40,000               | 63,620               | 63,620                 | -                                   | 63,620                         | -                                                         | 57,191                         |
| Motor vehicle damage claims                                       | -                    | -                    | -                      | -                                   | -                              | -                                                         | 2,899                          |
| Miscellaneous damage claims                                       | 16,040               | 16,090               | 5,125                  | -                                   | 5,125                          | (10,965)                                                  | 93,056                         |
| Miscellaneous prior years                                         | -                    | 39,880               | 60,356                 | -                                   | 60,356                         | 20,476                                                    | 19,254                         |
| Dispensing machines                                               | 470                  | 1,320                | 5,001                  | -                                   | 5,001                          | 3,681                                                     | 44                             |
| Miscellaneous revenues                                            | 147,320              | 145,820              | 133,460                | -                                   | 133,460                        | (12,360)                                                  | 142,932                        |
| Sale of equipment                                                 | -                    | 800                  | 4,801                  | -                                   | 4,801                          | 4,001                                                     | 1,247                          |
| Total Interest and Miscellaneous                                  | <u>7,773,610</u>     | <u>7,498,790</u>     | <u>7,683,268</u>       | <u>(41,668)</u>                     | <u>7,641,600</u>               | <u>142,810</u>                                            | <u>7,714,160</u>               |
| <b>TOTAL REVENUE</b>                                              | <u>\$ 94,761,380</u> | <u>\$ 96,832,140</u> | <u>\$ 97,825,817</u>   | <u>\$ (259,777)</u>                 | <u>\$ 97,566,040</u>           | <u>\$ 733,900</u>                                         | <u>\$ 94,019,616</u>           |



|                            | 2019               |                  |                        |                                     |                                |                                                           | 2018                           |
|----------------------------|--------------------|------------------|------------------------|-------------------------------------|--------------------------------|-----------------------------------------------------------|--------------------------------|
|                            | Original<br>Budget | Final<br>Budget  | Actual -<br>GAAP Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) | Actual -<br>Budgetary<br>Basis |
| <b>GENERAL GOVERNMENT:</b> |                    |                  |                        |                                     |                                |                                                           |                                |
| City Council:              |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services         | \$ -               | \$ -             | \$ -                   | \$ -                                | \$ -                           | \$ -                                                      | \$ 7                           |
| Supplies                   | 2,440              | 5,200            | 4,645                  | -                                   | 4,645                          | 555                                                       | 5,078                          |
| Capital outlay             | -                  | -                | -                      | -                                   | -                              | -                                                         | 80,000                         |
| Other services and charges | 82,510             | 88,750           | 88,723                 | -                                   | 88,723                         | 27                                                        | 145,336                        |
|                            | <u>84,950</u>      | <u>93,950</u>    | <u>93,368</u>          | <u>-</u>                            | <u>93,368</u>                  | <u>582</u>                                                | <u>230,421</u>                 |
| City Secretary:            |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services         | 159,260            | 129,010          | 126,308                | -                                   | 126,308                        | 2,702                                                     | 125,714                        |
| Supplies                   | 2,450              | 1,909            | 1,904                  | -                                   | 1,904                          | 5                                                         | 3,049                          |
| Capital outlay             | -                  | 19,070           | 18,717                 | 351                                 | 19,068                         | 2                                                         | -                              |
| Other services and charges | 64,850             | 121,591          | 120,729                | -                                   | 120,729                        | 862                                                       | 123,689                        |
|                            | <u>226,560</u>     | <u>271,580</u>   | <u>267,658</u>         | <u>351</u>                          | <u>268,009</u>                 | <u>3,571</u>                                              | <u>252,452</u>                 |
| City Manager:              |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services         | 930,870            | 998,200          | 996,178                | -                                   | 996,178                        | 2,022                                                     | 912,611                        |
| Supplies                   | 2,400              | 6,930            | 5,859                  | -                                   | 5,859                          | 1,071                                                     | 12,545                         |
| Capital Outlay             | -                  | -                | -                      | -                                   | -                              | -                                                         | 13,800                         |
| Other services and charges | 312,570            | 288,580          | 160,806                | 46,722                              | 207,528                        | 81,052                                                    | 176,642                        |
|                            | <u>1,245,840</u>   | <u>1,293,710</u> | <u>1,162,843</u>       | <u>46,722</u>                       | <u>1,209,565</u>               | <u>84,145</u>                                             | <u>1,115,598</u>               |
| Animal Services:           |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services         | 966,750            | 793,690          | 793,673                | -                                   | 793,673                        | 17                                                        | 705,495                        |
| Supplies                   | 167,970            | 150,970          | 115,213                | 576                                 | 115,789                        | 35,181                                                    | 119,136                        |
| Maintenenance              | 7,870              | 14,620           | 14,380                 | -                                   | 14,380                         | 240                                                       | 6,496                          |
| Capital outlay             | -                  | 1,600            | 31,085                 | (29,500)                            | 1,585                          | 15                                                        | 30,166                         |
| Other services and charges | 199,240            | 346,600          | 339,781                | -                                   | 339,781                        | 6,819                                                     | 278,105                        |
|                            | <u>1,341,830</u>   | <u>1,307,480</u> | <u>1,294,132</u>       | <u>(28,924)</u>                     | <u>1,265,208</u>               | <u>42,272</u>                                             | <u>1,139,398</u>               |
| Legal:                     |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services         | 767,260            | 769,180          | 768,294                | -                                   | 768,294                        | 886                                                       | 665,325                        |
| Supplies                   | 14,500             | 15,500           | 15,096                 | -                                   | 15,096                         | 404                                                       | 13,324                         |
| Other services and charges | 33,620             | 30,320           | 22,477                 | -                                   | 22,477                         | 7,843                                                     | 35,737                         |
|                            | <u>815,380</u>     | <u>815,000</u>   | <u>805,867</u>         | <u>-</u>                            | <u>805,867</u>                 | <u>9,133</u>                                              | <u>714,386</u>                 |
| Emergency Management:      |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services         | 162,710            | 237,700          | 237,551                | -                                   | 237,551                        | 149                                                       | 162,890                        |
| Supplies                   | 1,260              | 1,260            | 1,131                  | -                                   | 1,131                          | 129                                                       | 1,147                          |
| Other services and charges | 20,080             | 34,530           | 31,799                 | -                                   | 31,799                         | 2,731                                                     | 21,568                         |
|                            | <u>184,050</u>     | <u>273,490</u>   | <u>270,481</u>         | <u>-</u>                            | <u>270,481</u>                 | <u>3,009</u>                                              | <u>185,605</u>                 |
| Convention Center:         |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services         | 772,580            | 733,300          | 673,626                | -                                   | 673,626                        | 59,674                                                    | 637,614                        |
| Supplies                   | 51,990             | 51,700           | 72,540                 | (24,370)                            | 48,170                         | 3,530                                                     | 72,067                         |
| Maintenenance              | 175,040            | 175,040          | 126,357                | 48,603                              | 174,960                        | 80                                                        | 176,228                        |
| Other services and charges | 314,090            | 301,850          | 292,505                | (9,982)                             | 282,523                        | 19,327                                                    | 330,363                        |
|                            | <u>1,313,700</u>   | <u>1,261,890</u> | <u>1,165,028</u>       | <u>14,251</u>                       | <u>1,179,279</u>               | <u>82,611</u>                                             | <u>1,216,272</u>               |
| Total General Government   | <u>5,212,310</u>   | <u>5,317,100</u> | <u>5,059,377</u>       | <u>32,400</u>                       | <u>5,091,777</u>               | <u>225,323</u>                                            | <u>4,854,132</u>               |

## Schedule of Expenditures - Budget and Actual - Budget Basis

Year Ended September 30, 2019

With comparative Totals for Year Ended September 30, 2018

|                            | 2019               |                 |                        |                                     |                                |                                                           | 2018                           |
|----------------------------|--------------------|-----------------|------------------------|-------------------------------------|--------------------------------|-----------------------------------------------------------|--------------------------------|
|                            | Original<br>Budget | Final<br>Budget | Actual -<br>GAAP Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) | Actual -<br>Budgetary<br>Basis |
| <b>HUMAN RESOURCES:</b>    |                    |                 |                        |                                     |                                |                                                           |                                |
| Human Resource Services:   |                    |                 |                        |                                     |                                |                                                           |                                |
| Personnel services         | \$ 966,990         | \$ 992,170      | \$ 971,851             | \$ -                                | \$ 971,851                     | \$ 20,319                                                 | \$ 889,026                     |
| Supplies                   | 43,440             | 61,590          | 51,674                 | -                                   | 51,674                         | 9,916                                                     | 51,882                         |
| Maintenance                | -                  | 850             | 823                    | -                                   | 823                            | 27                                                        | -                              |
| Other services and charges | 636,270            | 674,270         | 623,591                | 2,475                               | 626,066                        | 48,204                                                    | 660,915                        |
| Total Human Resources      | 1,646,700          | 1,728,880       | 1,647,939              | 2,475                               | 1,650,414                      | 78,466                                                    | 1,601,823                      |
| <b>FINANCE:</b>            |                    |                 |                        |                                     |                                |                                                           |                                |
| Finance Administration:    |                    |                 |                        |                                     |                                |                                                           |                                |
| Personnel services         | 686,390            | 704,620         | 703,023                | -                                   | 703,023                        | 1,597                                                     | 574,727                        |
| Supplies                   | 3,450              | 8,960           | 6,749                  | (959)                               | 5,790                          | 3,170                                                     | 4,099                          |
| Maintenance                | 1,830              | 1,830           | 1,795                  | -                                   | 1,795                          | 35                                                        | 1,689                          |
| Other services and charges | 163,560            | 163,560         | 158,066                | -                                   | 158,066                        | 5,494                                                     | 187,465                        |
|                            | 855,230            | 878,970         | 869,633                | (959)                               | 868,674                        | 10,296                                                    | 767,980                        |
| Accounting:                |                    |                 |                        |                                     |                                |                                                           |                                |
| Personnel services         | 382,420            | 368,710         | 363,451                | -                                   | 363,451                        | 5,259                                                     | 358,973                        |
| Supplies                   | 20,820             | 20,820          | 11,338                 | -                                   | 11,338                         | 9,482                                                     | 12,705                         |
| Maintenance                | 100                | 100             | 75                     | -                                   | 75                             | 25                                                        | -                              |
| Other services and charges | 35,200             | 44,200          | 33,812                 | -                                   | 33,812                         | 10,388                                                    | 30,939                         |
|                            | 438,540            | 433,830         | 408,676                | -                                   | 408,676                        | 25,154                                                    | 402,617                        |
| Purchasing:                |                    |                 |                        |                                     |                                |                                                           |                                |
| Personnel services         | 124,460            | 124,010         | 123,474                | -                                   | 123,474                        | 536                                                       | 120,122                        |
| Supplies                   | 1,000              | 1,000           | 640                    | -                                   | 640                            | 360                                                       | 645                            |
| Other services and charges | 8,540              | 8,540           | 919                    | -                                   | 919                            | 7,621                                                     | 2,996                          |
|                            | 134,000            | 133,550         | 125,033                | -                                   | 125,033                        | 8,517                                                     | 123,763                        |
| Custodial Services:        |                    |                 |                        |                                     |                                |                                                           |                                |
| Personnel services         | 795,610            | 784,690         | 761,682                | -                                   | 761,682                        | 23,008                                                    | 774,587                        |
| Supplies                   | 70,430             | 70,630          | 67,717                 | -                                   | 67,717                         | 2,913                                                     | 65,010                         |
| Maintenance                | 4,500              | 4,300           | 2,700                  | -                                   | 2,700                          | 1,600                                                     | 3,684                          |
| Other services and charges | 29,500             | 29,500          | 24,451                 | -                                   | 24,451                         | 5,049                                                     | 25,476                         |
|                            | 900,040            | 889,120         | 856,550                | -                                   | 856,550                        | 32,570                                                    | 868,757                        |
| Municipal Court:           |                    |                 |                        |                                     |                                |                                                           |                                |
| Personnel services         | 531,790            | 539,160         | 538,416                | -                                   | 538,416                        | 744                                                       | 508,376                        |
| Supplies                   | 18,020             | 20,220          | 19,925                 | -                                   | 19,925                         | 295                                                       | 20,272                         |
| Other services and charges | 91,610             | 94,410          | 93,741                 | -                                   | 93,741                         | 669                                                       | 63,505                         |
|                            | 641,420            | 653,790         | 652,082                | -                                   | 652,082                        | 1,708                                                     | 592,153                        |
| City Marshal:              |                    |                 |                        |                                     |                                |                                                           |                                |
| Personnel services         | 744,380            | 737,150         | 706,989                | -                                   | 706,989                        | 30,161                                                    | 710,837                        |
| Supplies                   | 18,730             | 18,730          | 9,939                  | 4,117                               | 14,056                         | 4,674                                                     | 24,227                         |
| Other services and charges | 126,960            | 126,960         | 114,125                | -                                   | 114,125                        | 12,835                                                    | 105,677                        |
|                            | 890,070            | 882,840         | 831,053                | 4,117                               | 835,170                        | 47,670                                                    | 840,741                        |

|                                           | 2019               |                  |                        |                                     |                                | 2018                                                      |                                |
|-------------------------------------------|--------------------|------------------|------------------------|-------------------------------------|--------------------------------|-----------------------------------------------------------|--------------------------------|
|                                           | Original<br>Budget | Final<br>Budget  | Actual -<br>GAAP Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) | Actual -<br>Budgetary<br>Basis |
| <b>FINANCE (CONT):</b>                    |                    |                  |                        |                                     |                                |                                                           |                                |
| General Special Services:                 |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services                        | \$ 908,120         | \$ 908,120       | \$ 908,120             | \$ -                                | \$ 908,120                     | \$ -                                                      | \$ 694,890                     |
| Maintenance                               | 1,770              | 3,640            | 3,229                  | -                                   | 3,229                          | 411                                                       | 1,484                          |
| Other services and charges                | 1,459,600          | 1,471,810        | 1,406,994              | (13,462)                            | 1,393,532                      | 78,278                                                    | 956,506                        |
|                                           | <u>2,369,490</u>   | <u>2,383,570</u> | <u>2,318,343</u>       | <u>(13,462)</u>                     | <u>2,304,881</u>               | <u>78,689</u>                                             | <u>1,652,880</u>               |
| Cypress Plaza:                            |                    |                  |                        |                                     |                                |                                                           |                                |
| Maintenance                               | 28,000             | -                | -                      | -                                   | -                              | -                                                         | 16,835                         |
| Other services and charges                | 14,360             | 9,280            | 344                    | -                                   | 344                            | 8,936                                                     | 12,568                         |
|                                           | <u>42,360</u>      | <u>9,280</u>     | <u>344</u>             | <u>-</u>                            | <u>344</u>                     | <u>8,936</u>                                              | <u>29,403</u>                  |
| Total Finance                             | <u>6,271,150</u>   | <u>6,264,950</u> | <u>6,061,714</u>       | <u>(10,304)</u>                     | <u>6,051,410</u>               | <u>213,540</u>                                            | <u>5,278,294</u>               |
| <b>PLANNING AND DEVELOPMENT SERVICES:</b> |                    |                  |                        |                                     |                                |                                                           |                                |
| Administration:                           |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services                        | 461,390            | 467,300          | 466,572                | -                                   | 466,572                        | 728                                                       | 262,477                        |
| Supplies                                  | 270                | 1,170            | 986                    | -                                   | 986                            | 184                                                       | 109                            |
| Other services and charges                | 18,990             | 18,090           | 16,806                 | -                                   | 16,806                         | 1,284                                                     | 98,166                         |
|                                           | <u>480,650</u>     | <u>486,560</u>   | <u>484,364</u>         | <u>-</u>                            | <u>484,364</u>                 | <u>2,196</u>                                              | <u>360,752</u>                 |
| Planning Services:                        |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services                        | 268,350            | 235,950          | 235,942                | -                                   | 235,942                        | 8                                                         | 252,363                        |
| Supplies                                  | 5,850              | 5,850            | 5,807                  | -                                   | 5,807                          | 43                                                        | 3,557                          |
| Other services and charges                | 17,670             | 18,170           | 16,763                 | -                                   | 16,763                         | 1,407                                                     | 24,611                         |
|                                           | <u>291,870</u>     | <u>259,970</u>   | <u>258,512</u>         | <u>-</u>                            | <u>258,512</u>                 | <u>1,458</u>                                              | <u>280,531</u>                 |
| Community Enhancement:                    |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services                        | 434,940            | 405,960          | 398,817                | -                                   | 398,817                        | 7,143                                                     | 402,745                        |
| Supplies                                  | 38,720             | 34,220           | 19,924                 | -                                   | 19,924                         | 14,296                                                    | 16,927                         |
| Other services and charges                | 221,220            | 228,220          | 222,996                | -                                   | 222,996                        | 5,224                                                     | 167,553                        |
|                                           | <u>694,880</u>     | <u>668,400</u>   | <u>641,737</u>         | <u>-</u>                            | <u>641,737</u>                 | <u>26,663</u>                                             | <u>587,225</u>                 |
| Building Inspection:                      |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services                        | 844,310            | 857,410          | 815,314                | -                                   | 815,314                        | 42,096                                                    | 798,657                        |
| Supplies                                  | 7,500              | 7,500            | 6,384                  | -                                   | 6,384                          | 1,116                                                     | 25,022                         |
| Capital Outlay                            | -                  | -                | -                      | -                                   | -                              | -                                                         | 9,160                          |
| Other services and charges                | 99,330             | 103,330          | 98,163                 | -                                   | 98,163                         | 5,167                                                     | 68,884                         |
|                                           | <u>951,140</u>     | <u>968,240</u>   | <u>919,861</u>         | <u>-</u>                            | <u>919,861</u>                 | <u>48,379</u>                                             | <u>901,723</u>                 |
| Total Planning and Development Services   | <u>2,418,540</u>   | <u>2,383,170</u> | <u>2,304,474</u>       | <u>-</u>                            | <u>2,304,474</u>               | <u>78,696</u>                                             | <u>2,130,231</u>               |

|                                           | 2019               |                  |                        |                                     |                                | 2018                                                      |                                |
|-------------------------------------------|--------------------|------------------|------------------------|-------------------------------------|--------------------------------|-----------------------------------------------------------|--------------------------------|
|                                           | Original<br>Budget | Final<br>Budget  | Actual -<br>GAAP Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) | Actual -<br>Budgetary<br>Basis |
| <b>PUBLIC WORKS:</b>                      |                    |                  |                        |                                     |                                |                                                           |                                |
| Administration:                           |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services                        | \$ 494,920         | \$ 495,880       | \$ 491,041             | \$ -                                | \$ 491,041                     | \$ 4,839                                                  | \$ 403,737                     |
| Supplies                                  | 1,480              | 1,580            | 1,521                  | -                                   | 1,521                          | 59                                                        | 1,230                          |
| Maintenance                               | 44,000             | 44,000           | 42,750                 | -                                   | 42,750                         | 1,250                                                     | 44,000                         |
| Other services and charges                | 134,040            | 166,440          | 185,864                | (20,001)                            | 165,863                        | 577                                                       | 181,154                        |
|                                           | <u>674,440</u>     | <u>707,900</u>   | <u>721,176</u>         | <u>(20,001)</u>                     | <u>701,175</u>                 | <u>6,725</u>                                              | <u>630,121</u>                 |
| Engineering:                              |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services                        | 380,440            | 331,640          | 329,946                | -                                   | 329,946                        | 1,694                                                     | 377,741                        |
| Supplies                                  | 4,430              | 6,430            | 6,391                  | -                                   | 6,391                          | 39                                                        | 2,835                          |
| Other services and charges                | 48,670             | 121,670          | 118,799                | -                                   | 118,799                        | 2,871                                                     | 24,854                         |
|                                           | <u>433,540</u>     | <u>459,740</u>   | <u>455,136</u>         | <u>-</u>                            | <u>455,136</u>                 | <u>4,604</u>                                              | <u>405,430</u>                 |
| Traffic Services:                         |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services                        | 917,690            | 889,510          | 882,269                | -                                   | 882,269                        | 7,241                                                     | 784,630                        |
| Supplies                                  | 19,030             | 15,230           | 14,993                 | -                                   | 14,993                         | 237                                                       | 18,313                         |
| Maintenance                               | 183,690            | 184,190          | 122,245                | 59,893                              | 182,138                        | 2,052                                                     | 229,079                        |
| Capital Outlay                            | -                  | 24,850           | 24,845                 | -                                   | 24,845                         | 5                                                         | -                              |
| Other services and charges                | 187,840            | 184,890          | 158,920                | 252                                 | 159,172                        | 25,718                                                    | 181,615                        |
|                                           | <u>1,308,250</u>   | <u>1,298,670</u> | <u>1,203,272</u>       | <u>60,145</u>                       | <u>1,263,417</u>               | <u>35,253</u>                                             | <u>1,213,637</u>               |
| Street Services:                          |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services                        | 2,094,550          | 1,945,100        | 1,773,916              | -                                   | 1,773,916                      | 171,184                                                   | 1,925,132                      |
| Supplies                                  | 67,760             | 68,240           | 45,291                 | -                                   | 45,291                         | 22,949                                                    | 50,548                         |
| Maintenance                               | 2,150              | 7,150            | 17,945                 | (16,903)                            | 1,042                          | 6,108                                                     | 755,774                        |
| Other services and charges                | 1,233,740          | 1,230,860        | 1,109,755              | -                                   | 1,109,755                      | 121,105                                                   | 1,151,721                      |
|                                           | <u>3,398,200</u>   | <u>3,251,350</u> | <u>2,946,907</u>       | <u>(16,903)</u>                     | <u>2,930,004</u>               | <u>321,346</u>                                            | <u>3,883,175</u>               |
| Street Lighting:                          |                    |                  |                        |                                     |                                |                                                           |                                |
| Maintenance                               | 22,530             | 22,530           | 22,147                 | -                                   | 22,147                         | 383                                                       | 16,475                         |
| Other services and charges                | 1,228,460          | 1,257,660        | 1,210,268              | 41,793                              | 1,252,061                      | 5,599                                                     | 1,214,863                      |
|                                           | <u>1,250,990</u>   | <u>1,280,190</u> | <u>1,232,415</u>       | <u>41,793</u>                       | <u>1,274,208</u>               | <u>5,982</u>                                              | <u>1,231,338</u>               |
| Total Public Works                        | <u>7,065,420</u>   | <u>6,997,850</u> | <u>6,558,906</u>       | <u>65,034</u>                       | <u>6,623,940</u>               | <u>373,910</u>                                            | <u>7,363,701</u>               |
| <b>FACILITIES / CAPITAL IMPROVEMENTS:</b> |                    |                  |                        |                                     |                                |                                                           |                                |
| Facilities and Capital Improvements:      |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services                        | 821,260            | 637,170          | 600,056                | -                                   | 600,056                        | 37,114                                                    | 780,201                        |
| Supplies                                  | 78,280             | 78,280           | 52,496                 | -                                   | 52,496                         | 25,784                                                    | 55,394                         |
| Maintenance                               | 605,530            | 586,530          | 440,585                | -                                   | 440,585                        | 145,945                                                   | 476,341                        |
| Other services and charges                | 212,830            | 267,790          | 225,945                | (4,190)                             | 221,755                        | 46,035                                                    | 376,608                        |
|                                           | <u>1,717,900</u>   | <u>1,569,770</u> | <u>1,319,082</u>       | <u>(4,190)</u>                      | <u>1,314,892</u>               | <u>254,878</u>                                            | <u>1,688,544</u>               |
| Information Technology:                   |                    |                  |                        |                                     |                                |                                                           |                                |
| Personnel services                        | 1,292,240          | 1,239,100        | 1,214,017              | -                                   | 1,214,017                      | 25,083                                                    | 1,282,090                      |
| Supplies                                  | 7,240              | 12,140           | 16,329                 | (4,225)                             | 12,104                         | 36                                                        | 7,879                          |
| Other services and charges                | 371,130            | 461,300          | 445,075                | -                                   | 445,075                        | 16,225                                                    | 328,410                        |
|                                           | <u>1,670,610</u>   | <u>1,712,540</u> | <u>1,675,421</u>       | <u>(4,225)</u>                      | <u>1,671,196</u>               | <u>41,344</u>                                             | <u>1,618,379</u>               |
| Total Facilities and Capital Improvements | <u>3,388,510</u>   | <u>3,282,310</u> | <u>2,994,503</u>       | <u>(8,415)</u>                      | <u>2,986,088</u>               | <u>296,222</u>                                            | <u>3,306,923</u>               |

|                            | 2019               |                   |                        |                                     |                                |                                                           | 2018                           |
|----------------------------|--------------------|-------------------|------------------------|-------------------------------------|--------------------------------|-----------------------------------------------------------|--------------------------------|
|                            | Original<br>Budget | Final<br>Budget   | Actual -<br>GAAP Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) | Actual -<br>Budgetary<br>Basis |
| <b>POLICE:</b>             |                    |                   |                        |                                     |                                |                                                           |                                |
| Police Administration:     |                    |                   |                        |                                     |                                |                                                           |                                |
| Personnel services         | \$ 1,241,220       | \$ 1,300,860      | \$ 1,255,184           | \$ -                                | \$ 1,255,184                   | \$ 45,676                                                 | \$ 1,182,674                   |
| Supplies                   | 8,300              | 12,080            | 11,047                 | -                                   | 11,047                         | 1,033                                                     | 5,141                          |
| Maintenance                | 7,000              | 7,000             | 5,313                  | -                                   | 5,313                          | 1,687                                                     | 1,088                          |
| Other services and charges | 645,020            | 622,460           | 538,728                | (3,156)                             | 535,572                        | 86,888                                                    | 525,415                        |
|                            | <u>1,901,540</u>   | <u>1,942,400</u>  | <u>1,810,272</u>       | <u>(3,156)</u>                      | <u>1,807,116</u>               | <u>135,284</u>                                            | <u>1,714,318</u>               |
| Police Training:           |                    |                   |                        |                                     |                                |                                                           |                                |
| Personnel services         | 442,140            | 436,020           | 435,852                | -                                   | 435,852                        | 168                                                       | 432,491                        |
| Supplies                   | 208,350            | 201,130           | 176,098                | 20,364                              | 196,462                        | 4,668                                                     | 206,312                        |
| Maintenance                | 1,110              | 1,110             | 657                    | -                                   | 657                            | 453                                                       | 798                            |
| Other services and charges | 88,720             | 74,370            | 72,905                 | -                                   | 72,905                         | 1,465                                                     | 41,833                         |
|                            | <u>740,320</u>     | <u>712,630</u>    | <u>685,512</u>         | <u>20,364</u>                       | <u>705,876</u>                 | <u>6,754</u>                                              | <u>681,434</u>                 |
| Patrol:                    |                    |                   |                        |                                     |                                |                                                           |                                |
| Personnel services         | 12,583,060         | 13,020,980        | 13,020,502             | -                                   | 13,020,502                     | 478                                                       | 12,744,494                     |
| Supplies                   | 184,670            | 194,170           | 176,867                | 15,179                              | 192,046                        | 2,124                                                     | 197,527                        |
| Maintenance                | 3,600              | 7,630             | 7,525                  | -                                   | 7,525                          | 105                                                       | 5,968                          |
| Other services and charges | 1,615,410          | 1,468,120         | 1,362,520              | 102,390                             | 1,464,910                      | 3,210                                                     | 1,376,605                      |
|                            | <u>14,386,740</u>  | <u>14,690,900</u> | <u>14,567,414</u>      | <u>117,569</u>                      | <u>14,684,983</u>              | <u>5,917</u>                                              | <u>14,324,594</u>              |
| Traffic:                   |                    |                   |                        |                                     |                                |                                                           |                                |
| Personnel services         | 1,130,150          | 1,086,790         | 1,086,735              | -                                   | 1,086,735                      | 55                                                        | 1,122,492                      |
| Supplies                   | 24,200             | 24,450            | 24,420                 | (1)                                 | 24,419                         | 31                                                        | 25,759                         |
| Maintenance                | 2,840              | 1,890             | 1,815                  | -                                   | 1,815                          | 75                                                        | -                              |
| Other services and charges | 330,120            | 371,120           | 364,650                | -                                   | 364,650                        | 6,470                                                     | 291,296                        |
|                            | <u>1,487,310</u>   | <u>1,484,250</u>  | <u>1,477,620</u>       | <u>(1)</u>                          | <u>1,477,619</u>               | <u>6,631</u>                                              | <u>1,439,547</u>               |
| Criminal Investigation:    |                    |                   |                        |                                     |                                |                                                           |                                |
| Personnel services         | 3,536,590          | 3,665,100         | 3,602,836              | -                                   | 3,602,836                      | 62,264                                                    | 3,456,588                      |
| Supplies                   | 24,560             | 27,410            | 27,667                 | (310)                               | 27,357                         | 53                                                        | 26,406                         |
| Other services and charges | 269,970            | 353,320           | 350,814                | -                                   | 350,814                        | 2,506                                                     | 347,457                        |
|                            | <u>3,831,120</u>   | <u>4,045,830</u>  | <u>3,981,317</u>       | <u>(310)</u>                        | <u>3,981,007</u>               | <u>64,823</u>                                             | <u>3,830,451</u>               |
| Communication:             |                    |                   |                        |                                     |                                |                                                           |                                |
| Personnel services         | 1,952,710          | 2,120,720         | 2,080,747              | -                                   | 2,080,747                      | 39,973                                                    | 1,960,382                      |
| Supplies                   | 12,330             | 10,470            | 4,778                  | -                                   | 4,778                          | 5,692                                                     | 11,693                         |
| Maintenance                | 3,600              | 3,600             | 0                      | -                                   | -                              | 3,600                                                     | 3,019                          |
| Other services and charges | 147,660            | 148,000           | 143,560                | -                                   | 143,560                        | 4,440                                                     | 87,922                         |
|                            | <u>2,116,300</u>   | <u>2,282,790</u>  | <u>2,229,085</u>       | <u>-</u>                            | <u>2,229,085</u>               | <u>53,705</u>                                             | <u>2,063,016</u>               |
| Records/ID:                |                    |                   |                        |                                     |                                |                                                           |                                |
| Personnel services         | 657,770            | 645,330           | 618,180                | -                                   | 618,180                        | 27,150                                                    | 620,062                        |
| Supplies                   | 30,090             | 36,340            | 35,336                 | (1)                                 | 35,335                         | 1,005                                                     | 30,777                         |
| Maintenance                | 1,000              | 2,000             | -                      | -                                   | -                              | 2,000                                                     | -                              |
| Other services and charges | 45,420             | 48,520            | 46,798                 | -                                   | 46,798                         | 1,722                                                     | 21,249                         |
|                            | <u>734,280</u>     | <u>732,190</u>    | <u>700,314</u>         | <u>(1)</u>                          | <u>700,313</u>                 | <u>31,877</u>                                             | <u>672,088</u>                 |

**CITY OF ABILENE, TEXAS**  
**General Fund**  
**Schedule of Expenditures - Budget and Actual - Budget Basis**  
**Year Ended September 30, 2019**

**Exhibit D-4**  
**Page 6**

With comparative Totals for Year Ended September 30, 2018

|                            | 2019               |                   |                        |                                     |                                |                                                           | 2018                           |
|----------------------------|--------------------|-------------------|------------------------|-------------------------------------|--------------------------------|-----------------------------------------------------------|--------------------------------|
|                            | Original<br>Budget | Final<br>Budget   | Actual -<br>GAAP Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) | Actual -<br>Budgetary<br>Basis |
| <b>POLICE (CONT):</b>      |                    |                   |                        |                                     |                                |                                                           |                                |
| Youth:                     |                    |                   |                        |                                     |                                |                                                           |                                |
| Personnel services         | \$ 1,677,480       | \$ 1,704,100      | \$ 1,689,426           | \$ -                                | \$ 1,689,426                   | \$ 14,674                                                 | \$ 1,600,221                   |
| Supplies                   | 9,010              | 10,010            | 9,011                  | -                                   | 9,011                          | 999                                                       | 8,260                          |
| Maintenance                | 2,590              | 3,090             | 2,965                  | -                                   | 2,965                          | 125                                                       | 2,985                          |
| Other services and charges | 72,830             | 73,580            | 71,562                 | -                                   | 71,562                         | 2,018                                                     | 84,022                         |
|                            | <u>1,761,910</u>   | <u>1,790,780</u>  | <u>1,772,964</u>       | <u>-</u>                            | <u>1,772,964</u>               | <u>17,816</u>                                             | <u>1,695,488</u>               |
| Responsive Intelligence:   |                    |                   |                        |                                     |                                |                                                           |                                |
| Personnel services         | -                  | -                 | -                      | -                                   | -                              | -                                                         | 600,585                        |
| Supplies                   | -                  | -                 | -                      | -                                   | -                              | -                                                         | 4,044                          |
| Other services and charges | -                  | -                 | -                      | -                                   | -                              | -                                                         | 38,338                         |
|                            | <u>-</u>           | <u>-</u>          | <u>-</u>               | <u>-</u>                            | <u>-</u>                       | <u>-</u>                                                  | <u>642,967</u>                 |
| Special Operations:        |                    |                   |                        |                                     |                                |                                                           |                                |
| Personnel services         | 1,845,760          | 1,729,760         | 1,728,870              | -                                   | 1,728,870                      | 890                                                       | 1,111,948                      |
| Supplies                   | 51,860             | 37,360            | 35,135                 | (280)                               | 34,855                         | 2,505                                                     | 29,754                         |
| Maintenance                | 3,000              | 3,000             | 1,048                  | -                                   | 1,048                          | 1,952                                                     | 377                            |
| Other services and charges | 170,910            | 144,410           | 139,214                | -                                   | 139,214                        | 5,196                                                     | 107,596                        |
|                            | <u>2,071,530</u>   | <u>1,914,530</u>  | <u>1,904,267</u>       | <u>(280)</u>                        | <u>1,903,987</u>               | <u>10,543</u>                                             | <u>1,249,675</u>               |
| Total Police               | <u>29,031,050</u>  | <u>29,596,300</u> | <u>29,128,765</u>      | <u>134,185</u>                      | <u>29,262,950</u>              | <u>333,350</u>                                            | <u>28,313,578</u>              |
| <b>FIRE:</b>               |                    |                   |                        |                                     |                                |                                                           |                                |
| Fire Administration:       |                    |                   |                        |                                     |                                |                                                           |                                |
| Personnel services         | 222,110            | 229,080           | 228,709                | -                                   | 228,709                        | 371                                                       | 272,379                        |
| Supplies                   | 1,660              | 1,660             | 1,479                  | -                                   | 1,479                          | 181                                                       | 1,068                          |
| Other services and charges | 152,070            | 151,070           | 149,693                | -                                   | 149,693                        | 1,377                                                     | 156,163                        |
|                            | <u>375,840</u>     | <u>381,810</u>    | <u>379,881</u>         | <u>-</u>                            | <u>379,881</u>                 | <u>1,929</u>                                              | <u>429,610</u>                 |
| Support Services:          |                    |                   |                        |                                     |                                |                                                           |                                |
| Personnel services         | 2,446,140          | 2,218,680         | 2,183,889              | -                                   | 2,183,889                      | 34,791                                                    | 2,132,810                      |
| Supplies                   | 305,350            | 392,650           | 358,654                | 12,715                              | 371,369                        | 21,281                                                    | 334,550                        |
| Maintenance                | 280,530            | 286,130           | 258,767                | 7                                   | 258,774                        | 27,356                                                    | 255,850                        |
| Capital Outlay             | -                  | -                 | 13,298                 | (13,298)                            | -                              | -                                                         | -                              |
| Other services and charges | 307,010            | 295,980           | 268,754                | 22,933                              | 291,687                        | 4,293                                                     | 261,125                        |
|                            | <u>3,339,030</u>   | <u>3,193,440</u>  | <u>3,083,362</u>       | <u>22,357</u>                       | <u>3,105,719</u>               | <u>87,721</u>                                             | <u>2,984,335</u>               |
| Emergency Services:        |                    |                   |                        |                                     |                                |                                                           |                                |
| Personnel services         | 16,755,860         | 16,697,830        | 16,670,653             | -                                   | 16,670,653                     | 27,177                                                    | 15,769,514                     |
| Supplies                   | 227,310            | 205,710           | 190,830                | 14,199                              | 205,029                        | 681                                                       | 218,970                        |
| Capital outlay             | -                  | -                 | -                      | -                                   | -                              | -                                                         | 48,650                         |
| Other services and charges | 478,250            | 523,500           | 522,504                | -                                   | 522,504                        | 996                                                       | 403,960                        |
|                            | <u>17,461,420</u>  | <u>17,427,040</u> | <u>17,383,987</u>      | <u>14,199</u>                       | <u>17,398,186</u>              | <u>28,854</u>                                             | <u>16,441,094</u>              |
| Total Fire                 | <u>21,176,290</u>  | <u>21,002,290</u> | <u>20,847,230</u>      | <u>36,556</u>                       | <u>20,883,786</u>              | <u>118,504</u>                                            | <u>19,855,039</u>              |

**CITY OF ABILENE, TEXAS**  
**General Fund**  
**Schedule of Expenditures - Budget and Actual - Budget Basis**  
**Year Ended September 30, 2019**

**Exhibit D-4**  
**Page 7**

With comparative Totals for Year Ended September 30, 2018

|                                    | 2019               |                 |                        |                                     |                                |                                                           | 2018                           |
|------------------------------------|--------------------|-----------------|------------------------|-------------------------------------|--------------------------------|-----------------------------------------------------------|--------------------------------|
|                                    | Original<br>Budget | Final<br>Budget | Actual -<br>GAAP Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) | Actual -<br>Budgetary<br>Basis |
| <b>TRANSPORTATION SERVICES:</b>    |                    |                 |                        |                                     |                                |                                                           |                                |
| Airport:                           |                    |                 |                        |                                     |                                |                                                           |                                |
| Personnel services                 | \$ 1,411,730       | \$ 1,403,360    | \$ 1,375,148           | \$ -                                | \$ 1,375,148                   | \$ 28,212                                                 | \$ 1,363,610                   |
| Supplies                           | 56,990             | 52,990          | 40,869                 | -                                   | 40,869                         | 12,121                                                    | 35,385                         |
| Maintenance                        | 54,880             | 80,180          | 58,573                 | 20,815                              | 79,388                         | 792                                                       | 51,528                         |
| Other services and charges         | 629,160            | 591,300         | 515,987                | 301                                 | 516,288                        | 75,012                                                    | 634,545                        |
|                                    |                    |                 |                        |                                     |                                |                                                           |                                |
| Total Transportation Services      | 2,152,760          | 2,127,830       | 1,990,577              | 21,116                              | 2,011,693                      | 116,137                                                   | 2,085,068                      |
|                                    |                    |                 |                        |                                     |                                |                                                           |                                |
| <b>COMMUNITY SERVICES:</b>         |                    |                 |                        |                                     |                                |                                                           |                                |
| Community Services Administration: |                    |                 |                        |                                     |                                |                                                           |                                |
| Personnel services                 | 364,210            | 378,290         | 378,224                | -                                   | 378,224                        | 66                                                        | 346,185                        |
| Supplies                           | 5,210              | 3,210           | 3,144                  | -                                   | 3,144                          | 66                                                        | 584                            |
| Maintenance                        | 4,790              | 3,790           | 3,678                  | -                                   | 3,678                          | 112                                                       | -                              |
| Other services and charges         | 8,050              | 8,050           | 7,662                  | -                                   | 7,662                          | 388                                                       | 22,522                         |
|                                    | 382,260            | 393,340         | 392,708                | -                                   | 392,708                        | 632                                                       | 369,291                        |
|                                    |                    |                 |                        |                                     |                                |                                                           |                                |
| Parks:                             |                    |                 |                        |                                     |                                |                                                           |                                |
| Personnel services                 | 1,515,710          | 1,524,570       | 1,521,875              | -                                   | 1,521,875                      | 2,695                                                     | 1,379,574                      |
| Supplies                           | 97,080             | 80,480          | 80,855                 | (781)                               | 80,074                         | 406                                                       | 67,228                         |
| Maintenance                        | 186,000            | 200,600         | 177,887                | 22,131                              | 200,018                        | 582                                                       | 183,796                        |
| Other services and charges         | 1,127,380          | 1,106,140       | 1,103,995              | -                                   | 1,103,995                      | 2,145                                                     | 1,115,284                      |
|                                    | 2,926,170          | 2,911,790       | 2,884,612              | 21,350                              | 2,905,962                      | 5,828                                                     | 2,745,882                      |
|                                    |                    |                 |                        |                                     |                                |                                                           |                                |
| Zoological Gardens:                |                    |                 |                        |                                     |                                |                                                           |                                |
| Personnel services                 | 2,612,400          | 2,518,630       | 2,518,554              | -                                   | 2,518,554                      | 76                                                        | 2,246,595                      |
| Supplies                           | 215,140            | 204,940         | 204,865                | -                                   | 204,865                        | 75                                                        | 273,279                        |
| Maintenenace                       | 72,260             | 69,760          | 70,191                 | (1,100)                             | 69,091                         | 669                                                       | 60,257                         |
| Other services and charges         | 313,580            | 388,880         | 388,252                | -                                   | 388,252                        | 628                                                       | 302,194                        |
|                                    | 3,213,380          | 3,182,210       | 3,181,862              | (1,100)                             | 3,180,762                      | 1,448                                                     | 2,882,325                      |
|                                    |                    |                 |                        |                                     |                                |                                                           |                                |
| Recreation:                        |                    |                 |                        |                                     |                                |                                                           |                                |
| Personnel services                 | 1,511,890          | 1,453,290       | 1,410,788              | -                                   | 1,410,788                      | 42,502                                                    | 1,366,986                      |
| Supplies                           | 313,260            | 327,560         | 313,617                | (8,489)                             | 305,128                        | 22,432                                                    | 291,107                        |
| Maintenance                        | 91,550             | 147,550         | 158,487                | (17,754)                            | 140,733                        | 6,817                                                     | 67,396                         |
| Other services and charges         | 465,310            | 472,710         | 453,294                | 5,400                               | 458,694                        | 14,016                                                    | 414,468                        |
|                                    | 2,382,010          | 2,401,110       | 2,336,186              | (20,843)                            | 2,315,343                      | 85,767                                                    | 2,139,957                      |
|                                    |                    |                 |                        |                                     |                                |                                                           |                                |
| Library:                           |                    |                 |                        |                                     |                                |                                                           |                                |
| Personnel services                 | 1,716,010          | 1,737,480       | 1,719,358              | -                                   | 1,719,358                      | 18,122                                                    | 1,621,017                      |
| Supplies                           | 616,060            | 639,560         | 634,865                | 3,099                               | 637,964                        | 1,596                                                     | 551,656                        |
| Maintenance                        | 35,700             | 33,700          | 32,674                 | -                                   | 32,674                         | 1,026                                                     | 29,945                         |
| Other services and charges         | 646,550            | 644,350         | 641,499                | 1,480                               | 642,979                        | 1,371                                                     | 575,277                        |
|                                    | 3,014,320          | 3,055,090       | 3,028,396              | 4,579                               | 3,032,975                      | 22,115                                                    | 2,777,895                      |

|                                   | 2019                 |                      |                        |                                     |                                |                                                           | 2018                           |
|-----------------------------------|----------------------|----------------------|------------------------|-------------------------------------|--------------------------------|-----------------------------------------------------------|--------------------------------|
|                                   | Original<br>Budget   | Final<br>Budget      | Actual -<br>GAAP Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) | Actual -<br>Budgetary<br>Basis |
| <b>COMMUNITY SERVICES (CONT):</b> |                      |                      |                        |                                     |                                |                                                           |                                |
| Senior Services:                  |                      |                      |                        |                                     |                                |                                                           |                                |
| Personnel services                | \$ 449,290           | \$ 436,780           | \$ 427,307             | \$ -                                | \$ 427,307                     | \$ 9,473                                                  | \$ 424,585                     |
| Supplies                          | 289,270              | 306,680              | 294,335                | -                                   | 294,335                        | 12,345                                                    | 293,259                        |
| Maintenance                       | 19,380               | 9,970                | 9,375                  | -                                   | 9,375                          | 595                                                       | 12,383                         |
| Other services and charges        | 172,400              | 177,400              | 162,344                | -                                   | 162,344                        | 15,056                                                    | 164,398                        |
|                                   | <u>930,340</u>       | <u>930,830</u>       | <u>893,361</u>         | <u>-</u>                            | <u>893,361</u>                 | <u>37,469</u>                                             | <u>894,625</u>                 |
| Call for Help:                    |                      |                      |                        |                                     |                                |                                                           |                                |
| Personnel services                | 52,460               | 52,600               | 52,488                 | -                                   | 52,488                         | 112                                                       | 51,108                         |
| Other services and charges        | 90,900               | 90,750               | 83,325                 | -                                   | 83,325                         | 7,425                                                     | 90,900                         |
|                                   | <u>143,360</u>       | <u>143,350</u>       | <u>135,813</u>         | <u>-</u>                            | <u>135,813</u>                 | <u>7,537</u>                                              | <u>142,008</u>                 |
| Total Community Services          | <u>12,991,840</u>    | <u>13,017,720</u>    | <u>12,852,938</u>      | <u>3,986</u>                        | <u>12,856,924</u>              | <u>160,796</u>                                            | <u>11,951,983</u>              |
| <b>TOTAL EXPENDITURES</b>         | <u>\$ 91,354,570</u> | <u>\$ 91,718,400</u> | <u>\$ 89,446,423</u>   | <u>\$ 277,033</u>                   | <u>\$ 89,723,456</u>           | <u>\$ 1,994,944</u>                                       | <u>\$ 86,740,772</u>           |



CITY OF ABILENE, TEXAS  
Schedule of Delinquent Taxes Receivable - General Fund  
September 30, 2019  
With Comparative Totals for September 30, 2018

Exhibit D-5

| <u>Roll Year</u>                          | <u>General Fund</u> |                   |
|-------------------------------------------|---------------------|-------------------|
|                                           | <u>2019</u>         | <u>2018</u>       |
| 2009 and prior                            | \$ 77,565           | \$ 83,192         |
| 2010                                      | 31,321              | 32,151            |
| 2011                                      | 33,678              | 35,079            |
| 2012                                      | 33,252              | 35,882            |
| 2013                                      | 41,850              | 47,604            |
| 2014                                      | 46,811              | 59,244            |
| 2015                                      | 54,826              | 72,372            |
| 2016                                      | 84,335              | 156,582           |
| 2017                                      | 161,865             | 557,676           |
| 2018                                      | <u>554,793</u>      | <u>-</u>          |
| Total delinquent taxes receivable         | 1,120,296           | 1,079,782         |
| Less: Allowance for uncollectible amounts | <u>(158,939)</u>    | <u>(148,322)</u>  |
| Delinquent taxes receivable, net          | <u>\$ 961,357</u>   | <u>\$ 931,460</u> |

CITY OF ABILENE, TEXAS  
Community Development Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
Year Ended September 30, 2019

Exhibit D-6

|                                                           | Budgeted Amounts |            | Actual Amounts       |                                     |                                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-----------------------------------------------------------|------------------|------------|----------------------|-------------------------------------|--------------------------------|----------------------------------------------------------|
|                                                           | Original         | Final      | Actual GAAP<br>Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis |                                                          |
| <b>REVENUES:</b>                                          |                  |            |                      |                                     |                                |                                                          |
| Intergovernmental revenues                                | \$ 899,260       | \$ 899,260 | \$ 682,764           | \$ -                                | \$ 682,764                     | \$ (216,496)                                             |
| Miscellaneous                                             | 500              | 500        | 2,660                | -                                   | 2,660                          | 2,160                                                    |
| Total Revenue                                             | 899,760          | 899,760    | 685,424              | -                                   | 685,424                        | (214,336)                                                |
| <b>EXPENDITURES:</b>                                      |                  |            |                      |                                     |                                |                                                          |
| Current:                                                  |                  |            |                      |                                     |                                |                                                          |
| Planning and Development Services                         | 854,760          | 854,760    | 597,258              | -                                   | 597,258                        | 257,502                                                  |
| Total Expenditures                                        | 854,760          | 854,760    | 597,258              | -                                   | 597,258                        | 257,502                                                  |
| <b>EXCESS (DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b> | 45,000           | 45,000     | 88,166               | -                                   | 88,166                         | 43,166                                                   |
| <b>OTHER FINANCING SOURCES (USES):</b>                    |                  |            |                      |                                     |                                |                                                          |
| Transfer out                                              | (45,000)         | (45,000)   | (88,200)             | -                                   | (88,200)                       | (43,200)                                                 |
| Total Other Financing Sources (Uses)                      | (45,000)         | (45,000)   | (88,200)             | -                                   | (88,200)                       | (43,200)                                                 |
| <b>NET CHANGE IN FUND BALANCE</b>                         | -                | -          | (34)                 | -                                   | (34)                           | (34)                                                     |
| <b>FUND BALANCE BEGINNING OF YEAR</b>                     | 3,658            | 3,658      | 3,658                | -                                   | 3,658                          | -                                                        |
| <b>FUND BALANCE AT END OF YEAR</b>                        | \$ 3,658         | \$ 3,658   | \$ 3,624             | \$ -                                | \$ 3,624                       | \$ (34)                                                  |

## Home Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance

## Budget and Actual - Budgetary Basis

Year Ended September 30, 2019

|                                                           | Budgeted Amounts |            | Actual Amounts       |                                     |                                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-----------------------------------------------------------|------------------|------------|----------------------|-------------------------------------|--------------------------------|----------------------------------------------------------|
|                                                           | Original         | Final      | Actual GAAP<br>Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis |                                                          |
| <b>REVENUES:</b>                                          |                  |            |                      |                                     |                                |                                                          |
| Intergovernmental revenues                                | \$ 457,320       | \$ 457,320 | \$ 327,734           | \$ -                                | \$ 327,734                     | \$ (129,586)                                             |
| Total Revenue                                             | 457,320          | 457,320    | 327,734              | -                                   | 327,734                        | (129,586)                                                |
| <b>EXPENDITURES:</b>                                      |                  |            |                      |                                     |                                |                                                          |
| Current:                                                  |                  |            |                      |                                     |                                |                                                          |
| Planning and Development Services                         | 457,320          | 457,320    | 346,170              | -                                   | 346,170                        | 111,150                                                  |
| Total Expenditures                                        | 457,320          | 457,320    | 346,170              | -                                   | 346,170                        | 111,150                                                  |
| <b>EXCESS (DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b> | -                | -          | (18,436)             | -                                   | (18,436)                       | (18,436)                                                 |
| <b>FUND BALANCE BEGINNING OF YEAR</b>                     | 18,964           | 18,964     | 18,964               | -                                   | 18,964                         | -                                                        |
| <b>FUND BALANCE AT END OF YEAR</b>                        | \$ 18,964        | \$ 18,964  | \$ 528               | \$ -                                | \$ 528                         | \$ (18,436)                                              |

CITY OF ABILENE, TEXAS  
Health Services Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
Year Ended September 30, 2019

Exhibit D-8

|                                                           | Budgeted Amounts |            | Actual Amounts       |                                     |                                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-----------------------------------------------------------|------------------|------------|----------------------|-------------------------------------|--------------------------------|----------------------------------------------------------|
|                                                           | Original         | Final      | Actual GAAP<br>Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis |                                                          |
| <b>REVENUES:</b>                                          |                  |            |                      |                                     |                                |                                                          |
| Licenses and permits                                      | \$ 143,260       | \$ 152,000 | \$ 164,810           | \$ -                                | \$ 164,810                     | \$ 12,810                                                |
| Charges for services                                      | 601,870          | 558,520    | 559,421              | -                                   | 559,421                        | 901                                                      |
| Intergovernmental revenues                                | 571,390          | 596,330    | 529,694              | -                                   | 529,694                        | (66,636)                                                 |
| Miscellaneous                                             | 247,910          | 319,400    | 281,439              | -                                   | 281,439                        | (37,961)                                                 |
| Total Revenue                                             | 1,564,430        | 1,626,250  | 1,535,364            | -                                   | 1,535,364                      | (90,886)                                                 |
| <b>EXPENDITURES:</b>                                      |                  |            |                      |                                     |                                |                                                          |
| Current:                                                  |                  |            |                      |                                     |                                |                                                          |
| Health                                                    | 2,567,600        | 2,469,610  | 2,376,493            | (5,766)                             | 2,370,727                      | 98,883                                                   |
| Total Expenditures                                        | 2,567,600        | 2,469,610  | 2,376,493            | (5,766)                             | 2,370,727                      | 98,883                                                   |
| <b>EXCESS (DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b> | (1,003,170)      | (843,360)  | (841,129)            | 5,766                               | (835,363)                      | 7,997                                                    |
| <b>OTHER FINANCING SOURCES (USES):</b>                    |                  |            |                      |                                     |                                |                                                          |
| Transfer In                                               | 1,357,900        | 1,057,900  | 813,755              | -                                   | 813,755                        | (244,145)                                                |
| Total Other Financing Sources (Uses)                      | 1,357,900        | 1,057,900  | 813,755              | -                                   | 813,755                        | (244,145)                                                |
| <b>NET CHANGE IN FUND BALANCE</b>                         | 354,730          | 214,540    | (27,374)             | 5,766                               | (21,608)                       | (236,148)                                                |
| <b>FUND BALANCE BEGINNING OF YEAR</b>                     | 441,436          | 441,436    | 441,436              | -                                   | 441,436                        | -                                                        |
| <b>FUND BALANCE AT END OF YEAR</b>                        | \$ 796,166       | \$ 655,976 | \$ 414,062           | \$ 5,766                            | \$ 419,828                     | \$ (236,148)                                             |

CITY OF ABILENE, TEXAS  
Health Grants Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
Year Ended September 30, 2019

Exhibit D-9

|                                                           | Budgeted Amounts    |                     | Actual Amounts       |                                     |                                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-----------------------------------------------------------|---------------------|---------------------|----------------------|-------------------------------------|--------------------------------|----------------------------------------------------------|
|                                                           | Original            | Final               | Actual GAAP<br>Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis |                                                          |
| <b>REVENUES:</b>                                          |                     |                     |                      |                                     |                                |                                                          |
| Charges for services                                      | \$ 65,870           | \$ 54,010           | \$ 62,144            | \$ -                                | \$ 62,144                      | \$ 8,134                                                 |
| Intergovernmental revenues                                | 1,760,850           | 1,857,100           | 1,762,018            | -                                   | 1,762,018                      | (95,082)                                                 |
| Total Revenue                                             | 1,826,720           | 1,911,110           | 1,824,162            | -                                   | 1,824,162                      | (86,948)                                                 |
| <b>EXPENDITURES:</b>                                      |                     |                     |                      |                                     |                                |                                                          |
| Current:                                                  |                     |                     |                      |                                     |                                |                                                          |
| Health                                                    | 2,171,350           | 2,194,260           | 2,047,037            | 52,130                              | 2,099,167                      | 95,093                                                   |
| Total Expenditures                                        | 2,171,350           | 2,194,260           | 2,047,037            | 52,130                              | 2,099,167                      | 95,093                                                   |
| <b>EXCESS (DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b> | (344,630)           | (283,150)           | (222,875)            | (52,130)                            | (275,005)                      | 8,145                                                    |
| <b>OTHER FINANCING SOURCES (USES):</b>                    |                     |                     |                      |                                     |                                |                                                          |
| Transfer In                                               | -                   | -                   | 244,145              | -                                   | 244,145                        | 244,145                                                  |
| Total Other Financing Sources (Uses)                      | -                   | -                   | 244,145              | -                                   | 244,145                        | 244,145                                                  |
| <b>NET CHANGE IN FUND BALANCE</b>                         | (344,630)           | (283,150)           | 21,270               | (52,130)                            | (30,860)                       | 252,290                                                  |
| <b>FUND BALANCE BEGINNING OF YEAR</b>                     | -                   | -                   | -                    | -                                   | -                              | -                                                        |
| <b>FUND BALANCE AT END OF YEAR</b>                        | <u>\$ (344,630)</u> | <u>\$ (283,150)</u> | <u>\$ 21,270</u>     | <u>\$ (52,130)</u>                  | <u>\$ (30,860)</u>             | <u>\$ 252,290</u>                                        |

CITY OF ABILENE, TEXAS  
Federal Highway Administration Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
Year Ended September 30, 2019

Exhibit D-10

|                                                           | Budgeted Amounts |             | Actual Amounts       |                                     |                                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-----------------------------------------------------------|------------------|-------------|----------------------|-------------------------------------|--------------------------------|----------------------------------------------------------|
|                                                           | Original         | Final       | Actual GAAP<br>Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis |                                                          |
| <b>REVENUES:</b>                                          |                  |             |                      |                                     |                                |                                                          |
| Intergovernmental revenues                                | \$ 253,080       | \$ 328,570  | \$ 272,063           | \$ -                                | \$ 272,063                     | \$ (56,507)                                              |
| Total Revenue                                             | 253,080          | 328,570     | 272,063              | -                                   | 272,063                        | (56,507)                                                 |
| <b>EXPENDITURES:</b>                                      |                  |             |                      |                                     |                                |                                                          |
| Current:                                                  |                  |             |                      |                                     |                                |                                                          |
| Public Works                                              | 253,080          | 328,570     | 272,062              | 38,225                              | 310,287                        | 18,283                                                   |
| Total Expenditures                                        | 253,080          | 328,570     | 272,062              | 38,225                              | 310,287                        | 18,283                                                   |
| <b>EXCESS (DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b> | -                | -           | 1                    | (38,225)                            | (38,224)                       | (38,224)                                                 |
| <b>OTHER FINANCING SOURCES (USES):</b>                    |                  |             |                      |                                     |                                |                                                          |
| Transfer In                                               | -                | 620         | 619                  | -                                   | 619                            | (1)                                                      |
| Total Other Financing Sources (Uses)                      | -                | 620         | 619                  | -                                   | 619                            | (1)                                                      |
| <b>NET CHANGE IN FUND BALANCE</b>                         | -                | 620         | 620                  | (38,225)                            | (37,605)                       | (38,225)                                                 |
| <b>FUND BALANCE BEGINNING OF YEAR</b>                     | (618)            | (618)       | (618)                | -                                   | (618)                          | -                                                        |
| <b>FUND BALANCE AT END OF YEAR</b>                        | <u>\$ (618)</u>  | <u>\$ 2</u> | <u>\$ 2</u>          | <u>\$ (38,225)</u>                  | <u>\$ (38,223)</u>             | <u>\$ (38,225)</u>                                       |

CITY OF ABILENE, TEXAS  
Court Funds  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
Year Ended September 30, 2019

Exhibit D-11

|                                                                   | Budgeted Amounts  |                   | Actual Amounts       |                                     |                                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------------------------------|-------------------|-------------------|----------------------|-------------------------------------|--------------------------------|----------------------------------------------------------|
|                                                                   | Original          | Final             | Actual GAAP<br>Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis |                                                          |
| <b>REVENUES:</b>                                                  |                   |                   |                      |                                     |                                |                                                          |
| Fines and forfeitures                                             | \$ 84,710         | \$ 84,710         | \$ 83,643            | \$ -                                | 83,643                         | \$ (1,067)                                               |
| Investment earnings net of change in<br>fair value of investments | -                 | -                 | 7,067                | -                                   | 7,067                          | 7,067                                                    |
| Total Revenue                                                     | 84,710            | 84,710            | 90,710               | -                                   | 90,710                         | 6,000                                                    |
| <b>EXPENDITURES:</b>                                              |                   |                   |                      |                                     |                                |                                                          |
| Current:                                                          |                   |                   |                      |                                     |                                |                                                          |
| Finance                                                           | -                 | 15,000            | 2,413                | 2,500                               | 4,913                          | 10,087                                                   |
| Total Expenditures                                                | -                 | 15,000            | 2,413                | 2,500                               | 4,913                          | 10,087                                                   |
| <b>EXCESS (DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b>         | 84,710            | 69,710            | 88,297               | (2,500)                             | 85,797                         | 16,087                                                   |
| <b>OTHER FINANCING SOURCES (USES):</b>                            |                   |                   |                      |                                     |                                |                                                          |
| Transfer Out                                                      | -                 | (772,590)         | (772,590)            | -                                   | (772,590)                      | -                                                        |
| Total Other Financing Sources (Uses)                              | -                 | (772,590)         | (772,590)            | -                                   | (772,590)                      | -                                                        |
| <b>NET CHANGE IN FUND BALANCE</b>                                 | 84,710            | (702,880)         | (684,293)            | (2,500)                             | (686,793)                      | 16,087                                                   |
| <b>FUND BALANCE BEGINNING OF YEAR</b>                             | 914,063           | 914,063           | 914,063              | -                                   | 914,063                        | -                                                        |
| <b>FUND BALANCE AT END OF YEAR</b>                                | <u>\$ 998,773</u> | <u>\$ 211,183</u> | <u>\$ 229,770</u>    | <u>\$ (2,500)</u>                   | <u>\$ 227,270</u>              | <u>\$ 16,087</u>                                         |

CITY OF ABILENE, TEXAS  
Seized Funds  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
Year Ended September 30, 2019

Exhibit D-12

|                                                                   | Budgeted Amounts |            | Actual Amounts       |                                     |                                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------------------------------|------------------|------------|----------------------|-------------------------------------|--------------------------------|----------------------------------------------------------|
|                                                                   | Original         | Final      | Actual GAAP<br>Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis |                                                          |
| <b>REVENUES:</b>                                                  |                  |            |                      |                                     |                                |                                                          |
| Fines and forfeitures                                             | \$ 119,000       | \$ 256,160 | \$ 39,093            | \$ -                                | \$ 39,093                      | \$ (217,067)                                             |
| Investment earnings net of change in<br>fair value of investments | -                | -          | 5,915                | -                                   | 5,915                          | 5,915                                                    |
| Total Revenue                                                     | 119,000          | 256,160    | 45,008               | -                                   | 45,008                         | (211,152)                                                |
| <b>EXPENDITURES:</b>                                              |                  |            |                      |                                     |                                |                                                          |
| Current:                                                          |                  |            |                      |                                     |                                |                                                          |
| Police                                                            | 170,250          | 241,240    | 122,683              | -                                   | 122,683                        | 118,557                                                  |
| Total Expenditures                                                | 170,250          | 241,240    | 122,683              | -                                   | 122,683                        | 118,557                                                  |
| <b>EXCESS (DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b>         | (51,250)         | 14,920     | (77,675)             | -                                   | (77,675)                       | (92,595)                                                 |
| <b>FUND BALANCE BEGINNING OF YEAR</b>                             | 271,116          | 271,116    | 271,116              | -                                   | 271,116                        | -                                                        |
| <b>FUND BALANCE AT END OF YEAR</b>                                | \$ 219,866       | \$ 286,036 | \$ 193,441           | \$ -                                | \$ 193,441                     | \$ (92,595)                                              |



CITY OF ABILENE, TEXAS  
Hotel Motel Occupancy Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
Year Ended September 30, 2019

Exhibit D-13

|                                                           | Budgeted Amounts |                  | Actual Amounts       |                                     |                                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-----------------------------------------------------------|------------------|------------------|----------------------|-------------------------------------|--------------------------------|----------------------------------------------------------|
|                                                           | Original         | Final            | Actual GAAP<br>Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis |                                                          |
| <b>REVENUES:</b>                                          |                  |                  |                      |                                     |                                |                                                          |
| Occupancy taxes                                           | \$ 3,430,000     | \$ 3,527,860     | \$ 3,594,163         | \$ (56,130)                         | \$ 3,538,033                   | \$ 10,173                                                |
| Total Revenue                                             | 3,430,000        | 3,527,860        | 3,594,163            | (56,130)                            | 3,538,033                      | 10,173                                                   |
| <b>EXPENDITURES:</b>                                      |                  |                  |                      |                                     |                                |                                                          |
| Current:                                                  |                  |                  |                      |                                     |                                |                                                          |
| Finance                                                   | 2,229,500        | 2,293,110        | 2,336,831            | (36,485)                            | 2,300,346                      | (7,236)                                                  |
| Total Expenditures                                        | 2,229,500        | 2,293,110        | 2,336,831            | (36,485)                            | 2,300,346                      | (7,236)                                                  |
| <b>EXCESS (DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b> | 1,200,500        | 1,234,750        | 1,257,332            | (19,645)                            | 1,237,687                      | 2,937                                                    |
| <b>OTHER FINANCING SOURCES (USES):</b>                    |                  |                  |                      |                                     |                                |                                                          |
| Transfer out                                              | (1,200,500)      | (1,234,750)      | (1,258,293)          | 19,645                              | (1,238,648)                    | (3,898)                                                  |
| Total Other Financing Sources (Uses)                      | (1,200,500)      | (1,234,750)      | (1,258,293)          | 19,645                              | (1,238,648)                    | (3,898)                                                  |
| <b>NET CHANGE IN FUND BALANCE</b>                         | -                | -                | (961)                | -                                   | (961)                          | (961)                                                    |
| <b>FUND BALANCE BEGINNING OF YEAR</b>                     | 69,166           | 69,166           | 69,166               | -                                   | 69,166                         | -                                                        |
| <b>FUND BALANCE AT END OF YEAR</b>                        | <u>\$ 69,166</u> | <u>\$ 69,166</u> | <u>\$ 68,205</u>     | <u>\$ -</u>                         | <u>\$ 68,205</u>               | <u>\$ (961)</u>                                          |

CITY OF ABILENE, TEXAS  
Street Maintenance Fee Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
Year Ended September 30, 2019

Exhibit D-14

|                                                                   | Budgeted Amounts |              | Actual Amounts       |                                     |                                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------------------------------|------------------|--------------|----------------------|-------------------------------------|--------------------------------|----------------------------------------------------------|
|                                                                   | Original         | Final        | Actual GAAP<br>Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis |                                                          |
| <b>REVENUES:</b>                                                  |                  |              |                      |                                     |                                |                                                          |
| Charges for services                                              | \$ 4,571,010     | \$ 4,169,150 | \$ 4,461,403         | \$ (352,057)                        | \$ 4,109,346                   | \$ (59,804)                                              |
| Investment earnings net of change in<br>fair value of investments | -                | -            | 31,613               | 612                                 | 32,225                         | 32,225                                                   |
| Miscellaneous                                                     | 1,500,000        | 1,500,000    | 1,000                | -                                   | 1,000                          | (1,499,000)                                              |
| Total Revenue                                                     | 6,071,010        | 5,669,150    | 4,494,016            | (351,445)                           | 4,142,571                      | (1,526,579)                                              |
| <b>EXPENDITURES:</b>                                              |                  |              |                      |                                     |                                |                                                          |
| Current:                                                          |                  |              |                      |                                     |                                |                                                          |
| Public Works                                                      | 7,111,910        | 1,056,700    | 714,254              | 102                                 | 714,356                        | 342,344                                                  |
| Total Expenditures                                                | 7,111,910        | 1,056,700    | 714,254              | 102                                 | 714,356                        | 342,344                                                  |
| <b>EXCESS (DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b>         | (1,040,900)      | 4,612,450    | 3,779,762            | (351,547)                           | 3,428,215                      | (1,184,235)                                              |
| <b>OTHER FINANCING SOURCES (USES):</b>                            |                  |              |                      |                                     |                                |                                                          |
| Transfer In                                                       | 1,040,900        | 1,056,700    | 1,107,295            | 117                                 | 1,107,412                      | 50,712                                                   |
| Transfer out                                                      | -                | (2,040,000)  | (1,429,698)          | -                                   | (1,429,698)                    | 610,302                                                  |
| Total Other Financing Sources (Uses)                              | 1,040,900        | (983,300)    | (322,403)            | 117                                 | (322,286)                      | 661,014                                                  |
| <b>NET CHANGE IN FUND BALANCE</b>                                 | -                | 3,629,150    | 3,457,359            | (351,430)                           | 3,105,929                      | (523,221)                                                |
| <b>FUND BALANCE BEGINNING OF YEAR</b>                             | -                | -            | -                    | -                                   | -                              | -                                                        |
| <b>FUND BALANCE AT END OF YEAR</b>                                | \$ -             | \$ 3,629,150 | \$ 3,457,359         | \$ (351,430)                        | \$ 3,105,929                   | \$ (523,221)                                             |

CITY OF ABILENE, TEXAS  
Debt Service Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
Year Ended September 30, 2019

Exhibit D-15

|                                                                   | Budgeted Amounts    |                     | Actual Amounts       |                                     |                                | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-------------------------------------------------------------------|---------------------|---------------------|----------------------|-------------------------------------|--------------------------------|----------------------------------------------------------|
|                                                                   | Original            | Final               | Actual GAAP<br>Basis | Adjustment to<br>Budgetary<br>Basis | Actual -<br>Budgetary<br>Basis |                                                          |
| <b>REVENUES:</b>                                                  |                     |                     |                      |                                     |                                |                                                          |
| Property taxes                                                    | \$ 12,585,020       | \$ 12,585,020       | \$ 12,616,209        | \$ -                                | \$ 12,616,209                  | \$ 31,189                                                |
| Investment earnings net of change in<br>fair value of investments | 51,620              | 93,550              | 89,895               | -                                   | 89,895                         | (3,655)                                                  |
| Miscellaneous                                                     | -                   | -                   | 23,718               | -                                   | 23,718                         | 23,718                                                   |
| Total Revenue                                                     | 12,636,640          | 12,678,570          | 12,729,822           | -                                   | 12,729,822                     | 51,252                                                   |
| <b>EXPENDITURES:</b>                                              |                     |                     |                      |                                     |                                |                                                          |
| Debt Service:                                                     |                     |                     |                      |                                     |                                |                                                          |
| Principal                                                         | 8,652,360           | 9,026,290           | 8,862,598            | 163,675                             | 9,026,273                      | 17                                                       |
| Interest                                                          | 4,521,300           | 4,521,300           | 4,534,913            | (13,675)                            | 4,521,238                      | 62                                                       |
| Fees and other charges                                            | 227,650             | 219,250             | 212,880              | -                                   | 212,880                        | 6,370                                                    |
| Total Expenditures                                                | 13,401,310          | 13,766,840          | 13,610,391           | 150,000                             | 13,760,391                     | 6,449                                                    |
| <b>EXCESS (DEFICIT) OF REVENUES<br/>OVER EXPENDITURES</b>         | (764,670)           | (1,088,270)         | (880,569)            | (150,000)                           | (1,030,569)                    | 57,701                                                   |
| <b>OTHER FINANCING SOURCES (USES):</b>                            |                     |                     |                      |                                     |                                |                                                          |
| Transfer in                                                       | 562,280             | 956,570             | 806,873              | 150,000                             | 956,873                        | 303                                                      |
| Total Other Financing Sources (Uses)                              | 562,280             | 956,570             | 806,873              | 150,000                             | 956,873                        | 303                                                      |
| <b>NET CHANGE IN FUND BALANCE</b>                                 | (202,390)           | (131,700)           | (73,696)             | -                                   | (73,696)                       | 58,004                                                   |
| <b>FUND BALANCE BEGINNING OF YEAR</b>                             | 1,766,526           | 1,766,526           | 1,766,526            | -                                   | 1,766,526                      | -                                                        |
| <b>FUND BALANCE AT END OF YEAR</b>                                | <u>\$ 1,564,136</u> | <u>\$ 1,634,826</u> | <u>\$ 1,692,830</u>  | <u>\$ -</u>                         | <u>\$ 1,692,830</u>            | <u>\$ 58,004</u>                                         |

## BUSINESS-TYPE ACTIVITIES





## BUSINESS-TYPE ACTIVITIES

### Enterprise Funds:

#### **Major Funds**

**Water & Sewer:** This fund accounts for the revenues and expenses associated with providing water and sewer services to the citizens of the City of Abilene.

**Solid Waste Services:** This fund accounts for the operations of the City's solid waste services to the citizens of Abilene.

#### **Nonmajor Funds**

**Transit:** This fund accounts for the operations of the City's bus system. An independent management company under contract with the City manages this system.

**Stormwater:** This fund is used to account for the revenues and expenses associated with the quality and quantity of stormwater runoff due to ever evolving regulations.

**Street Maintenance:** This fund is used to account for the revenues and expenses associated with street maintenance.

### Internal Service Funds:

**Fleet Services:** The major function of this fund is to account for all fleet operations for the City including service and maintenance activity on City owned vehicles and equipment as well as the financing of those vehicles and equipment.

**Self-Insurance:** To account for the activities of the City's liability, worker's compensation, health and property insurance plans through the City's risk management and safety function.

**Technology:** This fund is to account for all technology or other major data communications operating and project expenditures.

**Central Warehouse:** This fund accounts for materials and supplies used primarily by business-type activities.

**CITY OF ABILENE, TEXAS**  
**Business Type Activities - Major Fund**  
**Combining Schedule of Net Position for**  
**Water and Sewer Fund**  
**September 30, 2019**

|                                               | Operating      | Lake Fort<br>Phantom Lots | Pro Rata   | Debt Service |
|-----------------------------------------------|----------------|---------------------------|------------|--------------|
| <b>CURRENT ASSETS:</b>                        |                |                           |            |              |
| Cash and cash investments                     | \$ 22,230,633  | \$ 1,206,556              | \$ 283,350 | \$ -         |
| Investments                                   | 8,166,624      | 443,600                   | 104,092    | -            |
| Accounts receivable                           | 13,615,344     | -                         | 385,961    | -            |
| Less allowance for uncollectibles             | (5,322,207)    | -                         | -          | -            |
| Prepaid items                                 | 31,706         | -                         | -          | -            |
| Restricted assets:                            |                |                           |            |              |
| Cash and cash investments                     | -              | -                         | -          | 1,130,546    |
| Investments                                   | -              | -                         | -          | 413,330      |
| Total Current Assets                          | 38,722,100     | 1,650,156                 | 773,403    | 1,543,876    |
| <b>NONCURRENT ASSETS:</b>                     |                |                           |            |              |
| Capital assets:                               |                |                           |            |              |
| Construction in Progress                      | 9,426,933      | -                         | -          | -            |
| Land                                          | 1,575,361      | -                         | -          | -            |
| Building and improvements                     | 465,358,878    | -                         | -          | -            |
| Machinery and equipment                       | 10,001,121     | -                         | -          | -            |
| Intangible assets                             | 31,621,056     | -                         | -          | -            |
| Accumulated depreciation                      | (149,240,256)  | -                         | -          | -            |
| Net Capital Assets                            | 368,743,093    | -                         | -          | -            |
| Total Noncurrent Assets                       | 368,743,093    | -                         | -          | -            |
| <b>TOTAL ASSETS</b>                           | 407,465,193    | 1,650,156                 | 773,403    | 1,543,876    |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>        |                |                           |            |              |
| Deferred outflow of resources                 | 4,680,683      | -                         | -          | -            |
| <b>CURRENT LIABILITIES:</b>                   |                |                           |            |              |
| Accounts payable                              | 1,376,466      | -                         | -          | -            |
| Retainage payable                             | 3,614          | -                         | -          | -            |
| Accrued expenses                              | 308,869        | -                         | -          | -            |
| Compensated absences                          | 94,403         | -                         | -          | -            |
| Accrued interest                              | 1,124,321      | -                         | -          | -            |
| Other deposits and liabilities                | 164,108        | -                         | -          | -            |
| Bonds payable                                 | 8,915,000      | -                         | -          | -            |
| Total Current Liabilities Payable             |                |                           |            |              |
| from Current Assets                           | 11,986,781     | -                         | -          | -            |
| <b>NONCURRENT LIABILITIES:</b>                |                |                           |            |              |
| Compensated absences                          | 254,567        | -                         | -          | -            |
| Unearned revenue                              | -              | -                         | 385,961    | -            |
| Bonds payable                                 | 223,759,296    | -                         | -          | -            |
| Other post employment benefits liability      | 491,765        | -                         | -          | -            |
| Net pension liability                         | 4,603,410      | -                         | -          | -            |
| Total Noncurrent Liabilities                  | 229,109,038    | -                         | 385,961    | -            |
| <b>TOTAL LIABILITIES</b>                      | 241,095,819    | -                         | 385,961    | -            |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>         |                |                           |            |              |
| Deferred inflow of resources                  | 195,709        | -                         | -          | -            |
| <b>NET POSITION:</b>                          |                |                           |            |              |
| Net investment in capital assets              | 138,217,161    | -                         | -          | -            |
| Restricted for debt service                   | -              | -                         | -          | 1,543,876    |
| Unrestricted, designated for capital projects | -              | -                         | -          | -            |
| Unrestricted                                  | 32,637,187     | 1,650,156                 | 387,442    | -            |
| <b>TOTAL NET POSITION</b>                     | \$ 170,854,348 | \$ 1,650,156              | \$ 387,442 | \$ 1,543,876 |

| 2019                              |                                |                                          |                             |
|-----------------------------------|--------------------------------|------------------------------------------|-----------------------------|
| Water Utility<br>Capital Projects | Capital Projects<br>TWDB Loans | Certificate of<br>Obligation<br>Projects | Total Water &<br>Sewer Fund |
| \$ 3,805,513                      | \$ -                           | \$ -                                     | \$ 27,526,052               |
| 1,398,164                         | -                              | -                                        | 10,112,480                  |
| -                                 | 2,089                          | -                                        | 14,003,394                  |
| -                                 | -                              | -                                        | (5,322,207)                 |
| -                                 | -                              | -                                        | 31,706                      |
| -                                 | 17,979,070                     | 8,299,654                                | 27,409,270                  |
| -                                 | 15,297                         | 38,570                                   | 467,197                     |
| 5,203,677                         | 17,996,456                     | 8,338,224                                | 74,227,892                  |
| -                                 | -                              | -                                        | 9,426,933                   |
| -                                 | -                              | -                                        | 1,575,361                   |
| -                                 | -                              | -                                        | 465,358,878                 |
| -                                 | -                              | -                                        | 10,001,121                  |
| -                                 | -                              | -                                        | 31,621,056                  |
| -                                 | -                              | -                                        | (149,240,256)               |
| -                                 | -                              | -                                        | 368,743,093                 |
| -                                 | -                              | -                                        | 368,743,093                 |
| 5,203,677                         | 17,996,456                     | 8,338,224                                | 442,970,985                 |
| -                                 | -                              | -                                        | 4,680,683                   |
| 607,847                           | 1,590,414                      | 670,820                                  | 4,245,547                   |
| 61,904                            | 50,528                         | 205,438                                  | 321,484                     |
| -                                 | -                              | -                                        | 308,869                     |
| -                                 | -                              | -                                        | 94,403                      |
| -                                 | -                              | -                                        | 1,124,321                   |
| -                                 | -                              | -                                        | 164,108                     |
| -                                 | -                              | -                                        | 8,915,000                   |
| 669,751                           | 1,640,942                      | 876,258                                  | 15,173,732                  |
| -                                 | -                              | -                                        | 254,567                     |
| -                                 | -                              | -                                        | 385,961                     |
| -                                 | -                              | -                                        | 223,759,296                 |
| -                                 | -                              | -                                        | 491,765                     |
| -                                 | -                              | -                                        | 4,603,410                   |
| -                                 | -                              | -                                        | 229,494,999                 |
| 669,751                           | 1,640,942                      | 876,258                                  | 244,668,731                 |
| -                                 | -                              | -                                        | 195,709                     |
| -                                 | 16,355,514                     | 7,461,966                                | 162,034,641                 |
| -                                 | -                              | -                                        | 1,543,876                   |
| 4,533,926                         | -                              | -                                        | 4,533,926                   |
| -                                 | -                              | -                                        | 34,674,785                  |
| \$ 4,533,926                      | \$ 16,355,514                  | \$ 7,461,966                             | \$ 202,787,228              |



CITY OF ABILENE, TEXAS  
Business-Type Activities - Major Fund  
Combining Schedule of Water and Sewer Fund Revenues,  
Expenses and Changes in Net Position  
Year Ended September 30, 2019

|                                                                   | 2019                  |                           |                   |                     |
|-------------------------------------------------------------------|-----------------------|---------------------------|-------------------|---------------------|
|                                                                   | Operating             | Lake Fort<br>Phantom Lots | Pro Rata          | Debt Service        |
| <b>OPERATING REVENUES:</b>                                        |                       |                           |                   |                     |
| Water service                                                     | \$ 38,296,205         | \$ -                      | \$ -              | \$ -                |
| Sewer service                                                     | 11,475,857            | -                         | -                 | -                   |
| Service and penalty charges                                       | 409,683               | -                         | -                 | -                   |
| Other revenue                                                     | 336,665               | -                         | -                 | -                   |
| Sales and service to private sources                              | 32,838                | -                         | -                 | -                   |
| Total Operating Revenues                                          | 50,551,248            | -                         | -                 | -                   |
| <b>OPERATING EXPENSES:</b>                                        |                       |                           |                   |                     |
| Personnel services                                                | 9,160,732             | -                         | -                 | -                   |
| Supplies                                                          | 2,911,997             | -                         | -                 | -                   |
| Maintenance                                                       | 2,239,597             | -                         | -                 | -                   |
| Other services and charges                                        | 18,791,430            | 56,257                    | 23,134            | -                   |
| Depreciation                                                      | 10,512,783            | -                         | -                 | -                   |
| Total Operating Expenses                                          | 43,616,539            | 56,257                    | 23,134            | -                   |
| <b>OPERATING INCOME (LOSS)</b>                                    | 6,934,709             | (56,257)                  | (23,134)          | -                   |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                          |                       |                           |                   |                     |
| Investment earnings net of change in<br>fair value of investments | 788,891               | 37,737                    | 9,005             | 52,484              |
| Rents and royalties                                               | 255,643               | -                         | -                 | -                   |
| Gain (loss) on sale of capital assets                             | (17,963)              | 26,305                    | -                 | -                   |
| Interest expense and fees                                         | (8,083,076)           | -                         | -                 | -                   |
| Miscellaneous revenue                                             | 335,495               | -                         | -                 | -                   |
| Total Non-Operating Revenue (Expenses)                            | (6,721,010)           | 64,042                    | 9,005             | 52,484              |
| <b>INCOME (LOSS) BEFORE<br/>CONTRIBUTIONS AND TRANSFERS</b>       | 213,699               | 7,785                     | (14,129)          | 52,484              |
| <b>CONTRIBUTIONS AND TRANSFERS:</b>                               |                       |                           |                   |                     |
| Capital contributions                                             | 1,002,625             | -                         | -                 | -                   |
| Infrastructure contributed to water district                      | (13,263,164)          | -                         | -                 | -                   |
| Transfers in (out)                                                | (39,154,989)          | -                         | -                 | 17,586,500          |
| Net Contributions and Transfers                                   | (51,415,528)          | -                         | -                 | 17,586,500          |
| <b>CHANGE IN NET POSITION</b>                                     | (51,201,829)          | 7,785                     | (14,129)          | 17,638,984          |
| <b>NET POSITION, BEGINNING OF YEAR</b>                            | 194,899,999           | 1,642,371                 | 401,571           | 893,602             |
| Capital transfer from restricted sub-funds                        | 27,156,178            | -                         | -                 | (16,988,710)        |
| <b>NET POSITION, END OF YEAR</b>                                  | <u>\$ 170,854,348</u> | <u>\$ 1,650,156</u>       | <u>\$ 387,442</u> | <u>\$ 1,543,876</u> |

| Water Utility<br>Capital Projects | Capital Projects<br>TWDB Loans | Certificate of<br>Obligation<br>Projects | Total Water &<br>Sewer Fund |
|-----------------------------------|--------------------------------|------------------------------------------|-----------------------------|
| \$ -                              | \$ -                           | \$ -                                     | \$ 38,296,205               |
| -                                 | -                              | -                                        | 11,475,857                  |
| -                                 | -                              | -                                        | 409,683                     |
| -                                 | -                              | -                                        | 336,665                     |
| -                                 | -                              | -                                        | 32,838                      |
| -                                 | -                              | -                                        | 50,551,248                  |
| -                                 | -                              | -                                        | 9,160,732                   |
| -                                 | -                              | -                                        | 2,911,997                   |
| -                                 | -                              | -                                        | 2,239,597                   |
| 297,869                           | -                              | 5,810                                    | 19,174,500                  |
| -                                 | -                              | -                                        | 10,512,783                  |
| 297,869                           | -                              | 5,810                                    | 43,999,609                  |
| (297,869)                         | -                              | (5,810)                                  | 6,551,639                   |
| 85,194                            | 237,742                        | 265,873                                  | 1,476,926                   |
| -                                 | -                              | -                                        | 255,643                     |
| -                                 | -                              | -                                        | 8,342                       |
| -                                 | (97,174)                       | -                                        | (8,180,250)                 |
| 79                                | -                              | -                                        | 335,574                     |
| 85,273                            | 140,568                        | 265,873                                  | (6,103,765)                 |
| (212,596)                         | 140,568                        | 260,063                                  | 447,874                     |
| -                                 | -                              | -                                        | 1,002,625                   |
| -                                 | -                              | -                                        | (13,263,164)                |
| 3,798,787                         | 18,009,054                     | (347,077)                                | (107,725)                   |
| 3,798,787                         | 18,009,054                     | (347,077)                                | (12,368,264)                |
| 3,586,191                         | 18,149,622                     | (87,014)                                 | (11,920,390)                |
| 3,085,398                         | 416,834                        | 13,367,843                               | 214,707,618                 |
| (2,137,663)                       | (2,210,942)                    | (5,818,863)                              | -                           |
| \$ 4,533,926                      | \$ 16,355,514                  | \$ 7,461,966                             | \$ 202,787,228              |

CITY OF ABILENE, TEXAS  
Business Type Activities - Major Fund  
Combining Schedule of Cash Flows for  
Water and Sewer Fund  
Year Ended September 30, 2019

|                                                                      | Operating            | Lake Fort<br>Phantom Lots | Pro Rata          | Debt Service        |
|----------------------------------------------------------------------|----------------------|---------------------------|-------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                         |                      |                           |                   |                     |
| Receipts from customers                                              | \$ 49,914,560        | \$ -                      | \$ -              | \$ -                |
| Payments to suppliers                                                | (15,387,041)         | (57,841)                  | (23,134)          | -                   |
| Payments to employees                                                | (8,428,373)          | -                         | -                 | -                   |
| Payments for interfund services used                                 | (8,690,913)          | -                         | -                 | -                   |
| Net cash provided (used) by operating activities                     | 17,408,233           | (57,841)                  | (23,134)          | -                   |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>              |                      |                           |                   |                     |
| Transfers in                                                         | -                    | -                         | -                 | 17,586,500          |
| Transfers out                                                        | (17,586,500)         | -                         | -                 | -                   |
| Net cash provided (used) by noncapital financing activities          | (17,586,500)         | -                         | -                 | 17,586,500          |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>     |                      |                           |                   |                     |
| Proceeds from sale of bonds                                          | 18,054,054           | -                         | -                 | -                   |
| Bond issuance costs                                                  | -                    | -                         | -                 | -                   |
| Principal paid on bonds                                              | (7,890,000)          | -                         | -                 | -                   |
| Interest and paying agent fees                                       | (9,098,710)          | -                         | -                 | -                   |
| Acquisition and construction of capital assets                       | (8,543,878)          | -                         | -                 | -                   |
| Proceeds from sale of capital assets                                 | -                    | 26,305                    | -                 | -                   |
| Miscellaneous revenue                                                | -                    | -                         | -                 | -                   |
| Transfers in                                                         | 45,000               | -                         | -                 | -                   |
| Transfers out                                                        | (21,613,489)         | -                         | -                 | -                   |
| Capital transfers in                                                 | 24,175,800           | -                         | -                 | -                   |
| Capital transfers out                                                | -                    | -                         | -                 | (16,988,710)        |
| Net cash provided (used) by capital and related financing activities | (4,871,223)          | 26,305                    | -                 | (16,988,710)        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                         |                      |                           |                   |                     |
| Cash from (paid to) pooled investments                               | 12,389,807           | 522,239                   | 131,558           | 109,860             |
| Interest on investments                                              | 788,891              | 37,737                    | 9,005             | 52,484              |
| Net cash provided (used) by investing activities                     | 13,178,698           | 559,976                   | 140,563           | 162,344             |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>          | 8,129,208            | 528,440                   | 117,429           | 760,134             |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                | 14,101,425           | 678,116                   | 165,921           | 370,412             |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                      | <u>\$ 22,230,633</u> | <u>\$ 1,206,556</u>       | <u>\$ 283,350</u> | <u>\$ 1,130,546</u> |
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS:</b>                  |                      |                           |                   |                     |
| Current assets:                                                      |                      |                           |                   |                     |
| Cash and cash investments                                            | \$ 22,230,633        | \$ 1,206,556              | \$ 283,350        | \$ -                |
| Restricted assets - cash and cash investments                        | -                    | -                         | -                 | 1,130,546           |
|                                                                      | <u>\$ 22,230,633</u> | <u>\$ 1,206,556</u>       | <u>\$ 283,350</u> | <u>\$ 1,130,546</u> |

2019

| Water Utility<br>Capital Projects | Capital Projects<br>TWDB Loans | Certificate of<br>Obligation<br>Projects | Total Water &<br>Sewer Fund |
|-----------------------------------|--------------------------------|------------------------------------------|-----------------------------|
| \$ -                              | \$ -                           | \$ -                                     | \$ 49,914,560               |
| (297,869)                         | -                              | (5,810)                                  | (15,771,695)                |
| -                                 | -                              | -                                        | (8,428,373)                 |
| -                                 | -                              | -                                        | (8,690,913)                 |
| (297,869)                         | -                              | (5,810)                                  | 17,023,579                  |
| -                                 | -                              | -                                        | 17,586,500                  |
| -                                 | -                              | -                                        | (17,586,500)                |
| -                                 | -                              | -                                        | -                           |
| -                                 | -                              | -                                        | 18,054,054                  |
| -                                 | (97,174)                       | -                                        | (97,174)                    |
| -                                 | -                              | -                                        | (7,890,000)                 |
| -                                 | -                              | -                                        | (9,098,710)                 |
| -                                 | -                              | -                                        | (8,543,878)                 |
| -                                 | -                              | -                                        | 26,305                      |
| 79                                | -                              | -                                        | 79                          |
| 3,798,787                         | 18,009,054                     | -                                        | 21,852,841                  |
| -                                 | -                              | (347,077)                                | (21,960,566)                |
| -                                 | -                              | -                                        | 24,175,800                  |
| (1,467,912)                       | (570,000)                      | (5,149,178)                              | (24,175,800)                |
| 2,330,954                         | 17,341,880                     | (5,496,255)                              | (7,657,049)                 |
| 410,556                           | 17,376                         | 231,244                                  | 13,812,640                  |
| 85,194                            | 235,653                        | 265,873                                  | 1,474,837                   |
| 495,750                           | 253,029                        | 497,117                                  | 15,287,477                  |
| 2,528,835                         | 17,594,909                     | (5,004,948)                              | 24,654,007                  |
| 1,276,678                         | 384,161                        | 13,304,602                               | 30,281,315                  |
| \$ 3,805,513                      | \$ 17,979,070                  | \$ 8,299,654                             | \$ 54,935,322               |
| \$ 3,805,513                      | \$ -                           | \$ -                                     | \$ 27,526,052               |
| -                                 | 17,979,070                     | 8,299,654                                | 27,409,270                  |
| \$ 3,805,513                      | \$ 17,979,070                  | \$ 8,299,654                             | \$ 54,935,322               |

CITY OF ABILENE, TEXAS  
Business Type Activities - Major Fund  
Combining Schedule of Cash Flows for  
Water and Sewer Fund  
Year Ended September 30, 2019

|                                                                                                       | Operating            | Lake Fort<br>Phantom Lots | Pro Rata           | Debt Service |
|-------------------------------------------------------------------------------------------------------|----------------------|---------------------------|--------------------|--------------|
| <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>        |                      |                           |                    |              |
| Operating income (loss)                                                                               | \$ 6,934,709         | \$ (56,257)               | \$ (23,134)        | \$ -         |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                      |                           |                    |              |
| Depreciation                                                                                          | 10,512,783           | -                         | -                  | -            |
| Miscellaneous revenue                                                                                 | 335,495              | -                         | -                  | -            |
| Rents and royalties                                                                                   | 255,643              | -                         | -                  | -            |
| Changes in assets, deferred outflows and liabilities:                                                 |                      |                           |                    |              |
| (Increase) decrease in:                                                                               |                      |                           |                    |              |
| Accounts receivable                                                                                   | (1,227,826)          | -                         | -                  | -            |
| Deferred outflow of resources                                                                         | (1,563,759)          | -                         | -                  | -            |
| Increase (decrease) in:                                                                               |                      |                           |                    |              |
| Accounts payable and other payables                                                                   | (126,241)            | (1,584)                   | -                  | -            |
| Accrued wages                                                                                         | 52,145               | -                         | -                  | -            |
| Compensated absences                                                                                  | 850                  | -                         | -                  | -            |
| Other deposits and liabilities                                                                        | (8,689)              | -                         | -                  | -            |
| Other post employment benefits liability                                                              | (17,819)             | -                         | -                  | -            |
| Net pension liability                                                                                 | 3,076,849            | -                         | -                  | -            |
| Deferred inflows of resources                                                                         | (815,907)            | -                         | -                  | -            |
| Net cash provided (used) by operating activities                                                      | <u>\$ 17,408,233</u> | <u>\$ (57,841)</u>        | <u>\$ (23,134)</u> | <u>\$ -</u>  |
| <b>NONCASH TRANSACTIONS:</b>                                                                          |                      |                           |                    |              |
| Capital contributions from developers                                                                 | \$ 1,002,625         | \$ -                      | \$ -               | \$ -         |
| Capital contributions to water districts                                                              | (13,263,164)         | -                         | -                  | -            |
| Capital contributions from other funds                                                                | 24,175,800           | -                         | -                  | -            |
| Capital contributions to other funds                                                                  | -                    | -                         | -                  | (16,988,710) |
| Capital asset acquisitions included in AP                                                             | 2,980,378            | -                         | -                  | -            |

| 2019                              |                                |                                          |                             |
|-----------------------------------|--------------------------------|------------------------------------------|-----------------------------|
| Water Utility<br>Capital Projects | Capital Projects<br>TWDB Loans | Certificate of<br>Obligation<br>Projects | Total Water &<br>Sewer Fund |
| \$ (297,869)                      | \$ -                           | \$ (5,810)                               | \$ 6,551,639                |
| -                                 | -                              | -                                        | 10,512,783                  |
| -                                 | -                              | -                                        | 335,495                     |
| -                                 | -                              | -                                        | 255,643                     |
| -                                 | -                              | -                                        | (1,227,826)                 |
| -                                 | -                              | -                                        | (1,563,759)                 |
| -                                 | -                              | -                                        | (127,825)                   |
| -                                 | -                              | -                                        | 52,145                      |
| -                                 | -                              | -                                        | 850                         |
| -                                 | -                              | -                                        | (8,689)                     |
| -                                 | -                              | -                                        | (17,819)                    |
| -                                 | -                              | -                                        | 3,076,849                   |
| -                                 | -                              | -                                        | (815,907)                   |
| <u>\$ (297,869)</u>               | <u>\$ -</u>                    | <u>\$ (5,810)</u>                        | <u>\$ 17,023,579</u>        |
| \$ -                              | \$ -                           | \$ -                                     | \$ 1,002,625                |
| -                                 | -                              | -                                        | (13,263,164)                |
| -                                 | -                              | -                                        | 24,175,800                  |
| (1,467,912)                       | (570,000)                      | (5,149,178)                              | (24,175,800)                |
| -                                 | -                              | -                                        | 2,980,378                   |

CITY OF ABILENE, TEXAS  
Combining Statement of Net Position for Nonmajor Enterprise Funds  
September 30, 2019

Exhibit E-4

|                                                       | 2019         |            |                    |                                 |
|-------------------------------------------------------|--------------|------------|--------------------|---------------------------------|
|                                                       | Transit      | Stormwater | Street Maintenance | Total Nonmajor Enterprise Funds |
| <b>CURRENT ASSETS:</b>                                |              |            |                    |                                 |
| Cash and cash investments                             | \$ 80,661    | \$ 742,877 | \$ -               | \$ 823,538                      |
| Investments                                           | 29,283       | 272,616    | -                  | 301,899                         |
| Accounts receivable                                   | 14,696       | 492,007    | -                  | 506,703                         |
| Less allowance for uncollectibles                     | -            | (199,349)  | -                  | (199,349)                       |
| Due from other funds                                  | 3,750        | -          | -                  | 3,750                           |
| Due from other governments                            | 607,678      | -          | -                  | 607,678                         |
| Prepaid items                                         | 350          | -          | -                  | 350                             |
| Inventories - materials and supplies                  | 421,357      | -          | -                  | 421,357                         |
| Total Current Assets                                  | 1,157,775    | 1,308,151  | -                  | 2,465,926                       |
| <b>CAPITAL ASSETS:</b>                                |              |            |                    |                                 |
| Land                                                  | 384,238      | -          | -                  | 384,238                         |
| Buildings and improvements                            | 1,705,266    | -          | -                  | 1,705,266                       |
| Machinery and equipment                               | 7,078,702    | -          | -                  | 7,078,702                       |
| Intangibles                                           | 308,520      | -          | -                  | 308,520                         |
| Accumulated depreciation                              | (7,870,804)  | -          | -                  | (7,870,804)                     |
| Net Capital Assets                                    | 1,605,922    | -          | -                  | 1,605,922                       |
| <b>TOTAL ASSETS</b>                                   | 2,763,697    | 1,308,151  | -                  | 4,071,848                       |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>                |              |            |                    |                                 |
| Deferred outflow of resources                         | -            | 266,538    | -                  | 266,538                         |
| <b>CURRENT LIABILITIES:</b>                           |              |            |                    |                                 |
| Accounts payable                                      | 78,071       | 62,442     | -                  | 140,513                         |
| Accrued expenses                                      | -            | 31,839     | -                  | 31,839                          |
| Compensated absences                                  | -            | 12,142     | -                  | 12,142                          |
| Total Current Liabilities Payable from Current Assets | 78,071       | 106,423    | -                  | 184,494                         |
| <b>NON-CURRENT LIABILITIES:</b>                       |              |            |                    |                                 |
| Compensated absences                                  | -            | 12,773     | -                  | 12,773                          |
| Other post employment benefits liability              | -            | 57,190     | -                  | 57,190                          |
| Net pension liability                                 | -            | 543,645    | -                  | 543,645                         |
| Total Non-Current Liabilities                         | -            | 613,608    | -                  | 613,608                         |
| Total Liabilities                                     | 78,071       | 720,031    | -                  | 798,102                         |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                 |              |            |                    |                                 |
| Deferred inflow of resources                          | -            | 22,537     | -                  | 22,537                          |
| <b>NET POSITION:</b>                                  |              |            |                    |                                 |
| Net Investment in capital assets                      | 1,605,922    | -          | -                  | 1,605,922                       |
| Unrestricted                                          | 1,079,704    | 832,121    | -                  | 1,911,825                       |
| <b>TOTAL NET POSITION</b>                             | \$ 2,685,626 | \$ 832,121 | \$ -               | \$ 3,517,747                    |

CITY OF ABILENE, TEXAS  
Combining Statement of Nonmajor Enterprise Fund Revenue,  
Expenses and Changes in Net Position  
Year Ended September 30, 2019

Exhibit E-5

|                                                                | 2019         |              |                       |                                    |
|----------------------------------------------------------------|--------------|--------------|-----------------------|------------------------------------|
|                                                                | Transit      | Stormwater   | Street<br>Maintenance | Total Nonmajor<br>Enterprise Funds |
| <b>OPERATING REVENUES:</b>                                     |              |              |                       |                                    |
| Charges for services                                           | \$ 438,941   | \$ 2,303,206 | \$ -                  | \$ 2,742,147                       |
| Total Operating Revenues                                       | 438,941      | 2,303,206    | -                     | 2,742,147                          |
| <b>OPERATING EXPENSES:</b>                                     |              |              |                       |                                    |
| Personnel services                                             | -            | 1,064,706    | -                     | 1,064,706                          |
| Supplies                                                       | 400,780      | 28,708       | -                     | 429,488                            |
| Maintenance                                                    | 47,834       | 225,953      | -                     | 273,787                            |
| Other services and charges                                     | 3,737,205    | 1,020,615    | -                     | 4,757,820                          |
| Depreciation                                                   | 339,380      | -            | -                     | 339,380                            |
| Total Operating Expenses                                       | 4,525,199    | 2,339,982    | -                     | 6,865,181                          |
| <b>OPERATING INCOME (LOSS)</b>                                 | (4,086,258)  | (36,776)     | -                     | (4,123,034)                        |
| <b>NON-OPERATING REVENUES (EXPENSES):</b>                      |              |              |                       |                                    |
| Investment earnings net of change in fair value of investments | 6,646        | 20,135       | -                     | 26,781                             |
| Intergovernmental revenue                                      | 2,280,037    | -            | -                     | 2,280,037                          |
| Miscellaneous revenue                                          | 46,641       | 33,038       | -                     | 79,679                             |
| Total Non-Operating Revenues (Expenses)                        | 2,333,324    | 53,173       | -                     | 2,386,497                          |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>        | (1,752,934)  | 16,397       | -                     | (1,736,537)                        |
| <b>CONTRIBUTIONS AND TRANSFERS:</b>                            |              |              |                       |                                    |
| Capital contributions                                          | 266,488      | -            | -                     | 266,488                            |
| Transfers in                                                   | 1,053,110    | 239,998      | -                     | 1,293,108                          |
| Transfers out                                                  | -            | -            | (49,883)              | (49,883)                           |
| Total Contributions and Transfers                              | 1,319,598    | 239,998      | (49,883)              | 1,509,713                          |
| <b>CHANGE IN NET POSITION</b>                                  | (433,336)    | 256,395      | (49,883)              | (226,824)                          |
| <b>NET POSITION, BEGINNING OF YEAR</b>                         | 3,118,962    | 575,726      | 49,883                | 3,744,571                          |
| <b>NET POSITION, END OF YEAR</b>                               | \$ 2,685,626 | \$ 832,121   | \$ -                  | \$ 3,517,747                       |



**Combining Statement of Nonmajor Enterprise Fund Cash Flows**  
**Year Ended September 30, 2019**

|                                                                                                       | 2019           |              |                    |                                 |
|-------------------------------------------------------------------------------------------------------|----------------|--------------|--------------------|---------------------------------|
|                                                                                                       | Transit        | Stormwater   | Street Maintenance | Total Nonmajor Enterprise Funds |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                                          |                |              |                    |                                 |
| Receipts from customers                                                                               | \$ 480,208     | \$ 2,322,211 | \$ -               | \$ 2,802,419                    |
| Payments to suppliers                                                                                 | (4,272,278)    | (360,442)    | -                  | (4,632,720)                     |
| Payments to employees                                                                                 | -              | (984,079)    | -                  | (984,079)                       |
| Payments for interfund services used                                                                  | (32,770)       | (939,603)    | -                  | (972,373)                       |
| Net cash provided (used) by operating activities                                                      | (3,824,840)    | 38,087       | -                  | (3,786,753)                     |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                                               |                |              |                    |                                 |
| Intergovernmental revenues                                                                            | 2,058,504      | -            | -                  | 2,058,504                       |
| Transfers in                                                                                          | 1,053,110      | 239,998      | -                  | 1,293,108                       |
| Transfers out                                                                                         | -              | -            | (49,883)           | (49,883)                        |
| (Increase) in due from other funds                                                                    | (3,750)        | -            | -                  | (3,750)                         |
| Net cash provided (used) by noncapital financing activities                                           | 3,107,864      | 239,998      | (49,883)           | 3,297,979                       |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                                      |                |              |                    |                                 |
| Acquisition and construction of capital assets                                                        | (272,321)      | -            | -                  | (272,321)                       |
| Proceeds from capital grants                                                                          | 266,488        | -            | -                  | 266,488                         |
| Net cash provided (used) by capital and related financing activities                                  | (5,833)        | -            | -                  | (5,833)                         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                                          |                |              |                    |                                 |
| Cash from (paid to) pooled investments                                                                | 454,786        | 147,580      | 29,259             | 631,625                         |
| Interest on investments                                                                               | 6,646          | 20,135       | -                  | 26,781                          |
| Net cash provided by investing activities                                                             | 461,432        | 167,715      | 29,259             | 658,406                         |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                           | (261,377)      | 445,800      | (20,624)           | 163,799                         |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                                                 | 342,038        | 297,077      | 20,624             | 659,739                         |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                                                       | \$ 80,661      | \$ 742,877   | \$ -               | \$ 823,538                      |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b> |                |              |                    |                                 |
| Operating income (loss)                                                                               | \$ (4,086,258) | \$ (36,776)  | \$ -               | \$ (4,123,034)                  |
| Adjustments to reconcile operating income to net cash provided by operating activities:               |                |              |                    |                                 |
| Miscellaneous non-operating revenue                                                                   | 46,641         | 33,038       | -                  | 79,679                          |
| Depreciation                                                                                          | 339,380        | -            | -                  | 339,380                         |
| Changes in assets, deferred outflows and liabilities:                                                 |                |              |                    |                                 |
| (Increase) decrease in:                                                                               |                |              |                    |                                 |
| Accounts receivable                                                                                   | (5,374)        | (14,033)     | -                  | (19,407)                        |
| Prepaid items                                                                                         | 502            | -            | -                  | 502                             |
| Inventory                                                                                             | (65,238)       | -            | -                  | (65,238)                        |
| Deferred outflow of resources                                                                         | -              | (188,656)    | -                  | (188,656)                       |
| Increase (decrease) in:                                                                               |                |              |                    |                                 |
| Accounts payable                                                                                      | (54,493)       | (24,769)     | -                  | (79,262)                        |
| Accrued wages                                                                                         | -              | 1,436        | -                  | 1,436                           |
| Compensated absences                                                                                  | -              | (393)        | -                  | (393)                           |
| Other post employment benefits liability                                                              | -              | (2,079)      | -                  | (2,079)                         |
| Net pension liability                                                                                 | -              | 358,966      | -                  | 358,966                         |
| Deferred inflow of resources                                                                          | -              | (88,647)     | -                  | (88,647)                        |
| Net cash provided (used) by operating activities                                                      | \$ (3,824,840) | \$ 38,087    | \$ -               | \$ (3,786,753)                  |

## Enterprise Funds

Page 1

## Schedule of Operating Expenses for all Enterprise Funds

Year Ended September 30, 2019

With Comparative Totals for Year Ended September 30, 2018

|                            | 2019             | 2018             |
|----------------------------|------------------|------------------|
| <b>WATER AND SEWER:</b>    |                  |                  |
| Finance:                   |                  |                  |
| Utility Special Services:  |                  |                  |
| Personnel services         | \$ 125,778       | \$ 87,998        |
| Other services and charges | 7,079,440        | 6,416,188        |
|                            | <u>7,205,218</u> | <u>6,504,186</u> |
| Water Utilities:           |                  |                  |
| Water Administration:      |                  |                  |
| Personnel services         | 877,242          | 704,666          |
| Supplies                   | 16,285           | 5,264            |
| Other services and charges | 2,020,374        | 2,801,071        |
| Depreciation               | 30,548           | 30,548           |
|                            | <u>2,944,449</u> | <u>3,541,549</u> |
| Utility Office:            |                  |                  |
| Personnel services         | 827,930          | 764,247          |
| Supplies                   | 35,879           | 17,014           |
| Maintenance                | 36,983           | 9,189            |
| Other services and charges | 1,380,882        | 1,301,541        |
| Depreciation               | 6,594            | 10,961           |
|                            | <u>2,288,268</u> | <u>2,102,952</u> |
| Water Production:          |                  |                  |
| Personnel services         | 629,298          | 523,530          |
| Supplies                   | 16,484           | 11,228           |
| Maintenance                | 153,541          | 162,569          |
| Other services and charges | 4,945,576        | 5,236,419        |
| Depreciation               | 1,217,127        | 1,269,705        |
|                            | <u>6,962,026</u> | <u>7,203,451</u> |
| Water Treatment:           |                  |                  |
| Personnel services         | 1,467,769        | 1,347,800        |
| Supplies                   | 1,942,768        | 2,017,458        |
| Maintenance                | 475,868          | 458,440          |
| Other services and charges | 741,632          | 831,816          |
| Depreciation               | 3,023,035        | 2,559,295        |
|                            | <u>7,651,072</u> | <u>7,214,809</u> |
| Water Distribution:        |                  |                  |
| Personnel services         | 2,422,579        | 2,424,922        |
| Supplies                   | 84,953           | 100,030          |
| Maintenance                | 860,340          | 816,489          |
| Other services and charges | 823,882          | 801,808          |
| Depreciation               | 2,367,441        | 2,250,876        |
|                            | <u>6,559,195</u> | <u>6,394,125</u> |
| Sewage Collection:         |                  |                  |
| Personnel services         | 670,524          | 677,845          |
| Supplies                   | 91,126           | 102,876          |
| Maintenance                | 336,120          | 342,304          |
| Other services and charges | 269,663          | 264,689          |
| Depreciation               | 791,730          | 743,925          |
|                            | <u>2,159,163</u> | <u>2,131,639</u> |
| Wastewater Treatment:      |                  |                  |
| Personnel services         | 1,258,272        | 1,155,358        |
| Supplies                   | 591,709          | 818,133          |
| Maintenance                | 279,348          | 384,376          |
| Other services and charges | 1,016,260        | 1,091,232        |
| Depreciation               | 2,875,662        | 2,872,435        |
|                            | <u>6,021,251</u> | <u>6,321,534</u> |

## Enterprise Funds

## Schedule of Operating Expenses for all Enterprise Funds

Year Ended September 30, 2019

With Comparative Totals for Year Ended September 30, 2018

|                                                          | 2019                        | 2018                        |
|----------------------------------------------------------|-----------------------------|-----------------------------|
| <b>WATER AND SEWER (CONT.):</b>                          |                             |                             |
| Quality Control:                                         |                             |                             |
| Personnel services                                       | \$ 881,340                  | \$ 897,584                  |
| Supplies                                                 | 132,793                     | 155,404                     |
| Maintenance                                              | 97,397                      | 76,327                      |
| Other services and charges                               | 513,721                     | 484,918                     |
| Depreciation                                             | 200,646                     | 170,865                     |
|                                                          | <u>1,825,897</u>            | <u>1,785,098</u>            |
| Lake Fort Phantom Lots:                                  |                             |                             |
| Other services and charges                               | 56,257                      | 35,859                      |
|                                                          | <u>56,257</u>               | <u>35,859</u>               |
| Pro Rata:                                                |                             |                             |
| Other services and charges                               | 23,134                      | 192,000                     |
|                                                          | <u>23,134</u>               | <u>192,000</u>              |
| Water Utility Capital Projects:                          |                             |                             |
| Other services and charges                               | 297,869                     | 25,973                      |
|                                                          | <u>297,869</u>              | <u>25,973</u>               |
| Certification of Obligation Projects:                    |                             |                             |
| Other services and charges                               | 5,810                       | 3,835                       |
|                                                          | <u>5,810</u>                | <u>3,835</u>                |
| Total Water and Sewer                                    | <u>43,999,609</u>           | <u>43,457,010</u>           |
| <b>SOLID WASTE SERVICES:</b>                             |                             |                             |
| Personnel services                                       | 4,214,112                   | 3,231,406                   |
| Supplies                                                 | 46,751                      | 51,123                      |
| Maintenance                                              | 108,837                     | 103,966                     |
| Other services and charges                               | 7,778,483                   | 7,080,388                   |
| Depreciation                                             | 249,582                     | 241,056                     |
| Total Solid Waste                                        | <u>12,397,765</u>           | <u>10,707,939</u>           |
| <b>TRANSIT:</b>                                          |                             |                             |
| Supplies                                                 | 400,780                     | 458,597                     |
| Maintenance                                              | 47,834                      | 86,298                      |
| Other services and charges                               | 3,737,205                   | 3,402,964                   |
| Depreciation                                             | 339,380                     | 373,531                     |
| Total Transit                                            | <u>4,525,199</u>            | <u>4,321,390</u>            |
| <b>STORMWATER:</b>                                       |                             |                             |
| Personnel services                                       | 1,064,706                   | 1,028,524                   |
| Supplies                                                 | 28,708                      | 34,955                      |
| Maintenance                                              | 225,953                     | 88,322                      |
| Other services and charges                               | 1,020,615                   | 959,619                     |
| Total Stormwater                                         | <u>2,339,982</u>            | <u>2,111,420</u>            |
| <b>TOTAL OPERATING EXPENSES FOR ALL ENTERPRISE FUNDS</b> | <u><u>\$ 63,262,555</u></u> | <u><u>\$ 60,597,759</u></u> |



**CITY OF ABILENE, TEXAS**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**September 30, 2019**

|                                          | Fleet Services | Self-Insurance | Technology |
|------------------------------------------|----------------|----------------|------------|
| <b>CURRENT ASSETS:</b>                   |                |                |            |
| Cash and cash investments                | \$ 7,232,996   | \$ 2,543,323   | \$ 615,903 |
| Investments                              | 2,657,571      | 934,505        | 226,083    |
| Accounts receivable                      | -              | -              | 17,067     |
| Prepaid items                            | -              | 167,802        | 46,180     |
| Inventories - materials and supplies     | 430,144        | -              | -          |
| Total Current Assets                     | 10,320,711     | 3,645,630      | 905,233    |
| <b>NONCURRENT ASSETS:</b>                |                |                |            |
| Capital assets:                          |                |                |            |
| Machinery and equipment                  | 41,727,233     | -              | -          |
| Accumulated depreciation                 | (25,950,354)   | -              | -          |
| Net Capital Assets                       | 15,776,879     | -              | -          |
| Total Noncurrent Assets                  | 15,776,879     | -              | -          |
| <b>TOTAL ASSETS</b>                      | 26,097,590     | 3,645,630      | 905,233    |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>   |                |                |            |
| Deferred outflow of resources            | 502,034        | -              | -          |
| <b>CURRENT LIABILITIES:</b>              |                |                |            |
| Accounts payable                         | 827,463        | 270,118        | 104,395    |
| Accrued expenses                         | 52,025         | 13,103         | -          |
| Compensated absences - current           | 26,649         | -              | -          |
| Estimated liability claims               | -              | 674,217        | -          |
| Estimated health claims                  | -              | 795,052        | -          |
| Total Current Liabilities                | 906,137        | 1,752,490      | 104,395    |
| <b>NON-CURRENT LIABILITIES:</b>          |                |                |            |
| Compensated absences payable             | 38,932         | 12,373         | -          |
| Estimated liability claims               | -              | 3,514,318      | -          |
| Other post employment benefits liability | 89,575         | -              | -          |
| Net pension liability                    | 968,705        | -              | -          |
| Total Non-Current Liabilities            | 1,097,212      | 3,526,691      | -          |
| <b>TOTAL LIABILITIES</b>                 | 2,003,349      | 5,279,181      | 104,395    |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>    |                |                |            |
| Deferred inflow of resources             | 36,010         | -              | -          |
| <b>NET POSITION:</b>                     |                |                |            |
| Net investment in capital assets         | 15,776,879     | -              | -          |
| Unrestricted                             | 8,783,386      | (1,633,551)    | 800,838    |
| <b>TOTAL NET POSITION</b>                | \$ 24,560,265  | \$ (1,633,551) | \$ 800,838 |

| Total<br>Governmental<br>Activities | Business-Type<br>Activities Central<br>Warehouse | Total Internal<br>Service Funds |
|-------------------------------------|--------------------------------------------------|---------------------------------|
| \$ 10,392,222                       | \$ 352,381                                       | \$ 10,744,603                   |
| 3,818,159                           | 129,231                                          | 3,947,390                       |
| 17,067                              | -                                                | 17,067                          |
| 213,982                             | -                                                | 213,982                         |
| 430,144                             | 988,835                                          | 1,418,979                       |
| <u>14,871,574</u>                   | <u>1,470,447</u>                                 | <u>16,342,021</u>               |
| 41,727,233                          | -                                                | 41,727,233                      |
| (25,950,354)                        | -                                                | (25,950,354)                    |
| <u>15,776,879</u>                   | <u>-</u>                                         | <u>15,776,879</u>               |
| <u>15,776,879</u>                   | <u>-</u>                                         | <u>15,776,879</u>               |
| <u>30,648,453</u>                   | <u>1,470,447</u>                                 | <u>32,118,900</u>               |
| <u>502,034</u>                      | <u>-</u>                                         | <u>502,034</u>                  |
| 1,201,976                           | 44,590                                           | 1,246,566                       |
| 65,128                              | -                                                | 65,128                          |
| 26,649                              | -                                                | 26,649                          |
| 674,217                             | -                                                | 674,217                         |
| 795,052                             | -                                                | 795,052                         |
| <u>2,763,022</u>                    | <u>44,590</u>                                    | <u>2,807,612</u>                |
| 51,305                              | -                                                | 51,305                          |
| 3,514,318                           | -                                                | 3,514,318                       |
| 89,575                              | -                                                | 89,575                          |
| 968,705                             | -                                                | 968,705                         |
| <u>4,623,903</u>                    | <u>-</u>                                         | <u>4,623,903</u>                |
| <u>7,386,925</u>                    | <u>44,590</u>                                    | <u>7,431,515</u>                |
| <u>36,010</u>                       | <u>-</u>                                         | <u>36,010</u>                   |
| 15,776,879                          | -                                                | 15,776,879                      |
| 7,950,673                           | 1,425,857                                        | 9,376,530                       |
| <u>\$ 23,727,552</u>                | <u>\$ 1,425,857</u>                              | <u>\$ 25,153,409</u>            |

**CITY OF ABILENE, TEXAS**  
**Internal Service Funds**  
**Combining Statement of Revenues,**  
**Expenses and Changes in Net Position**  
**For the Year Ended September 30, 2019**

|                                                                | Fleet Services | Self-Insurance | Technology   |
|----------------------------------------------------------------|----------------|----------------|--------------|
| <b>OPERATING REVENUES:</b>                                     |                |                |              |
| Charges for services                                           | \$ 8,582,543   | \$ 12,441,264  | \$ 2,923,030 |
| Total Operating Revenues                                       | 8,582,543      | 12,441,264     | 2,923,030    |
| <b>OPERATING EXPENSES:</b>                                     |                |                |              |
| Personnel services                                             | 1,709,219      | 384,533        | -            |
| Supplies                                                       | 3,211,025      | 24,869         | 597,285      |
| Maintenance                                                    | 590,542        | -              | 1,459,852    |
| Other services and charges                                     | 306,211        | 14,743,971     | 921,538      |
| Depreciation                                                   | 2,596,708      | -              | -            |
| Total Operating Expenses                                       | 8,413,705      | 15,153,373     | 2,978,675    |
| <b>OPERATING INCOME (LOSS)</b>                                 | 168,838        | (2,712,109)    | (55,645)     |
| <b>NON-OPERATING REVENUES (EXPENSES):</b>                      |                |                |              |
| Investment earnings net of change in fair value of investments | 197,473        | 196,484        | 9,644        |
| Net gain on disposal of assets                                 | 291,831        | 86             | -            |
| Miscellaneous revenue                                          | 63,899         | 56,344         | 6            |
| Other expense                                                  | (82,308)       | -              | -            |
| Total Non-Operating Revenues (Expenses)                        | 470,895        | 252,914        | 9,650        |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>                          | 639,733        | (2,459,195)    | (45,995)     |
| <b>CONTRIBUTIONS AND TRANSFERS:</b>                            |                |                |              |
| Transfers in                                                   | 389,498        | 554,390        | 201,487      |
| Transfers out                                                  | (1,239,280)    | -              | (113,380)    |
| Net Contributions and Transfers                                | (849,782)      | 554,390        | 88,107       |
| <b>CHANGE IN NET POSITION</b>                                  | (210,049)      | (1,904,805)    | 42,112       |
| <b>NET POSITION, BEGINNING OF YEAR</b>                         | 24,770,314     | 271,254        | 758,726      |
| <b>NET POSITION, END OF YEAR</b>                               | \$ 24,560,265  | \$ (1,633,551) | \$ 800,838   |

| Total<br>Governmental<br>Activities | Business-Type<br>Activities - Central<br>Warehouse | Total Internal<br>Service Funds |
|-------------------------------------|----------------------------------------------------|---------------------------------|
| <u>\$ 23,946,837</u>                | <u>\$ 520,256</u>                                  | <u>\$ 24,467,093</u>            |
| <u>23,946,837</u>                   | <u>520,256</u>                                     | <u>24,467,093</u>               |
| 2,093,752                           | -                                                  | 2,093,752                       |
| 3,833,179                           | 5,522                                              | 3,838,701                       |
| 2,050,394                           | 475,262                                            | 2,525,656                       |
| 15,971,720                          | -                                                  | 15,971,720                      |
| 2,596,708                           | -                                                  | 2,596,708                       |
| <u>26,545,753</u>                   | <u>480,784</u>                                     | <u>27,026,537</u>               |
| <u>(2,598,916)</u>                  | <u>39,472</u>                                      | <u>(2,559,444)</u>              |
| 403,601                             | 11,699                                             | 415,300                         |
| 291,917                             | -                                                  | 291,917                         |
| 120,249                             | -                                                  | 120,249                         |
| (82,308)                            | -                                                  | (82,308)                        |
| <u>733,459</u>                      | <u>11,699</u>                                      | <u>745,158</u>                  |
| <u>(1,865,457)</u>                  | <u>51,171</u>                                      | <u>(1,814,286)</u>              |
| 1,145,375                           | -                                                  | 1,145,375                       |
| (1,352,660)                         | -                                                  | (1,352,660)                     |
| <u>(207,285)</u>                    | <u>-</u>                                           | <u>(207,285)</u>                |
| (2,072,742)                         | 51,171                                             | (2,021,571)                     |
| <u>25,800,294</u>                   | <u>1,374,686</u>                                   | <u>27,174,980</u>               |
| <u>\$ 23,727,552</u>                | <u>\$ 1,425,857</u>                                | <u>\$ 25,153,409</u>            |



**CITY OF ABILENE, TEXAS**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year Ended September 30, 2019**

|                                                                                                       | Fleet Services | Self-Insurance | Technology  |
|-------------------------------------------------------------------------------------------------------|----------------|----------------|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                                          |                |                |             |
| Receipts from customers                                                                               | \$ -           | \$ 2,441,633   | \$ -        |
| Receipts from interfund services provided                                                             | 8,646,442      | 19,693,520     | 2,905,969   |
| Payments to suppliers                                                                                 | (3,526,952)    | (6,342,461)    | (2,974,216) |
| Payments to employees                                                                                 | (1,565,397)    | (380,007)      | -           |
| Payments for loss claims                                                                              | -              | (13,040,463)   | -           |
| Payments for interfund services used                                                                  | (90,510)       | (3,812)        | -           |
| Net cash provided (used) by operating activities                                                      | 3,463,583      | 2,368,410      | (68,247)    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                                               |                |                |             |
| Transfers in                                                                                          | 389,498        | 554,390        | 201,487     |
| Transfers out                                                                                         | (1,239,280)    | -              | (113,380)   |
| Decrease in due from other funds                                                                      | 1,287,947      | -              | -           |
| Decrease in due to other funds                                                                        | (605,315)      | -              | -           |
| Net cash provided (used) by noncapital financing activities                                           | (167,150)      | 554,390        | 88,107      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                                      |                |                |             |
| Acquisition and construction of capital assets                                                        | (1,657,875)    | -              | -           |
| Proceeds from sale of equipment                                                                       | 665,768        | 86             | -           |
| Net cash provided (used) by capital and related financing activities                                  | (992,107)      | 86             | -           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                                          |                |                |             |
| Cash from (paid to) pooled investments                                                                | 1,676,129      | (724,423)      | 250,025     |
| Interest on investments                                                                               | 197,473        | 196,484        | 9,644       |
| Net cash provided (used) by investing activities                                                      | 1,873,602      | (527,939)      | 259,669     |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                           | 4,177,928      | 2,394,947      | 279,529     |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                                                 | 3,055,068      | 148,376        | 336,374     |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                                                       | \$ 7,232,996   | \$ 2,543,323   | \$ 615,903  |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b> |                |                |             |
| Operating income (loss)                                                                               | \$ 168,838     | \$ (2,712,109) | \$ (55,645) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities:        |                |                |             |
| Depreciation                                                                                          | 2,596,708      | -              | -           |
| Miscellaneous revenue                                                                                 | 63,899         | 56,344         | 6           |
| Other non-operating expenses                                                                          | (82,308)       | -              | -           |
| Changes in assets, deferred outflows, liabilities and deferred inflows:                               |                |                |             |
| (Increase) decrease in:                                                                               |                |                |             |
| Accounts receivable                                                                                   | -              | 9,637,545      | (17,067)    |
| Prepaid items                                                                                         | 1,160          | (11,540)       | (46,180)    |
| Inventory                                                                                             | (101,209)      | -              | -           |
| Deferred outflow of resources                                                                         | (365,464)      | -              | -           |
| Increase (decrease) in:                                                                               |                |                |             |
| Accounts payable                                                                                      | 672,673        | (4,446,137)    | 50,639      |
| Accrued wages                                                                                         | 6,279          | 1,661          | -           |
| Compensated absences                                                                                  | (2,497)        | 2,865          | -           |
| Estimated liability and health claims                                                                 | -              | (86,677)       | -           |
| Estimated health claims                                                                               | -              | (73,542)       | -           |
| Other post employment benefits liability                                                              | (3,563)        | -              | -           |
| Net pension liability                                                                                 | 615,370        | -              | -           |
| Deferred inflow of resources                                                                          | (106,303)      | -              | -           |
| Net cash provided (used) by operating activities                                                      | \$ 3,463,583   | \$ 2,368,410   | \$ (68,247) |

| Total<br>Governmental<br>Activities | Business-Type<br>Activities Central<br>Warehouse | Total Internal<br>Service Funds |
|-------------------------------------|--------------------------------------------------|---------------------------------|
| \$ 2,441,633                        | \$ -                                             | \$ 2,441,633                    |
| 31,245,931                          | 520,256                                          | 31,766,187                      |
| (12,843,629)                        | (547,448)                                        | (13,391,077)                    |
| (1,945,404)                         | -                                                | (1,945,404)                     |
| (13,040,463)                        | -                                                | (13,040,463)                    |
| (94,322)                            | -                                                | (94,322)                        |
| 5,763,746                           | (27,192)                                         | 5,736,554                       |
| 1,145,375                           | -                                                | 1,145,375                       |
| (1,352,660)                         | -                                                | (1,352,660)                     |
| 1,287,947                           | -                                                | 1,287,947                       |
| (605,315)                           | -                                                | (605,315)                       |
| 475,347                             | -                                                | 475,347                         |
| (1,657,875)                         | -                                                | (1,657,875)                     |
| 665,854                             | -                                                | 665,854                         |
| (992,021)                           | -                                                | (992,021)                       |
| 1,201,731                           | 161,829                                          | 1,363,560                       |
| 403,601                             | 11,699                                           | 415,300                         |
| 1,605,332                           | 173,528                                          | 1,778,860                       |
| 6,852,404                           | 146,336                                          | 6,998,740                       |
| 3,539,818                           | 206,045                                          | 3,745,863                       |
| \$ 10,392,222                       | \$ 352,381                                       | \$ 10,744,603                   |
| \$ (2,598,916)                      | \$ 39,472                                        | \$ (2,559,444)                  |
| 2,596,708                           | -                                                | 2,596,708                       |
| 120,249                             | -                                                | 120,249                         |
| (82,308)                            | -                                                | (82,308)                        |
| 9,620,478                           | -                                                | 9,620,478                       |
| (56,560)                            | -                                                | (56,560)                        |
| (101,209)                           | (81,185)                                         | (182,394)                       |
| (365,464)                           | -                                                | (365,464)                       |
| (3,722,825)                         | 14,521                                           | (3,708,304)                     |
| 7,940                               | -                                                | 7,940                           |
| 368                                 | -                                                | 368                             |
| (86,677)                            | -                                                | (86,677)                        |
| (73,542)                            | -                                                | (73,542)                        |
| (3,563)                             | -                                                | (3,563)                         |
| 615,370                             | -                                                | 615,370                         |
| (106,303)                           | -                                                | (106,303)                       |
| \$ 5,763,746                        | \$ (27,192)                                      | \$ 5,736,554                    |



## FIDUCIARY FUNDS





CITY OF ABILENE, TEXAS  
Combining Statement of Assets and Liabilities  
Agency Funds  
September 30, 2019  
With Comparative Totals for September 30, 2018

Exhibit F-1

|                                | 9-1-1<br>Emergency<br>Communication<br>District | Abilene-<br>Taylor County<br>Events Venue<br>District | Total<br>2019       | Total<br>2018       |
|--------------------------------|-------------------------------------------------|-------------------------------------------------------|---------------------|---------------------|
| <b><u>ASSETS</u></b>           |                                                 |                                                       |                     |                     |
| Cash and cash investments      | \$ 5,313,249                                    | \$ 105,256                                            | \$ 5,418,505        | \$ 3,080,496        |
| Investments                    | 1,952,305                                       | -                                                     | 1,952,305           | 4,215,045           |
| Accounts receivable            | <u>53,492</u>                                   | <u>94,301</u>                                         | <u>147,793</u>      | <u>131,679</u>      |
| TOTAL ASSETS                   | <u>\$ 7,319,046</u>                             | <u>\$ 199,557</u>                                     | <u>\$ 7,518,603</u> | <u>\$ 7,427,220</u> |
| <b><u>LIABILITIES</u></b>      |                                                 |                                                       |                     |                     |
| Accounts payable               | \$ 352,693                                      | \$ 71,720                                             | \$ 424,413          | \$ 212,764          |
| Other deposits and liabilities | <u>6,966,353</u>                                | <u>127,837</u>                                        | <u>7,094,190</u>    | <u>7,214,456</u>    |
| TOTAL LIABILITIES              | <u>\$ 7,319,046</u>                             | <u>\$ 199,557</u>                                     | <u>\$ 7,518,603</u> | <u>\$ 7,427,220</u> |

CITY OF ABILENE, TEXAS  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
Year Ended September 30, 2019

Exhibit F-2

| 9-1-1 Emergency Communication District - Agency Fund |                     |                     |                     |                     |
|------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                      | Total<br>2018       | Additions           | Deductions          | Total<br>2019       |
| <b>ASSETS</b>                                        |                     |                     |                     |                     |
| Cash and cash investments                            | \$ 2,971,800        | \$ 4,638,006        | \$ 2,296,557        | \$ 5,313,249        |
| Investments                                          | 4,215,045           | (2,262,740)         | -                   | 1,952,305           |
| Accounts receivable                                  | 53,492              | 53,492              | 53,492              | 53,492              |
| TOTAL ASSETS                                         | <u>\$ 7,240,337</u> | <u>\$ 2,428,758</u> | <u>\$ 2,350,049</u> | <u>\$ 7,319,046</u> |

|                                |                     |                     |                     |                     |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>LIABILITIES</b>             |                     |                     |                     |                     |
| Accounts payable               | \$ 136,682          | \$ 2,297,454        | \$ 2,081,443        | \$ 352,693          |
| Other deposits and liabilities | 7,103,655           | 131,304             | 268,606             | 6,966,353           |
| TOTAL LIABILITIES              | <u>\$ 7,240,337</u> | <u>\$ 2,428,758</u> | <u>\$ 2,350,049</u> | <u>\$ 7,319,046</u> |

| Abilene-Taylor County Events Venue District - Agency Fund |                   |                     |                     |                   |
|-----------------------------------------------------------|-------------------|---------------------|---------------------|-------------------|
|                                                           | Total<br>2018     | Additions           | Deductions          | Total<br>2019     |
| <b>ASSETS</b>                                             |                   |                     |                     |                   |
| Cash and cash investments                                 | \$ 108,696        | \$ 1,149,371        | \$ 1,152,811        | \$ 105,256        |
| Accounts receivable                                       | 78,187            | 94,301              | 78,187              | 94,301            |
| TOTAL ASSETS                                              | <u>\$ 186,883</u> | <u>\$ 1,243,672</u> | <u>\$ 1,230,998</u> | <u>\$ 199,557</u> |

|                                |                   |                     |                     |                   |
|--------------------------------|-------------------|---------------------|---------------------|-------------------|
| <b>LIABILITIES</b>             |                   |                     |                     |                   |
| Accounts payable               | \$ 76,082         | \$ 995,177          | \$ 999,539          | \$ 71,720         |
| Other deposits and liabilities | 110,801           | 248,495             | 231,459             | 127,837           |
| TOTAL LIABILITIES              | <u>\$ 186,883</u> | <u>\$ 1,243,672</u> | <u>\$ 1,230,998</u> | <u>\$ 199,557</u> |

| Total                     |                     |                     |                     |                     |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
|                           | Total<br>2018       | Additions           | Deductions          | Total<br>2019       |
| <b>ASSETS</b>             |                     |                     |                     |                     |
| Cash and cash investments | \$ 3,080,496        | \$ 5,787,377        | \$ 3,449,368        | \$ 5,418,505        |
| Investments               | 4,215,045           | (2,262,740)         | -                   | 1,952,305           |
| Accounts receivable       | 131,679             | 147,793             | 131,679             | 147,793             |
| TOTAL ASSETS              | <u>\$ 7,427,220</u> | <u>\$ 3,672,430</u> | <u>\$ 3,581,047</u> | <u>\$ 7,518,603</u> |

|                                |                     |                     |                     |                     |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>LIABILITIES</b>             |                     |                     |                     |                     |
| Accounts payable               | \$ 212,764          | \$ 3,292,631        | \$ 3,080,982        | \$ 424,413          |
| Other deposits and liabilities | 7,214,456           | 379,799             | 500,065             | 7,094,190           |
| TOTAL LIABILITIES              | <u>\$ 7,427,220</u> | <u>\$ 3,672,430</u> | <u>\$ 3,581,047</u> | <u>\$ 7,518,603</u> |

## OTHER SCHEDULES





**CITY OF ABILENE, TEXAS**  
**Schedule of General Long Term Obligation Bonds Payable**  
**September 30, 2019**

|                                            | Date<br>of Issue* | Interest Rate - %                                    |                       |
|--------------------------------------------|-------------------|------------------------------------------------------|-----------------------|
|                                            |                   | Coupon                                               | True Interest<br>Cost |
| General obligation - Airport 2007          | 8-01-07           | 5.50, 4.60, 4.70, 4.80, 5.00                         | 5.0467                |
| General obligation - 2009 Refunding        | 5-01-09           | 2.00, 5.00, 3.00, 3.50, 4.00                         | 2.7528                |
| General obligation - 2009A                 | 8-15-09           | 3.00, 4.50, 2.75, 4.00, 5.00, 4.10, 4.20, 4.25, 4.40 | 3.9131                |
| General obligation - 2010 Refunding        | 1-15-10           | 2.00, 3.00, 3.50, 3.75                               | 2.7312                |
| General obligation - 2011 Refunding        | 12-15-10          | 2.00, 3.00, 4.00, 4.125                              | 3.1574                |
| General obligation - 2013 Refunding        | 12-15-12          | 2.00, 3.00, 3.50, 4.00                               | 3.1319                |
| General obligation - 2015 Refunding        | 8-15-15           | 3.00, 4.00, 5.00                                     | 3.3500                |
| General obligation - 2015                  | 8-15-15           | 3.00, 4.00, 5.00                                     | 3.3500                |
| General obligation - 2016 Refunding        | 9-01-16           | 2.00, 3.00, 3.50, 4.00                               | 2.4131                |
| General obligation - 2016                  | 9-01-16           | 2.00, 3.00, 3.50, 4.00                               | 2.4131                |
| General obligation - 2017                  | 7-01-17           | 4.00, 5.00                                           | 3.2167                |
| General obligation - 2017 Refunding        | 12-01-17          | 2.00, 4.00, 5.00                                     | 2.0893                |
| General obligation - 2018                  | 7-01-18           | 3.00, 4.00, 5.00                                     | 3.4000                |
| Total General Obligation Bonds             |                   |                                                      |                       |
| Certificates of Obligation - Airport 2004  | 5-1-04            | 5.50, 5.20, 4.60, 4.75, 4.875, 5.00, 5.05, 5.10      | 5.0509                |
| Certificates of Obligation - Airport 2006A | 7-15-06           | 6.75, 5.75, 5.8, 5.85, 5.875, 5.9                    | 6.1705                |
| Certificates of Obligation - Airport 2007  | 8-01-07           | 5.125, 4.375, 4.50, 4.60, 4.75, 4.80, 4.85           | 4.7993                |
| Certificates of Obligation - 2009 Series 1 | 8-15-09           | 3.00, 4.00, 4.10, 4.25, 4.50                         | 3.6800                |
| Certificates of Obligation - 2009 Series 2 | 8-15-09           | 3.00, 4.00, 4.10, 4.25, 4.50                         | 3.6800                |
| Certificates of Obligation - 2011 Series   | 12-15-10          | 2.00, 3.00, 4.00, 4.125, 4.250, 4.375, 4.50, 4.625   | 3.2800                |
| Certificates of Obligation - 2015 Series   | 8-15-15           | 2.00, 3.00, 3.625, 3.375                             | 3.4000                |
| Certificates of Obligation - 2016 Series   | 9-01-16           | 2.00, 2.25, 2.50, 3.00                               | 2.1100                |
| Certificates of Obligation - 2017 Series   | 7-01-17           | 2.50, 4.00, 5.00                                     | 3.2165                |
| Certificates of Obligation - 2018A Series  | 7-1-18            | 3.00, 4.00, 5.00                                     | 3.4719                |
| Certificates of Obligation - 2018B Series  | 7-1-18            | 3.00, 4.00                                           | 3.4368                |
| Total Certificates of Obligation           |                   |                                                      |                       |

**TOTAL GENERAL LONG-TERM OBLIGATION BONDS PAYABLE**

**Note:**

- (1) This schedule reflects only the principal portion of general obligation bonds payable.
- (2) \* Bond date - date at which bonds are dated.
- (3) This schedule does not include unamortized bond premiums.

| Maturity<br>and Option | Amount of<br>Original<br>Issue | Bonds Matured        |                       | Interest Paid<br>Year Ended<br>9-30-19 | Bond<br>Principal<br>Payable<br>9-30-19 |
|------------------------|--------------------------------|----------------------|-----------------------|----------------------------------------|-----------------------------------------|
|                        |                                | Prior Years          | Year Ended<br>9-30-19 |                                        |                                         |
| 2-15-27/17             | \$ 1,070,000                   | \$ 605,000           | \$ 55,000             | \$ 21,820                              | \$ 410,000                              |
| 2-15-20/20             | 8,505,000                      | 7,825,000            | 495,000               | 17,300                                 | 185,000                                 |
| 2-15-29/19             | 8,075,000                      | 7,670,000            | 405,000               | 9,113                                  | -                                       |
| 2-15-21/20             | 2,165,000                      | 1,755,000            | 140,000               | 12,575                                 | 270,000                                 |
| 2-15-22/21             | 3,740,000                      | 3,400,000            | 170,000               | 10,200                                 | 170,000                                 |
| 2-15-43/22             | 1,565,000                      | 1,440,000            | 125,000               | 1,875                                  | -                                       |
| 2-15-35/25             | 13,820,000                     | 5,445,000            | 2,325,000             | 302,850                                | 6,050,000                               |
| 2-15-35/25             | 21,115,000                     | 2,235,000            | 780,000               | 803,550                                | 18,100,000                              |
| 2-15-36/25             | 13,895,000                     | 190,000              | 1,180,000             | 518,698                                | 12,525,000                              |
| 2-15-36/25             | 25,765,000                     | 1,925,000            | 945,000               | 893,877                                | 22,895,000                              |
| 2-15-37/26             | 13,660,000                     | 385,000              | 445,000               | 630,600                                | 12,830,000                              |
| 2-15-26                | 830,000                        | 5,000                | -                     | 38,800                                 | 825,000                                 |
| 2-15-38/28             | <u>4,880,000</u>               | <u>-</u>             | <u>145,000</u>        | <u>219,632</u>                         | <u>4,735,000</u>                        |
|                        | <u>119,085,000</u>             | <u>32,880,000</u>    | <u>7,210,000</u>      | <u>3,480,890</u>                       | <u>78,995,000</u>                       |
| 2-15-19/14             | 800,000                        | 750,000              | 50,000                | 1,275                                  | -                                       |
| 2-15-21/16             | 1,205,000                      | 965,000              | 80,000                | 11,960                                 | 160,000                                 |
| 2-15-22/17             | 4,895,000                      | 3,190,000            | 395,000               | 71,987                                 | 1,310,000                               |
| 2-15-29/19             | 1,475,000                      | 1,375,000            | 100,000               | 4,800                                  | -                                       |
| 2-15-29/19             | 2,920,000                      | 2,780,000            | 140,000               | -                                      | -                                       |
| 2-15-26/20             | 1,400,000                      | 1,200,000            | 100,000               | 6,000                                  | 100,000                                 |
| 2-15-35/25             | 1,955,000                      | 295,000              | 100,000               | 50,212                                 | 1,560,000                               |
| 2-15-31/25             | 2,000,000                      | 265,000              | 135,000               | 39,350                                 | 1,600,000                               |
| 2-15-37/26             | 7,830,000                      | 225,000              | 260,000               | 355,750                                | 7,345,000                               |
| 2-15-39/28             | 10,215,000                     | -                    | -                     | 433,321                                | 10,215,000                              |
| 2-15-39/28             | <u>1,615,000</u>               | <u>-</u>             | <u>-</u>              | <u>65,691</u>                          | <u>1,615,000</u>                        |
|                        | <u>36,310,000</u>              | <u>11,045,000</u>    | <u>1,360,000</u>      | <u>1,040,346</u>                       | <u>23,905,000</u>                       |
|                        | <u>\$ 155,395,000</u>          | <u>\$ 43,925,000</u> | <u>\$ 8,570,000</u>   | <u>\$ 4,521,236</u>                    | <u>\$ 102,900,000</u>                   |



## STATISTICAL SECTION



CITY OF ABILENE



# Statistical Section

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

| <b>Contents</b>                                                                                                                                                                                                                                         | <b>Page</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Financial Trends<br>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.                                                                           | 127         |
| Revenue Capacity<br>These schedules contain information to help the reader assess the government's most significant local revenue sources, sales and property tax.                                                                                      | 138         |
| Debt Capacity<br>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.                            | 146         |
| Demographic and Economic Information<br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.                                          | 151         |
| Operating Information<br>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. | 153         |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF ABILENE, TEXAS**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**September 30, 2019**  
**(accrual basis of accounting)**

|                                             | Fiscal Year           |                       |                       |                       |                       |
|---------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                             | 2010*                 | 2011*                 | 2012*                 | 2013                  | 2014                  |
| Governmental activities                     |                       |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 141,571,553        | \$ 143,563,655        | \$ 147,001,788        | \$ 155,814,109        | \$ 167,065,458        |
| Restricted                                  | 4,186,797             | 6,747,619             | 7,410,558             | 6,039,185             | 5,580,207             |
| Unrestricted                                | 24,901,398            | 32,292,359            | 38,686,631            | 39,735,187            | 40,392,222            |
| Total governmental activities net position  | <u>\$ 170,659,748</u> | <u>\$ 182,603,633</u> | <u>\$ 193,098,977</u> | <u>\$ 201,588,481</u> | <u>\$ 213,037,887</u> |
| Business-type activities                    |                       |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 123,713,276        | \$ 122,927,623        | \$ 123,555,521        | \$ 128,027,206        | \$ 130,855,353        |
| Restricted                                  | 2,238,465             | 1,919,965             | 1,924,398             | 783,862               | 783,821               |
| Unrestricted                                | 33,267,481            | 42,035,660            | 46,066,098            | 45,072,860            | 48,881,615            |
| Total business-type activities net position | <u>\$ 159,219,222</u> | <u>\$ 166,883,248</u> | <u>\$ 171,546,017</u> | <u>\$ 173,883,928</u> | <u>\$ 180,520,789</u> |
| Primary government                          |                       |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 265,284,829        | \$ 266,491,278        | \$ 270,557,309        | \$ 283,841,315        | \$ 297,920,811        |
| Restricted                                  | 6,425,262             | 8,667,584             | 9,334,956             | 6,823,047             | 6,364,028             |
| Unrestricted                                | 58,168,879            | 74,328,019            | 84,752,729            | 84,808,047            | 89,273,837            |
| Total primary government net position       | <u>\$ 329,878,970</u> | <u>\$ 349,486,881</u> | <u>\$ 364,644,994</u> | <u>\$ 375,472,409</u> | <u>\$ 393,558,676</u> |

Source: City of Abilene Comprehensive Annual Financial Report for the respective fiscal year.

\* Restated net position.

\*\* The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

\*\*\* The City implemented GASB Statement No. 75 in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this standard.

| Fiscal Year           |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2015**                | 2016                  | 2017                  | 2018***               | 2019                  |
| \$ 169,593,848        | \$ 184,493,119        | \$ 192,230,299        | \$ 202,019,892        | \$ 207,790,259        |
| 6,289,487             | 5,964,816             | 7,726,478             | 8,331,620             | 7,547,184             |
| (3,851,175)           | (10,212,143)          | (20,714,237)          | (21,305,560)          | (22,958,273)          |
| <u>\$ 172,032,160</u> | <u>\$ 180,245,792</u> | <u>\$ 179,242,540</u> | <u>\$ 189,045,952</u> | <u>\$ 192,379,170</u> |
|                       |                       |                       |                       |                       |
| \$ 141,042,489        | \$ 154,439,154        | \$ 170,683,229        | \$ 175,803,351        | \$ 165,326,998        |
| 714,753               | 703,327               | 721,851               | 893,602               | 1,543,876             |
| 48,544,771            | 45,665,075            | 43,860,530            | 46,200,131            | 44,085,358            |
| <u>\$ 190,302,013</u> | <u>\$ 200,807,556</u> | <u>\$ 215,265,610</u> | <u>\$ 222,897,084</u> | <u>\$ 210,956,232</u> |
|                       |                       |                       |                       |                       |
| \$ 310,636,337        | \$ 338,932,273        | \$ 362,913,528        | \$ 377,823,243        | \$ 373,117,257        |
| 7,004,240             | 6,668,143             | 8,448,329             | 9,225,222             | 9,091,060             |
| 44,693,596            | 35,452,932            | 23,146,293            | 24,894,571            | 21,127,085            |
| <u>\$ 362,334,173</u> | <u>\$ 381,053,348</u> | <u>\$ 394,508,150</u> | <u>\$ 411,943,036</u> | <u>\$ 403,335,402</u> |



**CITY OF ABILENE, TEXAS**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**September 30, 2019**  
**(accrual basis of accounting)**

|                                                 | Fiscal Year            |                        |                        |                        |                        |
|-------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                 | 2010*                  | 2011*                  | 2012*                  | 2013                   | 2014                   |
| <b>Expenses</b>                                 |                        |                        |                        |                        |                        |
| Governmental activities:                        |                        |                        |                        |                        |                        |
| General government***                           | \$ 1,835,406           | \$ 1,709,344           | \$ 1,413,623           | \$ 1,629,414           | \$ 1,680,796           |
| Human Resources                                 | 1,551,177              | 1,736,883              | 1,966,784              | 2,211,654              | 2,286,518              |
| Finance                                         | 6,280,669              | 7,299,960              | 7,676,318              | 8,158,544              | 8,676,471              |
| Planning and development services               | 4,376,680              | 4,017,148              | 4,028,434              | 3,727,961              | 3,950,329              |
| Economic development ***                        | 288,953                | 592,815                | 273,807                | 269,235                | 254,767                |
| Public works                                    | 9,676,727              | 9,465,023              | 9,860,509              | 10,038,084             | 11,748,309             |
| Facilities and Capital Improvements             | -                      | -                      | -                      | -                      | -                      |
| Police                                          | 22,875,787             | 23,208,973             | 24,324,806             | 24,882,080             | 25,758,373             |
| Fire                                            | 16,326,600             | 16,848,184             | 17,881,081             | 18,510,732             | 19,469,788             |
| Transportation Services                         | 2,913,522              | 2,933,463              | 3,506,121              | 4,130,783              | 4,495,154              |
| Community services                              | 14,776,807             | 15,298,733             | 15,318,924             | 16,087,064             | 16,564,210             |
| Health **                                       | -                      | -                      | -                      | -                      | -                      |
| Interest and fees on long-term debt*            | 4,008,283              | 3,586,275              | 3,295,945              | 2,896,895              | 2,556,122              |
| Total governmental activities expenses          | <u>84,910,611</u>      | <u>86,696,801</u>      | <u>89,546,352</u>      | <u>92,542,446</u>      | <u>97,440,837</u>      |
| Business-type activities:                       |                        |                        |                        |                        |                        |
| Water and sewer                                 | 28,930,642             | 32,955,158             | 33,994,651             | 35,981,438             | 35,626,471             |
| Solid waste services                            | 9,492,218              | 9,854,547              | 9,880,044              | 10,074,204             | 10,058,782             |
| Non-major funds                                 | 5,405,660              | 6,703,240              | 6,112,242              | 6,429,836              | 6,298,387              |
| Total business-type activities expenses         | <u>43,828,520</u>      | <u>49,512,945</u>      | <u>49,986,937</u>      | <u>52,485,478</u>      | <u>51,983,640</u>      |
| Total primary government expenses               | <u>\$ 128,739,131</u>  | <u>\$ 136,209,746</u>  | <u>\$ 139,533,289</u>  | <u>\$ 145,027,924</u>  | <u>\$ 149,424,477</u>  |
| <b>Program Revenues</b>                         |                        |                        |                        |                        |                        |
| Governmental activities:                        |                        |                        |                        |                        |                        |
| Charges for services:                           |                        |                        |                        |                        |                        |
| General government                              | \$ 26,065              | \$ 29,382              | \$ 31,188              | \$ 37,168              | \$ 33,088              |
| Finance                                         | 2,043,982              | 2,194,284              | 1,841,816              | 2,171,077              | 2,215,581              |
| Planning and development services               | 1,290,890              | 1,624,955              | 1,539,179              | 1,491,845              | 1,815,016              |
| Public works ****                               | 113,059                | 71,879                 | 73,776                 | 59,169                 | 67,960                 |
| Police                                          | 878,765                | 972,130                | 1,153,500              | 1,129,606              | 1,091,780              |
| Fire                                            | 97,212                 | 97,380                 | 99,160                 | 76,835                 | 117,165                |
| Transportation Services                         | 1,566,565              | 1,781,946              | 1,724,065              | 1,706,069              | 1,835,194              |
| Community services                              | 1,490,357              | 1,464,383              | 1,543,206              | 1,626,254              | 1,850,664              |
| Health **                                       | -                      | -                      | -                      | -                      | -                      |
| Operating grants and contributions              | 9,784,881              | 5,703,412              | 4,888,830              | 3,842,032              | 4,024,520              |
| Capital grants and contributions                | 6,029,883              | 6,037,354              | 7,485,410              | 6,731,853              | 12,727,789             |
| Total governmental activities program revenues  | <u>23,321,659</u>      | <u>19,977,105</u>      | <u>20,380,130</u>      | <u>18,871,908</u>      | <u>25,778,757</u>      |
| Business-type activities:                       |                        |                        |                        |                        |                        |
| Charges for services:                           |                        |                        |                        |                        |                        |
| Water and sewer                                 | \$ 34,266,914          | 39,792,247             | 36,553,801             | 36,054,828             | 39,243,053             |
| Solid waste services                            | 12,271,118             | 12,422,494             | 12,429,681             | 12,467,867             | 12,354,136             |
| Non-major funds                                 | 2,166,275              | 2,482,355              | 2,452,045              | 2,476,929              | 2,324,023              |
| Operating grants and contributions              | 2,380,255              | 2,140,668              | 2,400,494              | 2,206,638              | 2,486,052              |
| Capital grants and contributions                | 2,625,103              | 498,518                | 395,933                | 1,580,646              | 1,570,780              |
| Total business-type activities program revenues | <u>53,709,665</u>      | <u>57,336,282</u>      | <u>54,231,954</u>      | <u>54,786,908</u>      | <u>57,978,044</u>      |
| Total primary government program revenues       | <u>\$ 77,031,324</u>   | <u>\$ 77,313,387</u>   | <u>\$ 74,612,084</u>   | <u>\$ 73,658,816</u>   | <u>\$ 83,756,801</u>   |
| <b>Net (Expense)/Revenue:</b>                   |                        |                        |                        |                        |                        |
| Governmental activities                         | \$ (61,588,952)        | \$ (66,719,696)        | \$ (69,166,222)        | \$ (73,670,538)        | \$ (71,662,080)        |
| Business-type activities                        | 9,881,145              | 7,823,337              | 4,245,017              | 2,301,430              | 5,994,404              |
| Total primary government net expense            | <u>\$ (51,707,807)</u> | <u>\$ (58,896,359)</u> | <u>\$ (64,921,205)</u> | <u>\$ (71,369,108)</u> | <u>\$ (65,667,676)</u> |

Source: City of Abilene Comprehensive Annual Financial Report for the respective fiscal year.

\* Restated

\*\* The Health Department is no longer under Community Services as of 10/1/2017. It is now its own department.

\*\*\* As of 10/1/2017, Economic Development is now included in General Government.

\*\*\*\* As of 10/1/2019, Public Works charges for services includes "Street Maintenance Fee"

|    | 2015                | 2016                | 2017                | 2018                | 2019                 |
|----|---------------------|---------------------|---------------------|---------------------|----------------------|
| \$ | 1,780,202           | \$ 2,647,970        | \$ 5,697,500        | \$ 5,914,985        | \$ 8,590,172         |
|    | 2,441,120           | 3,141,605           | 3,244,011           | 1,232,748           | 1,498,469            |
|    | 9,056,563           | 9,135,461           | 9,271,167           | 6,871,287           | 8,636,167            |
|    | 4,234,015           | 3,744,623           | 3,631,386           | 3,164,675           | 3,498,420            |
|    | 256,639             | 381,635             | 319,717             | -                   | -                    |
|    | 10,863,395          | 9,932,350           | 10,738,983          | 11,701,793          | 12,684,946           |
|    | -                   | -                   | 1,362,684           | 2,895,988           | 2,932,499            |
|    | 25,598,660          | 30,268,503          | 31,331,115          | 29,328,073          | 33,377,601           |
|    | 22,488,941          | 23,706,150          | 23,581,018          | 23,026,603          | 26,858,049           |
|    | 4,794,921           | 5,198,433           | 5,651,388           | 5,669,644           | 6,122,895            |
|    | 17,324,550          | 21,174,094          | 19,283,594          | 13,677,953          | 15,958,485           |
|    | -                   | -                   | -                   | 4,387,574           | 4,784,731            |
|    | 3,170,378           | 3,198,611           | 3,288,053           | 4,098,430           | 3,940,312            |
|    | <u>102,009,384</u>  | <u>112,529,435</u>  | <u>117,400,616</u>  | <u>111,969,753</u>  | <u>128,882,746</u>   |
|    | 35,975,514          | 39,557,921          | 40,815,109          | 50,992,841          | 65,594,968           |
|    | 10,317,053          | 11,276,692          | 11,457,655          | 10,725,040          | 12,335,938           |
|    | 5,867,430           | 6,286,285           | 6,581,441           | 6,393,837           | 6,866,977            |
|    | <u>52,159,997</u>   | <u>57,120,898</u>   | <u>58,854,205</u>   | <u>68,111,718</u>   | <u>84,797,883</u>    |
| \$ | <u>154,169,381</u>  | <u>169,650,333</u>  | <u>176,254,821</u>  | <u>180,081,471</u>  | <u>213,680,629</u>   |
|    |                     |                     |                     |                     |                      |
| \$ | 27,952              | \$ 31,918           | \$ 986,572          | \$ 975,198          | \$ 983,543           |
|    | 1,779,338           | 1,791,105           | 1,757,839           | 1,862,362           | 1,561,099            |
|    | 1,741,177           | 1,425,511           | 1,159,403           | 1,179,031           | 1,340,622            |
|    | 74,671              | 95,081              | 73,440              | 97,668              | 4,560,807            |
|    | 1,107,091           | 1,105,780           | 1,155,192           | 1,723,898           | 1,300,675            |
|    | 100,910             | 98,500              | 111,242             | 113,760             | 120,415              |
|    | 1,893,427           | 1,871,854           | 1,995,832           | 2,005,829           | 2,020,115            |
|    | 1,921,488           | 2,377,022           | 1,731,667           | 1,032,904           | 1,031,343            |
|    | -                   | -                   | -                   | 719,975             | 777,786              |
|    | 3,703,719           | 3,967,435           | 4,243,985           | 3,942,459           | 4,900,325            |
|    | 7,187,441           | 18,316,880          | 8,438,203           | 4,272,514           | 3,281,177            |
|    | <u>19,537,214</u>   | <u>31,081,086</u>   | <u>21,653,375</u>   | <u>17,925,598</u>   | <u>21,877,907</u>    |
|    | 43,434,088          | 47,266,003          | 52,133,145          | 54,018,608          | 50,551,248           |
|    | 12,961,098          | 13,065,415          | 13,305,296          | 13,634,876          | 15,418,218           |
|    | 2,310,800           | 2,321,300           | 2,695,131           | 2,664,137           | 2,742,147            |
|    | 1,966,545           | 1,451,444           | 1,803,933           | 1,970,975           | 2,280,037            |
|    | 2,289,546           | 2,200,036           | 2,438,332           | 6,578,852           | 1,269,113            |
|    | <u>62,962,077</u>   | <u>66,304,198</u>   | <u>72,375,837</u>   | <u>78,867,448</u>   | <u>72,260,763</u>    |
| \$ | <u>82,499,291</u>   | <u>97,385,284</u>   | <u>94,029,212</u>   | <u>96,793,046</u>   | <u>94,138,670</u>    |
|    |                     |                     |                     |                     |                      |
| \$ | (82,472,170)        | \$ (81,448,349)     | \$ (95,747,241)     | \$ (94,044,155)     | \$ (107,004,839)     |
|    | 10,802,080          | 9,183,300           | 13,521,632          | 10,755,730          | (12,537,120)         |
| \$ | <u>(71,670,090)</u> | <u>(72,265,049)</u> | <u>(82,225,609)</u> | <u>(83,288,425)</u> | <u>(119,541,959)</u> |

**CITY OF ABILENE, TEXAS**  
**Changes in Net Position**  
**Last Ten Fiscal Years \***  
**September 30, 2019**  
**(accrual basis of accounting)**

|                                                           | Fiscal Year          |                      |                      |                      |                      |
|-----------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                           | 2010*                | 2011*                | 2012*                | 2013                 | 2014                 |
| <b>General Revenues and Other Changes in Net Position</b> |                      |                      |                      |                      |                      |
| Governmental activities:                                  |                      |                      |                      |                      |                      |
| Taxes                                                     |                      |                      |                      |                      |                      |
| Property taxes                                            | \$ 33,311,387        | \$ 33,376,028        | \$ 33,791,949        | \$ 34,569,630        | \$ 35,301,107        |
| Sales and use taxes                                       | 25,204,088           | 29,143,720           | 30,938,050           | 30,579,680           | 30,780,883           |
| Franchise taxes                                           | 6,423,330            | 7,042,392            | 6,739,894            | 7,209,087            | 7,404,995            |
| Occupancy taxes                                           | 2,205,770            | 2,594,813            | 2,651,028            | 2,781,952            | 3,027,363            |
| Miscellaneous taxes                                       | 1,042,310            | 1,447,496            | 1,348,992            | 1,305,058            | 1,381,697            |
| Investment income                                         | 178,248              | 241,478              | 184,981              | 156,355              | 127,303              |
| Miscellaneous income                                      | 3,137,612            | 3,516,345            | 3,208,211            | 4,051,789            | 3,801,533            |
| Gain (loss) on sale of capital assets                     | -                    | -                    | -                    | -                    | -                    |
| Transfers                                                 | 1,868,200            | 1,301,309            | 1,011,510            | 1,506,491            | 1,286,605            |
| Total governmental activities                             | <u>73,370,945</u>    | <u>78,663,581</u>    | <u>79,874,615</u>    | <u>82,160,042</u>    | <u>83,111,486</u>    |
| Business-type activities:                                 |                      |                      |                      |                      |                      |
| Investment income                                         | 108,626              | 202,658              | 111,724              | 92,938               | 101,965              |
| Miscellaneous income                                      | 692,701              | 879,464              | 1,090,085            | 1,102,454            | 1,493,322            |
| Gain (loss) on sale of capital assets                     | 167,800              | 59,875               | 227,454              | 347,580              | 333,775              |
| Transfers                                                 | (1,868,200)          | (1,301,309)          | (1,011,510)          | (1,506,491)          | (1,286,605)          |
| Total business-type activities                            | <u>(899,073)</u>     | <u>(159,312)</u>     | <u>417,753</u>       | <u>36,481</u>        | <u>642,457</u>       |
| Total primary government                                  | <u>\$ 72,471,872</u> | <u>\$ 78,504,269</u> | <u>\$ 80,292,368</u> | <u>\$ 82,196,523</u> | <u>\$ 83,753,943</u> |
| <b>Change in Net Position</b>                             |                      |                      |                      |                      |                      |
| Governmental activities                                   | \$ 11,781,993        | \$ 11,943,885        | \$ 10,708,393        | \$ 8,489,504         | \$ 11,449,406        |
| Business-type activities                                  | 8,982,072            | 7,664,025            | 4,662,770            | 2,337,911            | 6,636,861            |
| Total primary government                                  | <u>\$ 20,764,065</u> | <u>\$ 19,607,910</u> | <u>\$ 15,371,163</u> | <u>\$ 10,827,415</u> | <u>\$ 18,086,267</u> |

Source: City of Abilene Comprehensive Annual Financial Report for the respective fiscal year.

\* Restated

| 2015                 | 2016                 | 2017                 | 2018                  | 2019                  |
|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| \$ 36,337,957        | \$ 39,768,063        | \$ 42,886,448        | \$ 46,250,305         | \$ 47,853,967         |
| 31,481,309           | 30,388,148           | 31,193,071           | 34,784,342            | 35,369,689            |
| 7,731,243            | 7,696,566            | 7,471,341            | 7,858,877             | 8,314,757             |
| 3,248,946            | 3,028,317            | 3,198,982            | 3,414,572             | 3,594,163             |
| 1,438,012            | 1,824,885            | 2,719,960            | 3,069,314             | 3,494,558             |
| 166,687              | 361,385              | 747,572              | 1,532,655             | 2,648,383             |
| 4,077,608            | 4,772,649            | 5,088,938            | 6,004,939             | 7,322,508             |
| -                    | -                    | 835,612              | 55,826                | -                     |
| 1,643,224            | 715,757              | 602,065              | 3,898,419             | 1,740,032             |
| <u>86,124,986</u>    | <u>88,555,770</u>    | <u>94,743,989</u>    | <u>106,869,249</u>    | <u>110,338,057</u>    |
| 156,320              | 282,359              | 405,707              | 836,094               | 1,594,674             |
| 521,317              | 782,031              | 830,730              | 324,829               | 26,305                |
| 305,346              | 190,422              | 302,050              | 267,570               | 715,321               |
| (1,643,224)          | (715,757)            | (602,065)            | (3,898,419)           | (1,740,032)           |
| <u>(660,241)</u>     | <u>539,055</u>       | <u>936,422</u>       | <u>(2,469,926)</u>    | <u>596,268</u>        |
| \$ <u>85,464,745</u> | \$ <u>89,094,825</u> | \$ <u>95,680,411</u> | \$ <u>104,399,323</u> | \$ <u>110,934,325</u> |
| \$ 3,652,816         | \$ 7,107,421         | \$ (1,003,252)       | \$ 12,825,094         | \$ 3,333,218          |
| <u>10,141,839</u>    | <u>9,722,355</u>     | <u>14,458,054</u>    | <u>8,285,804</u>      | <u>(11,940,852)</u>   |
| \$ <u>13,794,655</u> | \$ <u>16,829,776</u> | \$ <u>13,454,802</u> | \$ <u>21,110,898</u>  | \$ <u>(8,607,634)</u> |



**CITY OF ABILENE, TEXAS**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**September 30, 2019**  
**(accrual basis of accounting)**

| <b>Fiscal<br/>Year</b> | <b>Property<br/>Tax</b> | <b>Sales<br/>Tax</b> | <b>Franchise<br/>Tax</b> | <b>Occupancy<br/>Tax</b> | <b>Miscellaneous<br/>Tax</b> | <b>Total</b>  |
|------------------------|-------------------------|----------------------|--------------------------|--------------------------|------------------------------|---------------|
| <b>2010</b>            | \$ 33,311,387           | \$ 25,204,088        | \$ 6,423,330             | \$ 2,205,770             | \$ 1,042,310                 | \$ 68,186,885 |
| <b>2011</b>            | 33,376,028              | 29,143,720           | 7,042,392                | 2,594,813                | 1,447,496                    | 73,604,449    |
| <b>2012</b>            | 33,791,949              | 30,938,050           | 6,739,894                | 2,651,028                | 1,348,992                    | 75,469,913    |
| <b>2013</b>            | 34,569,630              | 30,579,680           | 7,209,087                | 2,781,952                | 1,305,058                    | 76,445,407    |
| <b>2014</b>            | 35,301,107              | 30,780,883           | 7,404,995                | 3,027,363                | 1,381,697                    | 77,896,045    |
| <b>2015</b>            | 36,337,957              | 31,481,309           | 7,731,243                | 3,248,946                | 1,438,012                    | 80,237,467    |
| <b>2016</b>            | 39,768,063              | 30,388,148           | 7,696,566                | 3,028,317                | 1,824,885                    | 82,705,979    |
| <b>2017</b>            | 42,886,448              | 31,193,071           | 7,471,341                | 3,198,982                | 2,719,960                    | 87,469,802    |
| <b>2018</b>            | 46,250,305              | 34,784,342           | 7,858,877                | 3,414,572                | 3,069,314                    | 95,377,410    |
| <b>2019</b>            | 47,853,967              | 35,369,689           | 8,314,757                | 3,594,163                | 3,494,558                    | 98,627,134    |

Source: City of Abilene Comprehensive Annual Financial Report for the respective fiscal year.

**CITY OF ABILENE, TEXAS**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**September 30, 2019**  
**(modified accrual basis of accounting)**

|                                     | Fiscal Year          |                      |                      |                      |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                     | 2010                 | 2011                 | 2012                 | 2013                 |
| General fund                        |                      |                      |                      |                      |
| Reserved                            | \$ 813,218           | \$ -                 | \$ -                 | \$ -                 |
| Non-Spendable Items                 |                      |                      |                      |                      |
| Inventory                           | -                    | -                    | -                    | 5,152                |
| Prepaid Items                       | -                    | 9,916                | 19,493               | 47,857               |
| Assigned to:                        |                      |                      |                      |                      |
| 27th Payroll                        | -                    | 830,000              | 1,030,000            | 1,230,000            |
| Other purposes                      | -                    | 975,792              | 2,296,188            | 831,694              |
| Unreserved/Unassigned               | 17,771,860           | 23,290,570           | 22,385,803           | 23,150,110           |
| Total general fund                  | <u>\$ 18,585,078</u> | <u>\$ 25,106,278</u> | <u>\$ 25,731,484</u> | <u>\$ 25,264,813</u> |
| All other governmental funds        |                      |                      |                      |                      |
| Reserved                            | \$ 7,779,182         | \$ -                 | \$ -                 | \$ -                 |
| Unreserved/Unassigned, reported in: |                      |                      |                      |                      |
| Nonmajor Governmental               | 1,032,117            | -                    | (15,875)             | (50,419)             |
| Debt service                        | (1,481)              | -                    | -                    | -                    |
| Capital project funds               | 16,491,186           | (29,433)             | -                    | -                    |
| Non-Spendable Items                 |                      |                      |                      |                      |
| Inventory                           | -                    | 3,580                | -                    | -                    |
| Prepaid Items                       | -                    | 1,775                | 17,093               | 1,834                |
| Restricted for:                     |                      |                      |                      |                      |
| Debt service                        | -                    | 1,036,868            | 1,265,688            | 1,421,361            |
| Capital projects                    | -                    | 17,273,296           | 13,467,972           | 8,941,684            |
| Other purposes                      | -                    | 1,968,573            | 2,461,966            | 2,480,804            |
| Assigned to:                        |                      |                      |                      |                      |
| Debt service                        | -                    | 244,184              | 258,621              | 289,126              |
| Capital projects                    | -                    | 2,207,193            | 6,586,366            | 8,726,554            |
| Total all other governmental funds  | <u>\$ 25,301,004</u> | <u>\$ 22,706,036</u> | <u>\$ 24,041,831</u> | <u>\$ 21,810,944</u> |

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Type Definitions" in fiscal year 2011.

Source: City of Abilene Comprehensive Annual Financial Report for respective fiscal year.

| <u>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          | <u>2018</u>          | <u>2019</u>          |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| 3,838                | 2,292                | 5,144                | 4,071                | 2,961                | 4,913                |
| 42,608               | 21,461               | 26,836               | 32,131               | 27,456               | 27,033               |
| 1,430,000            | 1,630,000            | 2,364,876            | -                    | -                    | -                    |
| 718,900              | 858,447              | 606,609              | 748,373              | 669,747              | 706,692              |
| 23,707,315           | 24,378,638           | 23,455,297           | 26,146,953           | 27,527,872           | 30,843,631           |
| <u>\$ 25,902,661</u> | <u>\$ 26,890,838</u> | <u>\$ 26,458,762</u> | <u>\$ 26,931,528</u> | <u>\$ 28,228,036</u> | <u>\$ 31,582,269</u> |
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| (92,360)             | (34,769)             | (51,784)             | (31,177)             | (1,183)              | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| 2,958                | 3,856                | 5,249                | 7,859                | 6,863                | 1,813                |
| 1,413,641            | 1,488,064            | 1,688,525            | 1,841,779            | 1,766,526            | 1,692,830            |
| 6,093,369            | 30,277,285           | 46,782,627           | 46,777,906           | 48,703,189           | 26,216,250           |
| 2,808,542            | 2,884,608            | 3,318,044            | 3,813,917            | 4,306,782            | 7,191,832            |
| -                    | -                    | -                    | -                    | -                    | -                    |
| 9,723,092            | 9,888,410            | 10,519,288           | 10,029,756           | 13,491,475           | 15,239,122           |
| <u>\$ 19,949,242</u> | <u>\$ 44,507,454</u> | <u>\$ 62,261,949</u> | <u>\$ 62,440,040</u> | <u>\$ 68,273,652</u> | <u>\$ 50,341,847</u> |



**CITY OF ABILENE, TEXAS**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**September 30, 2019**  
**(modified accrual basis of accounting)**

|                                                         | Fiscal Year    |               |               |                |
|---------------------------------------------------------|----------------|---------------|---------------|----------------|
|                                                         | 2010           | 2011          | 2012          | 2013           |
| <b>Revenues</b>                                         |                |               |               |                |
| Taxes                                                   | \$ 68,228,562  | \$ 73,664,947 | \$ 75,593,361 | \$ 76,489,386  |
| Licenses and permits                                    | 1,222,992      | 1,502,109     | 1,389,950     | 1,284,471      |
| Fines and forfeitures                                   | 1,889,380      | 2,104,574     | 2,000,437     | 2,297,611      |
| Charges for services                                    | 3,763,217      | 3,909,256     | 4,195,065     | 4,220,602      |
| Intergovernmental revenues                              | 15,626,364     | 11,740,766    | 11,753,819    | 10,034,100     |
| Assessments/passenger facility charge                   | 443,856        | 544,610       | 476,826       | 515,988        |
| Interest and miscellaneous                              | 5,672,842      | 5,641,160     | 6,007,879     | 6,433,398      |
| Total revenues                                          | 96,847,213     | 99,107,422    | 101,417,337   | 101,275,556    |
| <b>Expenditures</b>                                     |                |               |               |                |
| General government                                      | 2,250,495      | 1,712,483     | 1,832,118     | 1,879,077      |
| Human Resources                                         | 2,154,088      | 2,153,658     | 2,159,580     | 2,370,945      |
| Finance                                                 | 7,863,746      | 7,567,978     | 7,768,528     | 8,520,194      |
| Planning & Development Services                         | 4,366,537      | 4,023,083     | 4,013,510     | 3,727,507      |
| Economic development                                    | 15,842         | 290,631       | 719           | 100            |
| Public works                                            | 8,885,100      | 6,132,220     | 6,436,791     | 6,485,824      |
| Facilities and Capital Improvements                     | -              | -             | -             | -              |
| Police                                                  | 21,386,397     | 21,710,705    | 22,778,112    | 23,604,378     |
| Fire                                                    | 16,355,747     | 16,482,790    | 16,753,910    | 17,587,022     |
| Transportation services                                 | 1,562,387      | 1,576,770     | 1,645,407     | 1,776,606      |
| Community services                                      | 13,569,504     | 13,835,533    | 13,519,309    | 15,662,017     |
| Health **                                               | -              | -             | -             | -              |
| Debt service                                            |                |               |               |                |
| Principal                                               | 8,126,990      | 7,980,000     | 7,900,000     | 10,778,967     |
| Interest                                                | 3,761,781      | 3,334,335     | 3,167,775     | 2,878,035      |
| Fees and other charges                                  | 204,151        | 329,770       | 187,726       | 198,981        |
| Capital projects                                        | 12,184,315     | 10,809,536    | 12,451,995    | 12,163,171     |
| Total expenditures                                      | 102,687,080    | 97,939,492    | 100,615,480   | 107,632,824    |
| Excess (deficit) of revenues over expenditures          | (5,839,867)    | 1,167,930     | 801,857       | (6,357,268)    |
| <b>Other financing sources (uses)</b>                   |                |               |               |                |
| Issuance of debt                                        | -              | 1,400,000     | -             | -              |
| Bond Premium                                            | 67,768         | 140,734       | -             | 120,554        |
| Issuance of refunding bonds                             | 2,165,000      | 3,740,000     | -             | 1,565,000      |
| Payments to refunded bond escrow agent                  | (2,246,219)    | (3,771,181)   | -             | (1,600,000)    |
| Proceeds from sale of assets                            | -              | -             | -             | 2,200,000      |
| Transfers in                                            | 4,843,925      | 5,423,715     | 10,021,843    | 10,250,208     |
| Transfers out                                           | (4,017,055)    | (4,174,966)   | (9,402,468)   | (8,876,052)    |
| Total other financing sources (uses)                    | 813,419        | 2,758,302     | 619,375       | 3,659,710      |
| Net change in fund balances                             | \$ (5,026,448) | \$ 3,926,232  | \$ 1,421,232  | \$ (2,697,558) |
| Debt service as a percentage of noncapital expenditures | 13.1%          | 13.0%         | 12.6%         | 14.3%          |

Source: City of Abilene Comprehensive Annual Financial Report for respective fiscal year

\* As of 10/1/2017, Health Services is its own department and is no longer included in Community Services.

|    | 2014               | 2015                 | 2016                 | 2017               | 2018                | 2019                   |
|----|--------------------|----------------------|----------------------|--------------------|---------------------|------------------------|
| \$ | 77,908,819         | \$ 80,092,679        | \$ 82,667,603        | \$ 87,423,676      | \$ 95,374,313       | \$ 98,592,152          |
|    | 1,586,623          | 1,548,832            | 1,531,658            | 1,432,909          | 1,518,757           | 1,701,347              |
|    | 2,352,970          | 1,931,566            | 1,588,698            | 1,628,834          | 2,110,492           | 1,542,100              |
|    | 4,566,205          | 4,639,516            | 4,814,612            | 5,130,807          | 5,231,952           | 9,839,072              |
|    | 15,552,706         | 8,978,675            | 17,469,624           | 9,145,441          | 4,837,477           | 4,870,401              |
|    | 546,110            | 605,781              | 576,404              | 577,054            | 570,035             | 583,381                |
|    | 5,919,240          | 7,004,586            | 11,652,087           | 9,675,450          | 9,782,892           | 12,637,003             |
|    | <u>108,432,673</u> | <u>104,801,635</u>   | <u>120,300,686</u>   | <u>115,014,171</u> | <u>119,425,918</u>  | <u>129,765,456</u>     |
|    | 1,963,168          | 1,983,021            | 2,937,786            | 4,998,935          | 5,371,937           | 6,838,358              |
|    | 2,576,029          | 2,702,787            | 2,954,916            | 3,093,545          | 1,609,724           | 1,647,939              |
|    | 9,134,371          | 10,472,981           | 12,855,913           | 9,115,669          | 8,011,232           | 8,669,605              |
|    | 3,982,714          | 4,287,282            | 3,485,817            | 3,453,307          | 3,233,864           | 3,257,902              |
|    | -                  | -                    | 49,999               | -                  | -                   | -                      |
|    | 8,069,487          | 6,832,106            | 6,409,909            | 6,818,987          | 7,656,610           | 7,650,285              |
|    | -                  | -                    | -                    | 1,385,754          | 3,270,675           | 3,051,833              |
|    | 24,557,057         | 25,135,957           | 26,534,539           | 28,288,554         | 29,018,057          | 29,549,229             |
|    | 18,217,844         | 18,582,736           | 18,815,536           | 19,268,096         | 20,040,532          | 20,874,757             |
|    | 1,995,218          | 2,022,131            | 1,959,062            | 1,941,925          | 2,135,301           | 2,177,771              |
|    | 14,718,776         | 15,463,934           | 17,683,990           | 16,142,587         | 12,190,480          | 13,033,800             |
|    | -                  | -                    | -                    | -                  | 4,414,599           | 4,423,530              |
|    | 7,344,000          | 6,690,000            | 7,540,000            | 8,420,000          | 8,573,072           | 8,862,598              |
|    | 2,503,438          | 2,586,768            | 2,730,037            | 3,236,050          | 4,206,104           | 4,534,913              |
|    | 166,190            | 565,277              | 658,426              | 489,812            | 515,813             | 212,880                |
|    | <u>15,689,029</u>  | <u>7,850,008</u>     | <u>29,013,286</u>    | <u>33,370,279</u>  | <u>23,073,240</u>   | <u>31,820,863</u>      |
|    | <u>110,917,321</u> | <u>105,174,988</u>   | <u>133,629,216</u>   | <u>140,023,500</u> | <u>133,321,240</u>  | <u>146,606,263</u>     |
|    | (2,484,648)        | (373,353)            | (13,328,530)         | (25,009,329)       | (13,895,322)        | (16,840,807)           |
|    | -                  | 23,070,000           | 27,765,000           | 21,754,445         | 16,750,000          | -                      |
|    | -                  | 3,305,739            | 4,926,398            | 3,539,471          | 1,393,039           | -                      |
|    | -                  | 13,820,000           | 13,895,000           | -                  | 830,000             | -                      |
|    | -                  | (14,535,000)         | (15,666,632)         | -                  | (919,078)           | -                      |
|    | -                  | -                    | -                    | 835,612            | 100,669             | 315,918                |
|    | 8,893,917          | 6,410,302            | 7,933,838            | 8,873,563          | 14,280,581          | 17,428,697             |
|    | <u>(7,633,123)</u> | <u>(6,151,299)</u>   | <u>(8,202,655)</u>   | <u>(9,342,905)</u> | <u>(11,409,769)</u> | <u>(15,481,380)</u>    |
|    | <u>1,260,794</u>   | <u>25,919,742</u>    | <u>30,650,949</u>    | <u>25,660,186</u>  | <u>21,025,442</u>   | <u>2,263,235</u>       |
| \$ | <u>(1,223,854)</u> | <u>\$ 25,546,389</u> | <u>\$ 17,322,419</u> | <u>\$ 650,857</u>  | <u>\$ 7,130,120</u> | <u>\$ (14,577,572)</u> |
|    | 10.3%              | 9.5%                 | 10.4%                | 11.3%              | 12.0%               | 11.9%                  |



**CITY OF ABILENE, TEXAS**  
**General Government Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**September 30, 2019**  
**(modified accrual basis of accounting)**

| <b>Fiscal<br/>Year</b> | <b>Property<br/>Tax</b> | <b>Sales and<br/>Use Tax</b> | <b>Franchise<br/>Tax</b> | <b>Occupancy<br/>Tax</b> | <b>Miscellaneous<br/>Tax</b> | <b>Total</b>  |
|------------------------|-------------------------|------------------------------|--------------------------|--------------------------|------------------------------|---------------|
| <b>2010</b>            | \$ 33,336,202           | \$ 25,204,088                | \$ 6,440,615             | \$ 2,205,770             | \$ 1,042,310                 | \$ 68,228,985 |
| <b>2011</b>            | 33,413,107              | 29,143,720                   | 7,065,811                | 2,594,813                | 1,447,496                    | 73,664,947    |
| <b>2012</b>            | 33,789,361              | 30,938,050                   | 6,865,930                | 2,651,028                | 1,348,992                    | 75,593,361    |
| <b>2013</b>            | 34,574,143              | 30,579,660                   | 7,012,218                | 2,781,952                | 1,541,413                    | 76,489,386    |
| <b>2014</b>            | 35,294,623              | 30,780,883                   | 7,177,428                | 3,027,363                | 1,628,522                    | 77,908,819    |
| <b>2015</b>            | 36,200,266              | 31,481,309                   | 7,396,951                | 3,248,946                | 1,765,207                    | 80,092,679    |
| <b>2016</b>            | 39,589,428              | 30,388,148                   | 7,261,592                | 3,028,317                | 2,400,118                    | 82,667,603    |
| <b>2017</b>            | 42,571,021              | 31,193,071                   | 7,362,960                | 3,198,982                | 3,097,642                    | 87,423,676    |
| <b>2018</b>            | 46,187,148              | 34,784,342                   | 7,918,937                | 3,414,572                | 3,069,314                    | 95,374,313    |
| <b>2019</b>            | 47,866,268              | 35,369,689                   | 8,267,474                | 3,594,163                | 3,494,558                    | 98,592,152    |

Source: City of Abilene Comprehensive Annual Financial Report for the respective fiscal year.

**CITY OF ABILENE, TEXAS**  
**Taxable Sales by Category**  
**Last Ten Fiscal Years**  
**September 30, 2019**

|                                          | Fiscal Year             |                         |                         |                         |                         |
|------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                          | 2010                    | 2011                    | 2012                    | 2013                    | 2014                    |
| Agriculture/Forestry/Fishing/Hunting     | \$ 299,901              | \$ 355,850              | \$ 547,779              | \$ 503,590              | \$ 583,589              |
| Mining/Oil&Gas Extraction                | 39,278,104              | 61,389,701              | 54,744,441              | 95,559,256              | 93,031,231              |
| Construction                             | 33,652,750              | 41,700,796              | 52,606,339              | 51,903,925              | 58,313,920              |
| Manufacturing                            | 39,419,158              | 44,991,397              | 49,943,599              | 49,926,332              | 57,678,289              |
| Transportation, communication, utilities | 49,111,490              | 165,047,687             | 55,880,498              | 62,464,664              | 74,142,214              |
| Wholesale trade                          | 109,453,153             | 145,765,547             | 159,477,950             | 155,164,726             | 176,977,822             |
| Retail trade /Art&Ent/Accom Food Srvc    | 1,105,442,677           | 1,121,915,089           | 1,248,744,459           | 1,286,242,841           | 1,329,807,474           |
| Finance, Insurance, real estate          | 32,924,395              | 41,393,524              | 45,317,650              | 51,139,377              | 57,963,727              |
| Services                                 | 95,482,352              | 107,521,870             | 100,948,856             | 104,615,205             | 117,018,405             |
| Health Care, Social Assistance           | 5,951,025               | 6,418,977               | 6,376,168               | 6,409,290               | 6,185,922               |
| Public Administration                    | 12,671,569              | 12,791,012              | 12,738,640              | 13,010,961              | 12,956,379              |
| Educational                              | 4,816,220               | 5,068,603               | 5,319,322               | 5,443,377               | 5,456,207               |
| Other                                    | -                       | -                       | -                       | -                       | 1,183                   |
|                                          | <u>\$ 1,528,502,794</u> | <u>\$ 1,754,360,053</u> | <u>\$ 1,792,645,701</u> | <u>\$ 1,882,383,544</u> | <u>\$ 1,990,116,362</u> |

Source: Texas State Comptroller of Public Accounts

(1) Latest available information is through June 30, 2019. July - September taxable sales are an average of the available information

\* Prior year figures are restated to reflect actual taxable sales .

| 2015                    | 2016                    | 2017                    | 2018 *                  | 2019                    |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                         |                         |                         |                         | (1)                     |
| \$ 408,022              | \$ 446,321              | \$ 338,069              | \$ 1,105,332            | \$ 444,520              |
| 57,430,930              | 34,133,400              | 41,075,136              | 60,057,935              | 62,610,667              |
| 67,854,338              | 61,116,154              | 67,102,690              | 74,957,791              | 72,989,391              |
| 55,665,281              | 48,990,323              | 58,821,243              | 57,551,352              | 53,212,473              |
| 81,653,050              | 82,721,138              | 83,232,717              | 119,164,464             | 107,176,647             |
| 170,109,146             | 140,507,422             | 133,017,264             | 162,918,314             | 178,962,789             |
| 1,366,113,881           | 1,350,094,476           | 1,333,830,063           | 1,648,806,148           | 1,682,676,443           |
| 42,794,641              | 39,913,549              | 37,030,432              | 36,791,290              | 33,030,736              |
| 117,674,085             | 108,702,259             | 115,453,108             | 130,359,613             | 139,708,429             |
| 6,526,855               | 6,611,339               | 6,059,792               | 6,575,182               | 6,930,389               |
| 13,416,508              | 13,639,997              | 13,945,741              | 14,333,151              | 15,673,848              |
| 5,966,050               | 6,226,605               | 6,390,285               | 6,335,528               | 4,562,917               |
| -                       | -                       | -                       | -                       | -                       |
| <u>\$ 1,985,612,787</u> | <u>\$ 1,893,102,983</u> | <u>\$ 1,896,296,540</u> | <u>\$ 2,318,956,100</u> | <u>\$ 2,357,979,250</u> |

**CITY OF ABILENE, TEXAS**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**September 30, 2019**

| <b>Fiscal<br/>Year</b> | <b>Real<br/>Property</b> | <b>Personal<br/>Property</b> | <b>Mineral<br/>Property</b> | <b>Less:<br/>Tax Exempt<br/>Real Property</b> | <b>Total Taxable<br/>Assessed<br/>Value</b> |
|------------------------|--------------------------|------------------------------|-----------------------------|-----------------------------------------------|---------------------------------------------|
| 2010                   | \$ 6,894,724,563         | \$ 980,767,645               | \$ 13,559,449               | \$ 3,042,019,344                              | \$ 4,847,032,313                            |
| 2011                   | 6,990,306,743            | 932,568,255                  | 13,262,393                  | 3,072,455,831                                 | 4,863,681,560                               |
| 2012                   | 7,108,403,344            | 925,765,578                  | 22,173,883                  | 3,123,332,188                                 | 4,933,010,617                               |
| 2013                   | 7,337,907,715            | 963,657,246                  | 28,320,751                  | 3,243,531,783                                 | 5,086,353,929                               |
| 2014                   | 7,518,276,164            | 995,497,170                  | 18,505,970                  | 3,314,461,494                                 | 5,217,817,810                               |
| 2015                   | 7,691,259,421            | 1,013,315,617                | 19,556,065                  | 3,364,368,220                                 | 5,359,762,883                               |
| 2016                   | 7,977,068,362            | 1,031,510,389                | 12,879,816                  | 3,365,748,130                                 | 5,655,710,437                               |
| 2017                   | 8,227,118,256            | 1,046,899,960                | 7,477,411                   | 3,420,078,430                                 | 5,861,417,197                               |
| 2018                   | 8,602,337,127            | 1,038,965,494                | 8,014,829                   | 3,532,462,404                                 | 6,116,855,046                               |
| 2019                   | 8,922,925,073            | 1,073,171,361                | 9,568,096                   | 3,638,835,277                                 | 6,366,829,253                               |

Source: Taylor County Central Appraisal District tax roll summary

Note: Tax rates are per \$100 of assessed value

| <b>Total<br/>Direct Tax<br/>Rate</b> | <b>Estimated<br/>Actual<br/>Taxable<br/>Value</b> | <b>Assessed<br/>Value as a<br/>Percentage of<br/>Actual Value</b> |
|--------------------------------------|---------------------------------------------------|-------------------------------------------------------------------|
| 0.6932                               | \$ 4,826,926,151                                  | 100.42%                                                           |
| 0.6932                               | 4,884,747,549                                     | 99.57%                                                            |
| 0.6932                               | 4,908,145,123                                     | 100.51%                                                           |
| 0.6860                               | 5,041,874,143                                     | 100.88%                                                           |
| 0.6860                               | 5,191,882,929                                     | 100.50%                                                           |
| 0.6860                               | 5,350,324,754                                     | 100.18%                                                           |
| 0.7140                               | 5,652,509,404                                     | 100.06%                                                           |
| 0.7465                               | 5,870,046,421                                     | 99.85%                                                            |
| 0.7751                               | 6,109,425,672                                     | 100.12%                                                           |
| 0.7722                               | 6,374,547,819                                     | 99.88%                                                            |



**CITY OF ABILENE, TEXAS**  
**Property Tax Rates Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**September 30, 2019**

| <b>Fiscal<br/>Year</b> | <b>City of Abilene</b> |                         |                       | <b>Overlapping Rates</b> |                                                    | <b>Total<br/>Direct and<br/>Overlapping<br/>Rates</b> |
|------------------------|------------------------|-------------------------|-----------------------|--------------------------|----------------------------------------------------|-------------------------------------------------------|
|                        | <b>Operating</b>       | <b>Debt<br/>Service</b> | <b>Total<br/>City</b> | <b>Taylor<br/>County</b> | <b>Abilene<br/>Independent<br/>School District</b> |                                                       |
| 2010                   | 0.4693                 | 0.2239                  | 0.6932                | 0.4675                   | 1.1659                                             | 2.3266                                                |
| 2011                   | 0.4758                 | 0.2174                  | 0.6932                | 0.4722                   | 1.1647                                             | 2.3301                                                |
| 2012                   | 0.4837                 | 0.2095                  | 0.6932                | 0.4726                   | 1.1599                                             | 2.3257                                                |
| 2013                   | 0.4937                 | 0.1923                  | 0.6860                | 0.4826                   | 1.1527                                             | 2.3213                                                |
| 2014                   | 0.5095                 | 0.1765                  | 0.6860                | 0.5047                   | 1.1501                                             | 2.3408                                                |
| 2015                   | 0.5215                 | 0.1645                  | 0.6860                | 0.5200                   | 1.2175                                             | 2.4235                                                |
| 2016                   | 0.5306                 | 0.1834                  | 0.7140                | 0.5269                   | 1.2106                                             | 2.4515                                                |
| 2017                   | 0.5448                 | 0.2017                  | 0.7465                | 0.5350                   | 1.2041                                             | 2.4856                                                |
| 2018                   | 0.5648                 | 0.2103                  | 0.7751                | 0.6031                   | 1.1983                                             | 2.5765                                                |
| 2019                   | 0.5648                 | 0.2074                  | 0.7722                | 0.6091                   | 1.2024                                             | 2.5837                                                |

Source: Taylor County Central Appraisal District

Notes:

- (1) The following overlapping governments' tax rates were not included because only a small portion of the citizens of Abilene are living within these governmental units:  
Wylie Independent School District  
Eula Independent School District  
Hawley Independent School District  
Clyde Independent School District  
Merkel Independent School District  
Jones County
- (2) Tax rates are per \$100 of assessed value

**CITY OF ABILENE, TEXAS**  
**Principal Property Taxpayers**  
**September 30, 2019 and 2010**

| Taxpayer                        | 2019                                |      |                                            | 2010                                |      |                                            |
|---------------------------------|-------------------------------------|------|--------------------------------------------|-------------------------------------|------|--------------------------------------------|
|                                 | Taxable Assessed Value <sup>1</sup> | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value <sup>2</sup> | Rank | Percentage of Total Taxable Assessed Value |
| AEP Texas North Co.             | \$88,843,835                        | 1    | 1.40%                                      | \$58,858,543                        | 1    | 1.21%                                      |
| NC SCHI, Inc.                   | 53,389,111                          | 2    | 0.84%                                      | 55,583,151                          | 2    | 1.15%                                      |
| Coca-Cola Refreshments USA Inc  | 48,098,085                          | 3    | 0.76%                                      |                                     |      |                                            |
| Fehr Food Inc                   | 45,927,073                          | 4    | 0.72%                                      |                                     |      |                                            |
| Partners Mall of Abilene, LLC   | 44,837,000                          | 5    | 0.70%                                      |                                     |      |                                            |
| Atmos Energy /Mid-Tex Pipeline  | 30,237,350                          | 6    | 0.47%                                      |                                     |      |                                            |
| WellTower TCG NNN Landlord, LLC | 27,052,177                          | 7    | 0.42%                                      |                                     |      |                                            |
| Cebridge Acquisition LP         | 25,068,559                          | 8    | 0.39%                                      |                                     |      |                                            |
| Lowe's Home Centers Inc         | 24,825,991                          | 9    | 0.39%                                      | 19,129,963                          | 9    | 0.39%                                      |
| ARCP MT Abilene TX LLC          | 23,011,000                          | 10   | 0.36%                                      |                                     |      |                                            |
| MAI Investors Limited Ptshp.    |                                     |      |                                            | 39,000,000                          | 3    | 0.80%                                      |
| Eagle Aviation Service          |                                     |      |                                            | 34,660,480                          | 4    | 0.72%                                      |
| Union Drilling Inc.             |                                     |      |                                            | 24,003,000                          | 5    | 0.50%                                      |
| Wal-Mart Stores East, Inc.      |                                     |      |                                            | 23,555,170                          | 6    | 0.49%                                      |
| Southwestern Bell               |                                     |      |                                            | 22,714,670                          | 7    | 0.47%                                      |
| Bandag, Inc.                    |                                     |      |                                            | 19,142,177                          | 8    | 0.39%                                      |
| PWP Industries, Inc             |                                     |      |                                            | 18,603,447                          | 10   | 0.38%                                      |
| <b>TOTAL</b>                    | <b>\$411,290,181</b>                |      | <b>6.46%</b>                               | <b>\$315,250,601</b>                |      | <b>6.50%</b>                               |

Source: Taylor County Central Appraisal District

<sup>1</sup> Based on 2018 taxable assessed values

<sup>2</sup> Based on 2009 taxable assessed values

**CITY OF ABILENE, TEXAS**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**September 30, 2019**

| <b>Fiscal<br/>Year</b> | <b>Total Tax<br/>Levy for<br/>Fiscal Year</b> | <b>Collected within the<br/>Fiscal Year of the Levy</b> |                               | <b>Collections in<br/>Subsequent<br/>Years</b> | <b>Total Collections to Date</b> |                               |
|------------------------|-----------------------------------------------|---------------------------------------------------------|-------------------------------|------------------------------------------------|----------------------------------|-------------------------------|
|                        |                                               | <b>Amount</b>                                           | <b>Percentage<br/>of Levy</b> |                                                | <b>Amount</b>                    | <b>Percentage<br/>of Levy</b> |
| 2010                   | \$ 32,984,162                                 | \$ 32,544,235                                           | 98.67%                        | \$ 416,893                                     | \$ 32,961,128                    | 99.93%                        |
| 2011                   | 33,155,670                                    | 32,660,242                                              | 98.51%                        | 464,106                                        | 33,124,348                       | 99.91%                        |
| 2012                   | 33,620,100                                    | 33,104,938                                              | 98.47%                        | 481,484                                        | 33,586,422                       | 99.90%                        |
| 2013                   | 34,356,915                                    | 33,859,430                                              | 98.55%                        | 464,233                                        | 34,323,663                       | 99.90%                        |
| 2014                   | 35,243,493                                    | 34,556,302                                              | 98.05%                        | 645,341                                        | 35,201,643                       | 99.88%                        |
| 2015                   | 36,040,669                                    | 35,597,897                                              | 98.77%                        | 395,962                                        | 35,993,859                       | 99.87%                        |
| 2016                   | 39,572,135                                    | 38,937,129                                              | 98.40%                        | 445,117                                        | 39,382,247                       | 99.52%                        |
| 2017                   | 42,686,671                                    | 42,012,799                                              | 98.42%                        | 435,414                                        | 42,448,213                       | 99.44%                        |
| 2018                   | 46,053,774                                    | 45,339,179                                              | 98.45%                        | 395,811                                        | 45,734,990                       | 99.31%                        |
| 2019                   | 47,767,944                                    | 46,975,439                                              | 98.34%                        | -                                              | 46,975,439                       | 98.34%                        |

Source: Taylor County Central Appraisal District

CITY OF ABILENE, TEXAS  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
September 30, 2019

| Fiscal Year | Governmental Activities  |                            |                |                         |               | Business-Type Activities | Total Primary Government | Percentage of Personal Income <sup>1</sup> | Per Capita <sup>1</sup> |
|-------------|--------------------------|----------------------------|----------------|-------------------------|---------------|--------------------------|--------------------------|--------------------------------------------|-------------------------|
|             | General Obligation Bonds | Certificates of Obligation | Capital Leases | Contractual Obligations | Notes Payable | Water Sewer Bonds        |                          |                                            |                         |
| 2010        | \$ 38,629,836            | \$ 43,610,267              | \$ -           | \$ -                    | \$ 5,962,967  | \$ 48,176,547            | \$ 136,379,617           | 5.73%                                      | \$ 1,165                |
| 2011        | 36,878,067               | 39,584,557                 | -              | -                       | 5,242,967     | 44,317,780               | 126,023,371              | 5.47%                                      | 1,075                   |
| 2012        | 33,368,026               | 35,910,221                 | -              | -                       | 4,467,967     | 40,335,631               | 114,081,845              | 4.93%                                      | 975                     |
| 2013        | 31,686,317               | 30,575,885                 | -              | -                       | 714,000       | 38,764,068               | 101,740,270              | 4.36%                                      | 861                     |
| 2014        | 28,364,054               | 26,981,549                 | -              | -                       | 210,000       | 98,283,831               | 153,839,434              | 6.10%                                      | 1,294                   |
| 2015        | 57,052,530               | 17,287,213                 | -              | -                       | 110,000       | 233,973,204              | 308,422,947              | 12.09%                                     | 2,550                   |
| 2016        | 88,057,578               | 10,465,045                 | -              | -                       | -             | 226,977,708              | 325,500,331              | 12.59%                                     | 2,681                   |
| 2017        | 97,158,759               | 17,392,601                 | -              | 264,445                 | -             | 230,741,046              | 345,556,851              | 13.13%                                     | 2,839                   |
| 2018        | 95,985,716               | 27,377,537                 | -              | 191,373                 | -             | 223,677,504              | 347,232,130              | 12.45%                                     | 2,841                   |
| 2019        | 88,056,477               | 25,905,448                 | -              | 273,776                 | -             | 232,674,296              | 346,909,997              | 11.87%                                     | 2,820                   |

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

Note: Outstanding balances of General Obligation Bonds and Certificates of Obligation include Bond Premiums and Discounts

<sup>1</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data.

**CITY OF ABILENE, TEXAS**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**September 30, 2019**

| <b>Fiscal Year</b> |    | <b>General Bonded Debt</b> | <b>Less: Amounts Available in Debt Service Funds</b> | <b>Total</b>  | <b>Percentage of Estimated Actual Taxable Value<sup>1</sup> of Property</b> | <b>Per Capita<sup>2</sup></b> |
|--------------------|----|----------------------------|------------------------------------------------------|---------------|-----------------------------------------------------------------------------|-------------------------------|
| 2010               | \$ | 82,240,103                 | \$ 842,008                                           | \$ 81,398,095 | 1.69%                                                                       | 696                           |
| 2011               |    | 76,462,624                 | 1,036,868                                            | 75,425,756    | 1.54%                                                                       | 644                           |
| 2012               |    | 69,278,247                 | 1,265,688                                            | 68,012,559    | 1.39%                                                                       | 581                           |
| 2013               |    | 62,262,202                 | 1,421,361                                            | 60,840,841    | 1.21%                                                                       | 515                           |
| 2014               |    | 55,345,603                 | 1,413,641                                            | 53,931,962    | 1.04%                                                                       | 454                           |
| 2015               |    | 74,339,743                 | 1,488,064                                            | 72,851,679    | 1.36%                                                                       | 602                           |
| 2016               |    | 98,522,623                 | 1,688,525                                            | 96,834,098    | 1.71%                                                                       | 798                           |
| 2017               |    | 114,551,360                | 1,841,779                                            | 112,709,581   | 1.92%                                                                       | 926                           |
| 2018               |    | 123,363,253                | 1,766,526                                            | 121,596,727   | 1.99%                                                                       | 995                           |
| 2019               |    | 113,961,925                | 1,697,765                                            | 112,264,160   | 1.76%                                                                       | 913                           |

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

<sup>1</sup>See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics

**CITY OF ABILENE, TEXAS**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2019**

| <u><b>Taxing Jurisdiction</b></u>        | <u><b>Total Net<br/>Taxable Assessed<br/>Valuation</b></u> | <u><b>Total<br/>Funded Debt<br/>As of 9/30/19</b></u> | <u><b>Estimated<br/>%<br/>Applicable</b></u> | <u><b>Overlapping<br/>Funded Debt<br/>As of 9/30/19</b></u> |
|------------------------------------------|------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------|-------------------------------------------------------------|
| City of Abilene                          | \$ 6,366,829,253                                           | \$ 101,590,000 <sup>(1)</sup>                         | 100.00%                                      | \$ 101,590,000 <sup>(1)</sup>                               |
| Subtotal, direct debt                    | 6,366,829,253                                              | 101,590,000                                           |                                              | 101,590,000                                                 |
| Abilene Independent School District      | 4,841,606,467                                              | 231,307,883                                           | 91.72%                                       | 212,155,590                                                 |
| Taylor County                            | 8,805,431,683                                              | 49,015,000                                            | 80.75%                                       | 39,579,613                                                  |
| Wylie Independent School District        | 2,127,804,160                                              | 54,080,000                                            | 65.31%                                       | 35,319,648                                                  |
| Jones County                             | 783,929,200                                                | 5,555,000                                             | 4.84%                                        | 268,862                                                     |
| Clyde Cons. Independent School District  | 284,938,819                                                | 22,235,000                                            | 0.34%                                        | 75,599                                                      |
| Eula Independent School District         | 266,326,979                                                | 4,938,100                                             | 22.64%                                       | 1,117,986                                                   |
| Hawley Independent School District       | 161,522,750                                                | 5,615,000                                             | 1.22%                                        | 68,503                                                      |
| Merkel Independent School District       | 455,302,347                                                | 11,095,000                                            | 0.40%                                        | 44,380                                                      |
| Subtotal, overlapping debt               | 17,726,862,405                                             | 383,840,983                                           |                                              | 288,630,181                                                 |
| Total Direct and Overlapping Funded Debt | <u>\$ 24,093,691,658</u>                                   | <u>\$ 485,430,983</u>                                 |                                              | <u>\$ 390,220,181</u>                                       |

Ratio Direct and Overlapping Funded Debt to Taxable Assessed Valuation 6.13%

Per Capita Direct and Overlapping Funded Debt \$ 3,173

Per Capita Direct Debt \$ 826

<sup>(1)</sup> Total funded debt includes General Obligation Bonds and Certificates of Obligation. Excludes GO & CO premiums and discounts, contractual obligations, \$213,155,000 self-supporting Waterworks/Sewer System debt and \$1,310,000 self-supporting Airport General Obligation Debt.

Source: Central Appraisal District & The Municipal Advisory of Texas

Note: The applicable percentages were estimated by determining the entities overlapping portion of net taxable value by the entities total net taxable value.

**CITY OF ABILENE, TEXAS**  
**Legal Debt Margin Information**  
**September 30, 2019**

The maximum tax rate permitted by the constitution of the State of Texas is \$2.50 per \$100 of assessed valuation. Consequently, no legal debt margin can be calculated. The state attorney general has traditionally allowed up to \$1.50 per \$100 valuation to be applied to debt service. The City levied a tax rate of \$0.2074 per \$100 valuation for debt service for fiscal year ended September 30, 2019.

**CITY OF ABILENE, TEXAS**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
**September 30, 2019**

| <b>Water &amp; Sewer Revenue Bonds</b> |                                            |                                 |                              |                     |                 |                 |
|----------------------------------------|--------------------------------------------|---------------------------------|------------------------------|---------------------|-----------------|-----------------|
| <b>Fiscal Year</b>                     | <b>Water &amp; Sewer Charges and Other</b> | <b>Less: Operating Expenses</b> | <b>Net Available Revenue</b> | <b>Debt Service</b> |                 | <b>Coverage</b> |
|                                        |                                            |                                 |                              | <b>Principal</b>    | <b>Interest</b> |                 |
| 2010                                   | \$ 35,094,946                              | \$ 21,849,677                   | \$ 13,245,269                | \$ 3,912,679        | \$ 2,179,194    | 2.17            |
| 2011                                   | 40,858,158                                 | 25,824,663                      | 15,033,495                   | 3,910,487           | 1,531,850       | 2.76            |
| 2012                                   | 37,896,365                                 | 27,047,514                      | 10,848,851                   | 4,161,676           | 1,878,022       | 1.80            |
| 2013                                   | 37,502,886                                 | 29,636,074                      | 7,866,812                    | 4,440,996           | 1,140,892       | 1.41            |
| 2014                                   | 41,099,013                                 | 27,880,245                      | 13,218,768                   | 4,286,991           | 3,637,235       | 1.67            |
| 2015                                   | 44,342,101                                 | 27,257,163                      | 17,084,938                   | 5,691,159           | 6,863,031       | 1.36            |
| 2016                                   | 48,062,565                                 | 29,929,824                      | 18,132,741                   | 7,063,188           | 10,070,899      | 1.06            |
| 2017                                   | 53,544,423                                 | 30,642,900                      | 22,901,523                   | 7,825,000           | 9,240,281       | 1.34            |
| 2018                                   | 55,318,795                                 | 33,548,400                      | 21,770,395                   | 8,915,000           | 8,743,860       | 1.23            |
| 2019                                   | 52,627,733                                 | 33,486,826                      | 19,140,907                   | 7,890,000           | 9,096,469       | 1.13            |

Note 1: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

Note 2: Water and sewer charges and other includes miscellaneous income and investment earnings. Operating expenses do not include interest, depreciation or amortization.



**CITY OF ABILENE, TEXAS**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**September 30, 2019**

| <u>Fiscal Year</u> | <u>Estimated<br/>Population</u> | <u>Personal Income<br/>(expressed in<br/>thousands)</u> | <u>Per Capita<br/>Personal<br/>Income</u> | <u>Median<br/>Age</u> | <u>School<br/>Enrollments *</u> | <u>Unemployment<br/>Rate</u> |
|--------------------|---------------------------------|---------------------------------------------------------|-------------------------------------------|-----------------------|---------------------------------|------------------------------|
|                    | (1)                             |                                                         | (2)                                       | (3)                   | (4)                             | (5)                          |
| 2010               | 117,028                         | \$ 2,381,871                                            | \$ 20,353                                 | 32.0                  | 16,917                          | 6.5%                         |
| 2011               | 117,179                         | 2,302,802                                               | 19,652                                    | 33.0                  | 16,957                          | 7.2%                         |
| 2012               | 117,063                         | 2,315,038                                               | 19,776                                    | 32.0                  | 17,081                          | 5.1%                         |
| 2013               | 118,117                         | 2,335,882                                               | 19,776                                    | 32.0                  | 17,261                          | 5.0%                         |
| 2014               | 118,887                         | 2,468,332                                               | 20,762                                    | 32.6                  | 17,184                          | 4.0%                         |
| 2015               | 120,958                         | 2,551,609                                               | 21,095                                    | 36.2                  | 17,300                          | 3.8%                         |
| 2016               | 121,407                         | 2,585,726                                               | 21,298                                    | 32.1                  | 16,630                          | 4.2%                         |
| 2017               | 121,721                         | 2,631,730                                               | 21,621                                    | 32.5                  | 20,996                          | 3.5%                         |
| 2018               | 122,225                         | 2,789,052                                               | 22,819                                    | 32.2                  | 21,100                          | 3.3%                         |
| 2019               | 122,999                         | 2,921,964                                               | 23,756                                    | 32.6                  | 21,097                          | 2.9%                         |

Sources:

- (1) Starting in 2019 source is from Census Bureau, prior was the City of Abilene Budget
- (2) Starting in 2014 source is from the Census Bureau, prior was the Abilene Industrial Foundation
- (3) Abilene Industrial Foundation
- (4) Starting in 2017 School enrollments include Wylie Independent School District enrollments. Prior years only included Abilene Independent School District.
- (5) Texas Labor Market Review

\* Starting in 2017, Wylie ISD enrollment is included

**CITY OF ABILENE, TEXAS**  
**Principal Employers**  
**Fiscal Year End 2019 and 2010**

| <u>Employer <sup>2</sup></u>          | <u>2019</u>      |             |                                                                 | <u>2010</u>      |             |                                                                 |
|---------------------------------------|------------------|-------------|-----------------------------------------------------------------|------------------|-------------|-----------------------------------------------------------------|
|                                       | <u>Employees</u> | <u>Rank</u> | <u>Percentage<br/>of Total City<br/>Employment <sup>1</sup></u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage<br/>of Total City<br/>Employment <sup>1</sup></u> |
| Dyess Air Force Base                  | 5,074            | 1           | 6.58%                                                           | 5,993            | 1           | 7.82%                                                           |
| Hendrick Health System                | 3,200            | 2           | 4.15%                                                           | 2,656            | 2           | 3.47%                                                           |
| Abilene Independent School District   | 2,450            | 3           | 3.18%                                                           | 2,556            | 3           | 3.33%                                                           |
| City of Abilene                       | 1,251            | 4           | 1.62%                                                           | 1,200            | 6           | 1.57%                                                           |
| Abilene State Supported Living Center | 1,225            | 5           | 1.59%                                                           | 1,406            | 4           | 1.83%                                                           |
| Texas Department of Criminal Justice  | 1,190            | 6           | 1.54%                                                           | 1,253            | 5           | 1.63%                                                           |
| Blue Cross Blue Shield of Texas       | 1,090            | 7           | 1.41%                                                           | 1,046            | 7           | 1.36%                                                           |
| Abilene Christian University          | 930              | 8           | 1.21%                                                           | 850              | 8           | 1.11%                                                           |
| Abilene Regional Medical Center       | 830              | 9           | 1.08%                                                           | 794              | 9           | 1.04%                                                           |
| AbiMar Foods                          | 680              | 10          | 0.88%                                                           |                  |             |                                                                 |
| Teleperformance USA                   |                  |             |                                                                 | 645              | 10          | 0.84%                                                           |
| Total                                 | <u>17,920</u>    |             | <u>23.23%</u>                                                   | <u>18,399</u>    |             | <u>24.01%</u>                                                   |

(1) Source: Texas Labor Force

(2) Source: Abilene Industrial Foundation



**CITY OF ABILENE, TEXAS**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

| Function                                          | Budgeted Full-time Equivalent Employees as of September 30, 2019 |              |              |              |              |              |              |              |              |              |
|---------------------------------------------------|------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                   | 2010                                                             | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         |
| General Government <sup>1</sup>                   | 18                                                               | 16           | 16           | 16           | 16           | 16           | 18           | 19           | 47           | 50           |
| Human Resources <sup>2</sup>                      | 37                                                               | 37           | 37           | 39           | 41           | 41           | 41           | 39           | 17           | 17           |
| Finance                                           | 94                                                               | 95           | 97           | 99           | 99           | 99           | 104          | 58           | 57           | 58           |
| Planning & Development Services                   | 53                                                               | 49           | 49           | 51           | 50           | 52           | 39           | 41           | 38           | 35           |
| Public Works                                      | 167                                                              | 163          | 163          | 165          | 165          | 167          | 167          | 169          | 171          | 174          |
| Facilities & Capital Improvements <sup>2, 3</sup> | 0                                                                | 0            | 0            | 0            | 0            | 0            | 0            | 13           | 32           | 32           |
| Police                                            | 247                                                              | 246          | 246          | 250          | 258          | 259          | 265          | 283          | 286          | 287          |
| Fire                                              | 177                                                              | 176          | 179          | 179          | 180          | 180          | 181          | 191          | 191          | 206          |
| Transportation Services <sup>4</sup>              | 19                                                               | 18           | 18           | 20           | 20           | 20           | 21           | 49           | 52           | 52           |
| Community Services <sup>1, 5</sup>                | 179                                                              | 178          | 177          | 180          | 197          | 197          | 214          | 206          | 133          | 135          |
| Health <sup>5</sup>                               | 0                                                                | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 56           | 57           |
| Water                                             | 144                                                              | 144          | 142          | 144          | 144          | 144          | 148          | 148          | 148          | 148          |
| Total                                             | <u>1,135</u>                                                     | <u>1,122</u> | <u>1,124</u> | <u>1,143</u> | <u>1,170</u> | <u>1,175</u> | <u>1,198</u> | <u>1,216</u> | <u>1,228</u> | <u>1,251</u> |

Source: City of Abilene Annual Budget for the respective year

<sup>1</sup> Animal Services and Convention Center division was transferred from Community Services to General Government in FY 2017

<sup>2</sup> Information Technology division was transferred from Human Resources to Facilities & Capital Improvements in FY 2018

<sup>3</sup> The Facilities & Capital Improvement department was created in FY 2017

<sup>4</sup> As of 2016, Aviation was renamed to Transportation Services. Communication Services Division was transferred from Human Resources to Transportation Services in FY 2018.

<sup>5</sup> All health activities were moved out of Community Services into the new Health Department, established in FY 2018.

**CITY OF ABILENE, TEXAS**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**September 30, 2019**

| Function                                                | Fiscal Year |         |         |         |         |
|---------------------------------------------------------|-------------|---------|---------|---------|---------|
|                                                         | 2010        | 2011    | 2012    | 2013    | 2014    |
| Police                                                  |             |         |         |         |         |
| Accidents                                               | 3,722       | 3,435   | 3,473   | 3,461   | 3,466   |
| Traffic violations                                      | 5,699       | 5,232   | 5,400   | 14,586  | 15,696  |
| Fire                                                    |             |         |         |         |         |
| Emergency responses                                     | 14,645      | 15,683  | 14,884  | 14,050  | 14,569  |
| Inspections                                             | 1,398       | 1,073   | 1,008   | 977     | 1,404   |
| Streets                                                 |             |         |         |         |         |
| Street & alley reconstruction (sq. yds.)                | 30,733      | 11,339  | 30,000  | 4,112   | 6,837   |
| Public works                                            |             |         |         |         |         |
| Building permits issued                                 | 1,224       | 1,224   | 1,273   | 1,263   | 1,293   |
| Solid waste services                                    |             |         |         |         |         |
| Residential refuse collected (tons)                     | 47,787      | 37,310  | 37,450  | 41,133  | 37,956  |
| Recyclables collected (tons)                            | 9,655       | 7,487   | 8,000   | 7,700   | 8,000   |
| Community services                                      |             |         |         |         |         |
| Zoo attendance                                          | 172,596     | 207,546 | 217,038 | 224,805 | 226,919 |
| Structured recreation program participants              | 151,758     | 196,213 | 200,214 | 232,581 | 273,331 |
| Library visitors                                        | 425,589     | 372,751 | 366,277 | 352,197 | 347,999 |
| Convention center events *                              | 653         | 456     | 603     | 516     | 452     |
| Water                                                   |             |         |         |         |         |
| New taps                                                | 384         | 384     | 387     | 362     | 177     |
| Active accounts                                         | 38,900      | 38,900  | 39,154  | 39,392  | 39,577  |
| Average daily production<br>(millions of gallons)       | 18.9        | 23.3    | 22.5    | 21.6    | 20.4    |
| Wastewater                                              |             |         |         |         |         |
| Average daily sewage treatment<br>(millions of gallons) | 12.7        | 11.1    | 12.7    | 11.2    | 12.0    |
| Transit                                                 |             |         |         |         |         |
| Fixed route passengers carried                          | 426,540     | 470,729 | 503,805 | 511,275 | 504,290 |
| Van passengers carried                                  | 95,646      | 91,502  | 87,738  | 93,417  | 73,452  |
| Contracted Trips                                        | -           | -       | -       | -       | -       |

<sup>1</sup> 2019 actual numbers are not available. 2019 projected numbers are provided.

\* Beginning in 2016, the Convention Center stopped including Art Displays as an event.

\*\* Beginning in 2019, Transit contracted with Taxi services to supplement evening/PT trips

Sources: Various government departments.

| 2015    | 2016    | 2017    | 2018    | 2019                 |
|---------|---------|---------|---------|----------------------|
| 3,358   | 3,341   | 3,543   | 3,288   | 3,008                |
| 14,356  | 13,050  | 15,772  | 16,684  | 15,268               |
| 15,394  | 16,068  | 13,974  | 13,410  | 14,512               |
| 1,399   | 1,413   | 1,720   | 1,699   | 1,731                |
| 14,301  | 21,326  | 2,802   | 24,654  | 1,500                |
| 1,231   | 1,227   | 1,171   | 1,105   | 962                  |
| 42,112  | 44,032  | 44,884  | 43,287  | 45,432               |
| 5,318   | 3,010   | 3,238   | 3,058   | 4,597                |
| 216,953 | 249,666 | 248,593 | 227,239 | 207,344              |
| 234,357 | 274,594 | 312,553 | 316,808 | 346,925 <sup>1</sup> |
| 344,888 | 343,741 | 511,508 | 531,865 | 514,438              |
| 631     | 381     | 422     | 365     | 421 <sup>1</sup>     |
| 342     | 415     | 334     | 386     | 393                  |
| 39,848  | 39,995  | 40,670  | 40,629  | 40,866               |
| 20.1    | 20.2    | 20.1    | 21.2    | 20.7                 |
| 12.0    | 13.0    | 13.1    | 13.7    | 15.8                 |
| 517,554 | 476,139 | 379,050 | 310,713 | 311,350              |
| 88,676  | 92,398  | 72,197  | 70,704  | 62,645               |
| -       | -       | -       | -       | 18,612 <sup>**</sup> |

**CITY OF ABILENE, TEXAS**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**September 30, 2019**

| Function                                     | Fiscal Year |       |       |       |       |
|----------------------------------------------|-------------|-------|-------|-------|-------|
|                                              | 2010        | 2011  | 2012  | 2013  | 2014  |
| Public Safety:                               |             |       |       |       |       |
| Police:                                      |             |       |       |       |       |
| Stations                                     | 1           | 1     | 1     | 1     | 1     |
| Fire:                                        |             |       |       |       |       |
| Stations                                     | 8           | 8     | 8     | 8     | 8     |
| Fire hydrants                                | 3,139       | 3,150 | 3,173 | 3,196 | 3,221 |
| Streets:                                     |             |       |       |       |       |
| Paved lane miles                             | 1,719       | 1,675 | 1,675 | 1,692 | 1,719 |
| Unpaved - standard lane miles                | 29          | 28    | 28    | 28    | 28    |
| Community services:                          |             |       |       |       |       |
| Parks acres developed                        | 1,004       | 1,002 | 1,002 | 1,002 | 1,002 |
| Parks acres undeveloped                      | 1,477       | 1,477 | 1,477 | 1,477 | 1,477 |
| City parks                                   | 30          | 30    | 30    | 30    | 31    |
| Recreation centers                           | 6           | 6     | 6     | 6     | 4     |
| Libraries                                    | 3           | 3     | 3     | 3     | 3     |
| Water                                        |             |       |       |       |       |
| Water mains (miles)                          | 925         | 916   | 916   | 921   | 928   |
| Peak daily capacity<br>(millions of gallons) | 30.0        | 37.8  | 39.0  | 32.3  | 51.0  |
| Sewer                                        |             |       |       |       |       |
| Sewer mains (miles)                          | 662         | 663   | 665   | 619   | 674   |
| Effluent mains (miles)                       | 40          | 40    | 40    | 34    | 34    |

Sources: Various city departments.

| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|-------------|-------------|-------------|-------------|-------------|
| 1           | 1           | 1           | 1           | 1           |
| 8           | 8           | 8           | 8           | 8           |
| 3,250       | 3,259       | 3,306       | 3,324       | 3,340       |
| 1,719       | 1,747       | 1,747       | 1,747       | 1,759       |
| 28          | 28          | 28          | 28          | 31          |
| 1,002       | 719         | 759         | 759         | 759         |
| 1,477       | 1,477       | 1,477       | 1,477       | 1,477       |
| 31          | 26          | 26          | 26          | 26          |
| 4           | 4           | 4           | 4           | 4           |
| 3           | 3           | 3           | 3           | 3           |
| 934         | 940         | 946         | 955         | 990         |
| 30.6        | 34.1        | 31.1        | 32.8        | 35.4        |
| 679         | 680         | 683         | 692         | 694         |
| 34          | 34          | 34          | 34          | 34          |





## SEC DISCLOSURES





**CITY OF ABILENE, TEXAS**

**Table 1 - Valuation, Exemptions and General Obligation Debt**

2019 market valuation established by the Central Appraisal District of Taylor County and the Jones County Appraisal District (excluding totally exempt property, abated values and values in the Tax Increment Financing Zone) \$ 7,417,844,990

|                                                                   |             |             |
|-------------------------------------------------------------------|-------------|-------------|
| Less: Exemptions/reductions at 100% market value                  |             |             |
| Residential homestead exemptions (Local option)                   | 425,880,742 |             |
| Residential homestead exemptions (Over 65 and disabled)           | 145,308,090 |             |
| Residential homestead value lost on 10% cap                       | 9,751,942   |             |
| Agriculture/Open-space land use reductions                        | 51,490,355  |             |
| Disabled veterans exemptions                                      | 110,419,686 |             |
| Pollution control value lost                                      | 2,214,387   |             |
| Historic tax exemptions                                           | 9,266,339   |             |
| Surviving spouse of first responder killed in line of duty        | 569,314     |             |
| Prorated exempt property                                          | -           |             |
| Texas Natural Resource Conservation Commission (TNRCC) reductions | 1,090       |             |
|                                                                   |             | 754,901,945 |

2019 Taxable Assessed Valuation \$ 6,662,943,045

City Funded Debt Payable from Ad Valorem Taxes

General Obligation debt as of 9/30/2019 \$ 316,055,000

|                                                         |  |             |
|---------------------------------------------------------|--|-------------|
| Less: Self-supporting debt                              |  |             |
| Waterworks and Sewer System General Obligation debt (1) |  | 213,155,000 |
| Airport General Obligation debt (2)                     |  | 1,310,000   |

City Funded Debt Payable from Ad Valorem Taxes \$ 101,590,000

Interest and Sinking Fund as of 9/30/2019 \$ 1,692,830

Ratio Funded Debt to Taxable Assessed Valuation 4.74%

Ratio General Purpose Funded Debt to Taxable Assessed Valuation 1.52%

|                                                                      |           |
|----------------------------------------------------------------------|-----------|
| Estimated population in 2019                                         | 123,403   |
| Per capita 2019 taxable assessed valuation                           | \$ 53,993 |
| Per capita funded debt payable from ad valorem taxes                 | \$ 2,561  |
| Per capita general purpose funded debt payable from ad valorem taxes | \$ 823    |

(1) Waterworks and Sewer System (the "System") General Obligation debt consists of \$1,610,000 principal amount of the City's General Obligation Refunding Bonds, Series 2011, \$1,780,000 2012 TWDB Certificates of Obligation, \$7,775,000 principal amount of the City's General Obligation Refunding Bonds, Series 2013, \$25,270,000 principal amount of the City's Certificates of Obligation, Series 2013, \$52,155,000 principal amount of the City's Certificates of Obligation, Series 2014, \$62,600,000 principal amount of the City's Certificates of Obligation, Series 2015, \$450,000 principal amount of the City's General Obligation Refunding Bonds, Series 2015, \$1,880,000 principal amount of the City's General Obligation Refunding Bonds, Series 2016, \$31,185,000 principal amount of the City's General Obligation Refunding Bonds, Series 2017, \$10,080,000 principal amount of the City's Certificates of Obligation, Series 2017, and \$18,370,000 Certificates of Obligation, Series 2018. The City provides for debt service on these issues from surplus net revenues of the System. The City has no outstanding Waterworks and Sewer System revenue bonds but has obligated revenues of the System under water supply contracts.

(2) Airport General Obligation debt consists of outstanding \$1,310,000 Combination Tax and Airport Revenue Certificates of Obligation, Series 2007.

Table 2 - Taxable Assessed Valuations by Category

| Category                                       | Taxable Appraised Value for Fiscal Year September 30, |            |                        |            |                        |            |
|------------------------------------------------|-------------------------------------------------------|------------|------------------------|------------|------------------------|------------|
|                                                | 2020                                                  |            | 2019                   |            | 2018                   |            |
|                                                | Amount                                                | % of Total | Amount                 | % of Total | Amount                 | % of Total |
| Real, Residential, Single-Family               | \$4,039,723,261                                       | 54.46%     | \$3,825,140,077        | 54.05%     | 3,664,914,210          | 53.85%     |
| Real, Residential, Multi-Family                | 413,627,102                                           | 5.58%      | 388,679,603            | 5.49%      | 380,702,506            | 5.59%      |
| Real, Vacant Lots/Tracts                       | 79,796,252                                            | 1.08%      | 70,438,459             | 1.00%      | 69,744,831             | 1.02%      |
| Real, Farm and Ranch Improvements              | 53,780,234                                            | 0.73%      | 35,474,356             | 0.50%      | 52,679,653             | 0.77%      |
| Real, Acreage (Land Only)                      | 41,863,453                                            | 0.56%      | 55,764,233             | 0.79%      | 38,559,523             | 0.57%      |
| Real, Commercial and Industrial                | 1,636,398,300                                         | 22.06%     | 1,595,585,682          | 22.55%     | 1,532,288,351          | 22.51%     |
| Real, Oil, Gas and Other Minerals              | 14,654,572                                            | 0.20%      | 9,505,034              | 0.13%      | 7,968,226              | 0.12%      |
| Real and Tangible Personal, Utilities          | 198,203,957                                           | 2.67%      | 184,762,925            | 2.61%      | 159,696,142            | 2.35%      |
| Tangible Personal, Commercial and Industrial   | 871,984,071                                           | 11.76%     | 849,758,355            | 12.01%     | 839,844,810            | 12.34%     |
| Tangible Personal, Other                       | 9,253,313                                             | 0.12%      | 9,702,639              | 0.14%      | 10,091,122             | 0.15%      |
| Real Property, Inventory (1)                   | 6,299,324                                             | 0.08%      | 6,877,085              | 0.10%      | 4,291,719              | 0.06%      |
| Special Inventory                              | 52,261,151                                            | 0.70%      | 45,189,521             | 0.64%      | 45,365,313             | 0.67%      |
| Total Appraised Value Before Exemptions        | \$7,417,844,990                                       | 100.00%    | \$7,076,877,969        | 100.00%    | \$6,806,146,406        | 100.00%    |
| Less: Total Exemptions/Reductions              | (754,901,945)                                         |            | (710,069,178)          |            | (682,599,782)          |            |
| Taxable Assessed Value at 10/01                | \$6,662,943,045                                       |            | \$6,366,808,791        |            | \$6,123,546,624        |            |
| Adjustments for Errors and Corrections to Roll | -                                                     |            | 20,462                 |            | (6,691,578)            |            |
| Taxable Assessed Value at 09/30                | <u>\$6,662,943,045</u>                                |            | <u>\$6,366,829,253</u> |            | <u>\$6,116,855,046</u> |            |

| Category                                       | Taxable Appraised Value for Fiscal Year September 30, |            |                        |            |                        |            |
|------------------------------------------------|-------------------------------------------------------|------------|------------------------|------------|------------------------|------------|
|                                                | 2017                                                  |            | 2016                   |            | 2015                   |            |
|                                                | Amount                                                | % of Total | Amount                 | % of Total | Amount                 | % of Total |
| Real, Residential, Single-Family               | \$3,444,955,619                                       | 53.22%     | \$3,306,092,698        | 52.96%     | 3,191,850,868          | 53.29%     |
| Real, Residential, Multi-Family                | 365,349,731                                           | 5.64%      | 347,421,030            | 5.57%      | 331,852,172            | 5.54%      |
| Real, Vacant Lots/Tracts                       | 66,758,950                                            | 1.03%      | 70,207,363             | 1.12%      | 71,792,179             | 1.20%      |
| Real, Farm and Ranch Improvements              | 34,517,734                                            | 0.53%      | 33,776,939             | 0.54%      | 49,277,156             | 0.82%      |
| Real, Acreage (Land Only)                      | 50,508,087                                            | 0.78%      | 48,005,998             | 0.77%      | 33,671,460             | 0.56%      |
| Real, Commercial and Industrial                | 1,442,262,544                                         | 22.28%     | 1,379,919,499          | 22.10%     | 1,258,625,178          | 21.02%     |
| Real, Oil, Gas and Other Minerals              | 7,431,467                                             | 0.11%      | 12,836,197             | 0.21%      | 19,425,936             | 0.32%      |
| Real and Tangible Personal, Utilities          | 142,255,219                                           | 2.20%      | 142,372,234            | 2.28%      | 114,249,650            | 1.91%      |
| Tangible Personal, Commercial and Industrial   | 856,364,968                                           | 13.23%     | 838,529,508            | 13.43%     | 858,953,990            | 14.34%     |
| Tangible Personal, Other                       | 9,680,723                                             | 0.15%      | 9,172,935              | 0.15%      | 10,732,454             | 0.18%      |
| Real Property, Inventory (1)                   | 6,031,331                                             | 0.09%      | 4,074,336              | 0.07%      | 3,044,601              | 0.05%      |
| Special Inventory                              | 47,488,330                                            | 0.73%      | 50,499,631             | 0.81%      | 45,623,890             | 0.76%      |
| Total Appraised Value Before Exemptions        | \$6,473,604,703                                       | 100.00%    | \$6,242,908,368        | 100.00%    | \$5,989,099,534        | 100.00%    |
| Less: Total Exemptions/Reductions              | (645,060,758)                                         |            | (619,231,782)          |            | (644,810,555)          |            |
| Taxable Assessed Value at 10/01                | \$5,828,543,945                                       |            | \$5,623,676,586        |            | \$5,344,288,979        |            |
| Adjustments for Errors and Corrections to Roll | 32,873,252                                            |            | 32,033,851             |            | 15,473,904             |            |
| Taxable Assessed Value at 09/30                | <u>\$5,861,417,197</u>                                |            | <u>\$5,655,710,437</u> |            | <u>\$5,359,762,883</u> |            |

(1) Real Inventory properties in the hands of developers or builders; each group of properties in this category is appraised on the basis of its value as a whole as a sale to another developer or builder.

NOTE: Valuations shown are certified taxable assessed values reported by the Central Appraisal District of Taylor County and Jones County Appraisal District. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

**Table 3A - Valuation and General Obligation Debt History**

| Fiscal Year<br>Ended<br>9-30 | Estimated<br>Population (1) | Taxable<br>Assessed<br>Valuation (2) | Taxable<br>Assessed<br>Valuation<br>Per Capita | General<br>Obligation<br>Tax Debt<br>Outstanding at<br>End of Year (3) | Ratio of General<br>Obligation Tax<br>Debt to Taxable<br>Assessed<br>Valuation | General<br>Obligation<br>Tax Debt<br>Per Capita |
|------------------------------|-----------------------------|--------------------------------------|------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------|
| 2015                         | 118,887                     | \$5,364,492,576                      | \$45,123                                       | \$284,620,000                                                          | 5.31%                                                                          | \$2,410                                         |
| 2016                         | 121,407                     | 5,655,710,437                        | 46,585                                         | 297,915,000                                                            | 5.27%                                                                          | 2,454                                           |
| 2017                         | 122,203                     | 5,861,417,197                        | 47,965                                         | 313,900,000                                                            | 5.36%                                                                          | 2,569                                           |
| 2018                         | 124,557                     | 6,116,855,046                        | 49,109                                         | 314,145,000                                                            | 5.14%                                                                          | 2,522                                           |
| 2019                         | 123,403                     | 6,366,829,253                        | 51,594                                         | 316,055,000                                                            | 4.96%                                                                          | 2,561                                           |

(1) Source: City of Abilene Planning &amp; Services Department

(2) As reported by the Central Appraisal District of Taylor County on City's annual Reports of Property Value to the State Comptroller of Public Accounts; subject to change during the ensuing year

(3) Includes self-supporting debt (see "Table 3B - Self-Supporting General Obligation Debt")

**Table 3B - Self-Supporting General Obligation Debt**

| Fiscal<br>Year<br>Ended<br>9-30 | Total Funded<br>Tax Debt<br>Outstanding<br>at End<br>of Year | Less:<br>Self-Supporting<br>Water & Sewer<br>General<br>Obligation Debt | Less:<br>Airport<br>General<br>Obligation<br>Debt | General<br>Purpose<br>Funded<br>Tax Debt |
|---------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------|
| 2015                            | \$284,620,000                                                | \$214,095,000                                                           | \$2,770,000                                       | \$67,755,000                             |
| 2016                            | 297,915,000                                                  | 207,730,000                                                             | 2,435,000                                         | 87,750,000                               |
| 2017                            | 313,900,000                                                  | 210,645,000                                                             | 2,080,000                                         | 101,175,000                              |
| 2018                            | 314,145,000                                                  | 202,675,000                                                             | 1,705,000                                         | 109,765,000                              |
| 2019                            | 316,055,000                                                  | 213,155,000                                                             | 1,310,000                                         | 101,590,000                              |

Table 4 - Tax Rate, Levy and Collection History

| Fiscal Year Ended 9-30 | Tax Rate | General Fund | Interest and Sinking Fund | Adjusted Tax Levy | % Current Collections | % Total Collections |
|------------------------|----------|--------------|---------------------------|-------------------|-----------------------|---------------------|
| 2014                   | 0.6860   | 0.5095       | 0.1765                    | 35,243,493        | 98.89%                | 99.99%              |
| 2015                   | 0.6860   | 0.5215       | 0.1645                    | 36,181,533        | 98.77%                | 99.50%              |
| 2016                   | 0.7140   | 0.5306       | 0.1834                    | 39,572,135        | 98.73%                | 99.52%              |
| 2017                   | 0.7465   | 0.5448       | 0.2017                    | 42,686,671        | 98.78%                | 99.48%              |
| 2018                   | 0.7751   | 0.5648       | 0.2103                    | 46,053,774        | 98.78%                | 99.50%              |
| 2019                   | 0.7722   | 0.5648       | 0.2074                    | 47,767,944        | 98.83%                | 99.33%              |

Table 5 - Ten Largest Taxpayers

|    | Taxpayer                                          | Type of Business                     | Fiscal Year 2019 Assessed Value | % of Total Assessed Valuation |
|----|---------------------------------------------------|--------------------------------------|---------------------------------|-------------------------------|
| 1  | AEP Texas, Inc.                                   | Electric transmission & distribution | \$88,843,835                    | 1.34%                         |
| 2  | NC SCHI, Inc. (Abilene Regional Medical Center)   | Private hospital                     | 53,389,111                      | 0.81%                         |
| 3  | Coca-Cola Southwest Beverages, LLC                | Beverage distributor                 | 48,098,085                      | 0.73%                         |
| 4  | Fehr Food, Inc.                                   | Food manufacturer                    | 45,927,073                      | 0.69%                         |
| 5  | Partners Mall Abilene, LLC (Mall of Abilene)      | Retail shopping center               | 44,837,000                      | 0.68%                         |
| 6  | Atmos Energy/Mid-Tex Pipeline                     | Gas distribution                     | 30,237,350                      | 0.46%                         |
| 7  | Welltower TCG NNN Landlord, LLC                   | Developer                            | 27,052,177                      | 0.41%                         |
| 8  | Cebridge Acquisitions (Suddenlink Communications) | Cable TV provider                    | 25,068,559                      | 0.38%                         |
| 9  | Lowe's Home Centers, Inc.                         | Home improvement store               | 24,825,991                      | 0.37%                         |
| 10 | ARCP MT Abilene TX, LLC (Shops of Abilene)        | Retail shopping center               | 23,011,000                      | 0.35%                         |
|    | TOTAL                                             |                                      | <u>\$411,290,181</u>            | <u>6.20%</u>                  |

CITY OF ABILENE, TEXAS

**GENERAL OBLIGATION DEBT LIMITATION**

No General Obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter

**Table 6 - Tax Adequacy**

|                                                                                                |              |
|------------------------------------------------------------------------------------------------|--------------|
| Maximum Principal and Interest Requirements, General Purpose General Obligation Debt, 2020 (1) | \$11,438,756 |
| \$0.1770 Tax Rate at 97% Collection Produces                                                   | 11,444,860   |

(1) Includes bonds, excludes self-supporting debt

**Table 7 - Estimated Overlapping Debt**

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas and from information furnished by the Central Appraisal District of Taylor County and the Jones County and Callahan County Appraisal Districts. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

| <u>Taxing Jurisdiction</u>                                                | <u>Total Taxable<br/>Assessed Value<br/>for Fiscal Year 2020</u> | <u>2019<br/>Tax<br/>Rate</u> | <u>Total<br/>Funded Debt<br/>As of 9/30/2019</u> | <u>Estimated<br/>%<br/>Applicable</u> | <u>Estimated<br/>Overlapping Funded<br/>Debt As of 9/30/2019</u> | <u>Authorized<br/>But Unissued<br/>Debt As Of<br/>9/30/2019</u> |
|---------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------|--------------------------------------------------|---------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------|
| City of Abilene (1)                                                       | \$ 6,666,002,833                                                 | 0.7877                       | \$ 316,055,000                                   | 100.00%                               | 316,055,000 (1)                                                  | \$ 8,283,000                                                    |
| Abilene Independent School District                                       | 5,004,253,793                                                    | 1.3214                       | 231,307,883                                      | 91.72%                                | 212,155,590                                                      | -                                                               |
| Clyde Cons. Independent School District                                   | 320,840,742                                                      | 1.3297                       | 22,235,000                                       | 0.34%                                 | 75,599                                                           | -                                                               |
| Taylor County                                                             | 9,158,581,960                                                    | 0.6340                       | 49,015,000                                       | 80.75%                                | 39,579,613                                                       | -                                                               |
| Wylie Independent School District                                         | 2,261,121,152                                                    | 1.1970                       | 54,080,000                                       | 65.31%                                | 35,319,648                                                       | -                                                               |
| Jones County                                                              | 835,669,392                                                      | 0.6748                       | 5,555,000                                        | 4.84%                                 | 268,862                                                          | 6,900,000                                                       |
| Eula Independent School District                                          | 276,843,111                                                      | 1.2583                       | 4,938,100                                        | 22.64%                                | 1,117,986                                                        | -                                                               |
| Hawley Independent School District                                        | 179,863,280                                                      | 1.2784                       | 5,615,000                                        | 1.22%                                 | 68,503                                                           | -                                                               |
| Merkel Independent School District                                        | 462,055,105                                                      | 1.1855                       | 11,095,000                                       | 0.40%                                 | 44,380                                                           | -                                                               |
| <b>Total Direct and Overlapping Funded Debt</b>                           | <b>\$ 25,165,231,368</b>                                         |                              | <b>\$ 699,895,983</b>                            |                                       | <b>\$ 604,685,181</b>                                            | <b>\$ 15,183,000</b>                                            |
| Ratio of Direct and Overlapping Funded Debt to Taxable Assessed Valuation |                                                                  |                              |                                                  |                                       | 9.07%                                                            |                                                                 |
| Per Capita Direct and Overlapping Funded Debt                             |                                                                  |                              |                                                  |                                       | \$ 4,900                                                         |                                                                 |
| Per Capita Direct Debt                                                    |                                                                  |                              |                                                  |                                       | \$ 2,561                                                         |                                                                 |

(1) Includes \$213,155,000 self-supporting Waterworks and Sewer System General Obligation debt and \$1,310,000 self-supporting Airport General Obligation debt.

Excluding the City's Waterworks and Sewer System self-supporting debt, the City's total direct and overlapping funded debt is as follows:

|                                                                                       |    |                    |
|---------------------------------------------------------------------------------------|----|--------------------|
| Total Direct and Overlapping General Obligation Debt                                  | \$ | 604,685,181        |
| Less: Self-supporting debt                                                            |    |                    |
| Waterworks and Sewer System General Obligation debt                                   |    | 213,155,000        |
| Airport General Obligation debt                                                       |    | <u>1,310,000</u>   |
| Total Direct and Overlapping General Obligation Debt                                  | \$ | <u>390,220,181</u> |
| Ratio of Direct and Overlapping General Obligation Debt to Taxable Assessed Valuation |    |                    |
|                                                                                       |    | 5.85%              |
| Per Capita Direct and Overlapping Funded Debt                                         | \$ | 3,162              |
| Per Capita Direct Debt                                                                | \$ | 834                |



Table 8 - General Obligation Debt Service Requirements

| Fiscal<br>Year<br>Ending<br>9-30 | Principal            | Interest             | Total                | Less:<br>Water & Sewer<br>General<br>Obligation Debt | Less:<br>Airport<br>General<br>Obligation<br>Debt | General<br>Funded<br>Tax Debt | % of<br>Principal<br>Retired |
|----------------------------------|----------------------|----------------------|----------------------|------------------------------------------------------|---------------------------------------------------|-------------------------------|------------------------------|
| 2020                             | \$ 16,665,000        | \$ 12,989,940        | \$ 29,654,940        | \$ 17,748,138                                        | \$ 468,046                                        | \$ 11,438,756                 | 5.27%                        |
| 2021                             | 16,060,000           | 12,366,141           | 28,426,141           | 17,192,423                                           | 467,750                                           | 10,765,968                    |                              |
| 2022                             | 14,385,000           | 11,777,622           | 26,162,622           | 15,548,655                                           | 471,155                                           | 10,142,812                    |                              |
| 2023                             | 13,925,000           | 11,220,555           | 25,145,555           | 15,533,768                                           |                                                   | 9,611,787                     |                              |
| 2024                             | 13,515,000           | 10,657,262           | 24,172,262           | 15,519,999                                           |                                                   | 8,652,263                     |                              |
| 2025                             | 13,520,000           | 10,074,697           | 23,594,697           | 15,136,759                                           |                                                   | 8,457,938                     | 27.87%                       |
| 2026                             | 14,000,000           | 9,504,099            | 23,504,099           | 15,131,911                                           |                                                   | 8,372,188                     |                              |
| 2027                             | 14,135,000           | 8,971,100            | 23,106,100           | 15,136,400                                           |                                                   | 7,969,700                     |                              |
| 2028                             | 14,280,000           | 8,415,375            | 22,695,375           | 15,136,878                                           |                                                   | 7,558,497                     |                              |
| 2029                             | 14,470,000           | 7,838,593            | 22,308,593           | 15,140,277                                           |                                                   | 7,168,316                     |                              |
| 2030                             | 14,490,000           | 7,250,046            | 21,740,046           | 15,137,674                                           |                                                   | 6,602,372                     | 50.45%                       |
| 2031                             | 15,110,000           | 6,621,513            | 21,731,513           | 15,132,966                                           |                                                   | 6,598,547                     |                              |
| 2032                             | 15,650,000           | 5,962,389            | 21,612,389           | 15,147,961                                           |                                                   | 6,464,428                     |                              |
| 2033                             | 16,315,000           | 5,266,562            | 21,581,562           | 15,130,928                                           |                                                   | 6,450,634                     |                              |
| 2034                             | 16,905,000           | 4,546,690            | 21,451,690           | 15,000,174                                           |                                                   | 6,451,516                     |                              |
| 2035                             | 17,645,000           | 3,802,007            | 21,447,007           | 15,005,860                                           |                                                   | 6,441,147                     | 76.27%                       |
| 2036                             | 16,860,000           | 3,050,912            | 19,910,912           | 15,143,912                                           |                                                   | 4,767,000                     |                              |
| 2037                             | 15,755,000           | 2,327,146            | 18,082,146           | 15,155,171                                           |                                                   | 2,926,975                     |                              |
| 2038                             | 13,870,000           | 1,654,562            | 15,524,562           | 14,289,637                                           |                                                   | 1,234,925                     |                              |
| 2039                             | 14,160,000           | 1,014,071            | 15,174,071           | 14,303,396                                           |                                                   | 870,675                       |                              |
| 2040                             | 8,545,000            | 480,125              | 9,025,125            | 9,025,125                                            |                                                   | -                             | 98.17%                       |
| 2041                             | 4,885,000            | 150,750              | 5,035,750            | 5,035,750                                            |                                                   | -                             |                              |
| 2042                             | 445,000              | 24,063               | 469,063              | 469,063                                              |                                                   | -                             |                              |
| 2043                             | 465,000              | 8,138                | 473,138              | 473,138                                              |                                                   | -                             |                              |
| 2044                             |                      |                      | -                    |                                                      |                                                   | -                             | 100.00%                      |
|                                  | <u>\$316,055,000</u> | <u>\$145,974,358</u> | <u>\$462,029,358</u> | <u>\$321,675,963</u>                                 | <u>\$ 1,406,951</u>                               | <u>\$ 138,946,444</u>         |                              |

Table 9 - Interest and Sinking Fund Budget Projection

|                                                                       |            |                     |
|-----------------------------------------------------------------------|------------|---------------------|
| General Obligation debt service requirements as of 9/30/2020          |            | \$ 11,438,756       |
| Interest and sinking fund as of 9/30/2019                             | 1,692,830  |                     |
| 2019 Interest and sinking fund taxes (as budgeted)                    | 11,444,530 |                     |
| Solid Waste transfer                                                  | 31,930     |                     |
| Estimated investment income                                           | 93,550     |                     |
| Collection and paying agent fees                                      | (199,470)  | 13,063,370          |
| Estimated remaining Interest and Sinking Fund balance as of 9/30/2020 |            | <u>\$ 1,624,614</u> |

**Table 10 - Computation of Self-Supporting Debt**

|                                                                                               |                   |
|-----------------------------------------------------------------------------------------------|-------------------|
| Gross Income, Waterworks and Sewer System, Fiscal Year Ended 9/30/2019                        | \$ 52,627,733     |
| Less: Net Operating Expenses, Waterworks and Sewer System, Fiscal Year Ended 9/30/2019        | <u>33,486,826</u> |
| Available for Debt Service, Waterworks and Sewer System, Fiscal Year Ended 9/30/2019          | \$ 19,140,907     |
| Waterworks and Sewer System General Obligation Debt Requirements, Fiscal Year Ended 9/30/2020 | \$ 17,748,138     |
| Percentage of Waterworks and Sewer System General Obligation Self-Supporting Debt             | 107.85%           |

The above table is prepared under GAAP, excluding depreciation and amortization of water rights expense.

**Table 11 - Authorized But Unissued General Obligation Bonds**

The City has \$300,000 General Obligation bonds authorized December 18, 1979 for sanitary landfill purposes; the City has no plans to issue these bonds as the landfill has been privatized and operates as a regional landfill.

The City has \$8,283,000 General Obligation bonds authorized August 13, 2015 for various City projects that will be issued in future years.

## CITY OF ABILENE, TEXAS

Table 12 - General Fund Revenues and Expenditures History

|                                         | Fiscal Year Ended September 30, |                      |                      |                      |                      |
|-----------------------------------------|---------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                         | 2019                            | 2018                 | 2017                 | 2016                 | 2015                 |
| <u>Revenues:</u>                        |                                 |                      |                      |                      |                      |
| General property taxes                  | \$ 34,555,317                   | \$ 33,189,054        | \$ 30,845,726        | \$ 29,242,647        | \$ 27,356,962        |
| Sales taxes                             | 35,369,689                      | 34,784,342           | 31,193,071           | 30,388,148           | 31,481,309           |
| Franchise fees                          | 8,022,283                       | 7,675,750            | 7,362,960            | 7,261,592            | 7,396,951            |
| Other taxes                             | 3,871,027                       | 3,464,219            | 3,094,032            | 2,164,397            | 1,745,203            |
| Licenses and permits                    | 1,536,514                       | 1,354,980            | 1,314,897            | 1,531,658            | 1,548,832            |
| Intergovernmental revenues              | 614,886                         | 95,888               | 91,711               | 107,864              | 89,530               |
| Charges for services                    | 4,753,469                       | 4,664,421            | 4,477,775            | 4,035,974            | 3,937,650            |
| Interest and miscellaneous              | 9,102,632                       | 9,182,258            | 8,386,620            | 7,758,598            | 7,638,543            |
| Total Revenues                          | <u>97,825,817</u>               | <u>94,410,912</u>    | <u>86,766,792</u>    | <u>82,490,878</u>    | <u>81,194,980</u>    |
| <u>Expenditures:</u>                    |                                 |                      |                      |                      |                      |
| General Government                      | 5,059,377                       | 4,861,003            | 4,570,773            | 2,293,529            | 1,939,342            |
| Human Resources**                       | 1,647,939                       | 1,600,024            | 3,093,545            | 2,954,916            | 2,697,576            |
| Finance                                 | 6,061,714                       | 5,153,741            | 5,692,057            | 7,359,153            | 7,126,917            |
| Planning and Development Services       | 2,304,474                       | 2,130,233            | 2,118,591            | 2,269,848            | 3,178,177            |
| Public Works                            | 6,558,906                       | 7,400,010            | 6,810,897            | 6,327,803            | 6,422,266            |
| Facilities and Capital Improvements *   | 2,994,503                       | 3,178,690            | 1,385,754            |                      |                      |
| Police                                  | 29,128,765                      | 28,195,026           | 27,748,927           | 26,275,119           | 24,894,951           |
| Fire                                    | 20,847,230                      | 19,986,671           | 19,256,979           | 18,748,209           | 18,577,983           |
| Transportation Services                 | 1,990,577                       | 2,120,644            | 1,941,925            | 1,959,062            | 2,022,131            |
| Community Services                      | 12,852,938                      | 11,931,636           | 11,564,539           | 13,590,332           | 11,552,181           |
| Total Expenditures                      | <u>89,446,423</u>               | <u>86,557,678</u>    | <u>84,183,987</u>    | <u>81,777,971</u>    | <u>78,411,524</u>    |
| Excess of Revenue<br>over Expenditures  | 8,379,394                       | 7,853,234            | 2,582,805            | 712,907              | 2,783,456            |
| Net Other Financing Uses                | <u>(5,025,161)</u>              | <u>(6,556,726)</u>   | <u>(2,110,039)</u>   | <u>(1,144,983)</u>   | <u>(1,795,279)</u>   |
| Net Increase (Decrease) in Fund Balance | 3,354,233                       | 1,296,508            | 472,766              | (432,076)            | 988,177              |
| Fund Balance at Beginning of Year       | 28,228,036                      | 26,931,528           | 26,458,762           | 26,890,838           | 25,902,661           |
| Fund Balance at End of Year             | <u>\$ 31,582,269</u>            | <u>\$ 28,228,036</u> | <u>\$ 26,931,528</u> | <u>\$ 26,458,762</u> | <u>\$ 26,890,838</u> |

\* New department in 2017

\*\* Changed name from Administrative Svcs. 2018

**Table 13 - Municipal Sales Tax History**

The City has adopted the Municipal Sales and Use Tax Act, V.T.C.A., Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of debt. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. On August 12, 1989, the voters of the City approved the imposition of an additional Sales and Use Tax of one-half of one percent (1/2% of 1%) for economic development and an additional one-half of one percent (1/2 of 1%) for property tax reduction. Collection for the additional tax went into effect on January 1, 1990. The sales tax for economic development is collected solely for the benefit of the Development Corporation of Abilene, Inc., and may be pledged to secure payments of sales tax revenue bonds if issued by the Corporation in the future.

| Fiscal Year<br>Ended<br>9-30 | Total<br>Collected (1) | % of<br>Ad Valorem<br>Tax Levy | Equivalent of<br>Ad Valorem<br>Tax Levy | Per<br>Capita (2) |
|------------------------------|------------------------|--------------------------------|-----------------------------------------|-------------------|
| 2015                         | 31,481,309             | 87.01%                         | 0.5868                                  | 267               |
| 2016                         | 30,388,148             | 76.79%                         | 0.5373                                  | 250               |
| 2017                         | 31,193,071             | 73.07%                         | 0.5321                                  | 255               |
| 2018                         | 34,784,342             | 75.53%                         | 0.5687                                  | 279               |
| 2019                         | 35,369,689             | 74.04%                         | 0.5582                                  | 287               |

(1) Excludes collections of a 1/2 of 1% Sales and Use Tax for economic development

(2) See "Estimated Population" under "Table 3 - Valuation and General Obligation Debt History"

**Table 14 - Current Investments**

The City has not engaged in repurchase or reverse repurchase agreements and has never leveraged the portfolio. As of September 30, 2019, the City's investable funds were invested in the following categories:

| Investment<br>Type                           | Percent<br>of Total<br>Investments<br>to Book Value | Book<br>Value  | Fair<br>Value  | Maturity<br>Range |
|----------------------------------------------|-----------------------------------------------------|----------------|----------------|-------------------|
| Pooled Investment Fund:                      |                                                     |                |                |                   |
| Core Portfolio:                              |                                                     |                |                |                   |
| U.S. Government Securities                   | 12.20%                                              | \$ 23,964,694  | \$ 23,914,441  | 15-167 days       |
| Accrued Interest                             | 0.04%                                               | 79,261         | 79,261         |                   |
|                                              | 12.24%                                              | \$ 24,043,955  | \$ 23,993,702  |                   |
| Emergency/Liquidity Portfolio:               |                                                     |                |                |                   |
| TexPool                                      | 27.75%                                              | \$ 54,498,175  | \$ 54,498,175  | Same Day          |
| TexStar                                      | 25.28%                                              | 49,654,703     | 49,654,703     | Same Day          |
| Money Market                                 | 1.06%                                               | 2,072,551      | 2,072,551      | Same Day          |
|                                              | 54.08%                                              | \$ 106,225,429 | \$ 106,225,429 |                   |
| Discretionary Portfolio:                     |                                                     |                |                |                   |
| U.S. Government Securities                   | 7.62%                                               | \$ 14,961,709  | \$ 14,974,660  | 8-556 days        |
| Accrued Interest                             | 0.03%                                               | 65,302         | 65,302         |                   |
|                                              | 7.65%                                               | \$ 15,027,011  | \$ 15,039,962  |                   |
|                                              | 73.97%                                              | \$ 145,296,395 | \$ 145,259,093 |                   |
| Other Invested Funds:                        |                                                     |                |                |                   |
| Money Market - enterprise funds              | 8.26%                                               | \$ 16,233,300  | \$ 16,233,300  | Same Day          |
| Money Market Mutual Funds - enterprise funds | 0.87%                                               | 1,704,182      | 1,704,182      | Same Day          |
| TexStar - capital projects funds             | 16.88%                                              | 33,150,801     | 33,150,801     | Same Day          |
| TexStar - agency funds                       | 0.02%                                               | 33,553         | 33,553         | Same Day          |
|                                              | 26.03%                                              | \$ 51,121,836  | \$ 51,121,836  |                   |
|                                              | 100.00%                                             | \$ 196,418,231 | \$ 196,380,929 |                   |

As of such date the weighted average life of the total portfolio was 25 days; weighted average yields were:

|                            |       |
|----------------------------|-------|
| State Pools                | 2.13% |
| Money Market               | 0.64% |
| Money Market Mutual Funds  | 1.31% |
| U.S. Government Securities | 2.38% |

The fair value of the total investment portfolio on September 30, 2019, was 99.98% of book value.

**Table 15 - Passenger Enplanements on Scheduled Airline Flights**

| Fiscal Year | American Eagle | Other Airlines | Total  |
|-------------|----------------|----------------|--------|
| 2015        | 93,100         | 2,101          | 95,201 |
| 2016        | 85,850         | 2,021          | 87,871 |
| 2017        | 88,497         | 1,902          | 90,399 |
| 2018        | 82,006         | 1,935          | 83,941 |
| 2019        | 84,639         | 2,393          | 87,032 |

**Table 16 - Airport Condensed Statement of Operations <sup>(1)</sup>**

|                                       | Fiscal Year Ended September 30, |                    |                 |                    |                    |
|---------------------------------------|---------------------------------|--------------------|-----------------|--------------------|--------------------|
|                                       | 2019                            | 2018               | 2017            | 2016               | 2015               |
| REVENUE                               |                                 |                    |                 |                    |                    |
| Operating Revenue                     | \$1,688,390                     | \$1,677,659        | \$1,987,847     | \$1,303,205        | \$1,293,585        |
| Non-Operating Revenues <sup>(2)</sup> | 566,226                         | 35,795             | 21,160          | 396,759            | 372,569            |
| Gross Revenues                        | \$2,254,616                     | \$1,713,454        | \$2,009,007     | \$1,699,964        | \$1,666,154        |
| EXPENSES                              |                                 |                    |                 |                    |                    |
| Operating Expense <sup>(3)</sup>      | \$2,000,932                     | \$2,097,626        | \$1,941,926     | \$1,959,062        | \$2,022,132        |
| NET REVENUE                           | <u>\$253,684</u>                | <u>(\$384,172)</u> | <u>\$67,081</u> | <u>(\$259,098)</u> | <u>(\$355,978)</u> |
| PFC Revenue <sup>(4)</sup>            | \$325,589                       | \$320,259          | \$324,490       | \$334,644          | \$338,428          |
| Debt Service Payment <sup>(5)</sup>   | \$466,987                       | \$464,510          | \$460,710       | \$457,570          | \$459,350          |
| CFC Revenue <sup>(6)</sup>            | \$257,792                       | \$249,430          | \$251,646       | \$241,761          | \$266,224          |

(1) The Airport is not accounted for as an Enterprise Fund, but is accounted for in the General Fund

(2) Excludes federal grants & capital contributions

(3) Excludes capital & debt expenditures

(4) Passenger Facility Charge Revenue is not included in gross revenue

(5) FAA approved principal and interest payment on Airport Certificate of Obligation, Series 2007

(6) Customer Facility Charge Revenue is not included in gross revenue

**Table 17 - Monthly Water Rates**

Water rates were increased for billings effective November 1, 2016 for consumption beginning in October 2016.

|                                                             | Previous Rates<br>(effective 9-10-15) | Present Rates<br>(effective 11-01-16) |
|-------------------------------------------------------------|---------------------------------------|---------------------------------------|
| <u>Residential</u> <sup>(1)</sup>                           |                                       |                                       |
| Customer Service Charge                                     | Based on Meter Size <sup>(2)</sup>    | Based on Meter Size <sup>(2)</sup>    |
| Volume Charge:                                              |                                       |                                       |
| First 6,000 gallons                                         | \$3.00 per 1,000 gals.                | \$3.00 per 1,000 gals.                |
| 7,000 - 15,000 gallons                                      | 4.26 per 1,000 gals.                  | 5.15 per 1,000 gals.                  |
| Over 15,000 gallons                                         | 5.86 per 1,000 gals.                  | 7.15 per 1,000 gals.                  |
| Plus O.H. Ivie charge                                       | \$0.60 per 1,000 gals.                | \$0.60 per 1,000 gals.                |
| <u>Commercial</u> <sup>(1)</sup>                            |                                       |                                       |
| Customer Service Charge                                     | Based on Meter Size <sup>(2)</sup>    | Based on Meter Size <sup>(2)</sup>    |
| Volume Charge:                                              |                                       |                                       |
| First 6,000 gallons                                         | \$3.00 per 1,000 gals.                | \$3.63 per 1,000 gals.                |
| Over 6,000 gallons                                          | 4.26 per 1,000 gals.                  | 5.15 per 1,000 gals.                  |
| Plus O.H. Ivie charge                                       | \$0.60 per 1,000 gals.                | \$0.60 per 1,000 gals.                |
| <u>Industrial</u>                                           |                                       |                                       |
| Customer Service Charge                                     | Based on Meter Size <sup>(2)</sup>    | Based on Meter Size <sup>(2)</sup>    |
| Volume Charge:                                              |                                       |                                       |
| All Consumption                                             | \$3.32 per 1,000 gals.                | \$3.92 per 1,000 gals.                |
| Plus O.H. Ivie charge                                       | \$0.60 per 1,000 gals.                | \$0.60 per 1,000 gals.                |
| <u>Yard Meter and Construction Water</u>                    |                                       |                                       |
| Volume Charge:                                              |                                       |                                       |
| All Consumption                                             | \$5.86 per 1,000 gals.                | \$5.86 per 1,000 gals.                |
| Plus O.H. Ivie charge                                       | \$0.60 per 1,000 gals.                | \$0.60 per 1,000 gals.                |
| <u>Special Treated Water Customers (Contract Customers)</u> |                                       |                                       |
| Volume Charge:                                              |                                       |                                       |
| All Consumption                                             | \$3.55 per 1,000 gals.                | \$5.15 per 1,000 gals.                |
| Plus O.H. Ivie charge                                       | \$0.60 per 1,000 gals.                | \$0.60 per 1,000 gals.                |

(1) Residential category applies to all domestic housing of three units or less. Commercial category applies to business operations including residential housing with four units or more. For all categories "Outside City Limits" rates are double the above rates for water consumption.

(2) Customer Service Charges:

| <u>Meter Size</u> | <u>Monthly Charge</u> | <u>Meter Size</u> | <u>Monthly Charge</u> |
|-------------------|-----------------------|-------------------|-----------------------|
| 5/8" or 3/4"      | 15.25                 | 4 inch            | 201.25                |
| 1 inch            | 23.00                 | 6 inch            | 373.75                |
| 1 1/2 inch        | 42.75                 | 8 inch            | 606.75                |
| 2 inch            | 71.00                 | 10 inch           | 818.25                |
| 3 inch            | 134.00                | 12 inch           | N/A                   |

**Table 18 - Historical Water Consumption**

| Fiscal<br>Year<br>Ending<br>09/30 | Treated Water<br>Consumption<br>(Thousand Gallons) | Daily Average<br>(Thousand Gallons) | Peak Day<br>(Thousand Gallons) |
|-----------------------------------|----------------------------------------------------|-------------------------------------|--------------------------------|
| 2014                              | 7,439,724                                          | 20,383                              | 30,686                         |
| 2015                              | 7,342,753                                          | 20,117                              | 30,598                         |
| 2016                              | 7,368,917                                          | 20,189                              | 34,081                         |
| 2017                              | 7,341,818                                          | 20,115                              | 31,159                         |
| 2018                              | 7,738,099                                          | 21,200                              | 32,841                         |
| 2019                              | 7,545,379                                          | 20,672                              | 35,402                         |

**Table 19 - Top Ten Treated Water Customers <sup>1</sup>**Fiscal Year Ended September 30, 2019

| Customer                                    | Consumption<br>(Thousand Gallons) | Billings            |
|---------------------------------------------|-----------------------------------|---------------------|
| TDCJID <sup>2</sup>                         | 306,832                           | 1,386,881           |
| Steamboat Mountain Water Supply Corporation | 239,886                           | 1,379,345           |
| Dyess AFB                                   | 173,998                           | 1,000,489           |
| Potosi Water Supply Corporation             | 132,788                           | 763,531             |
| Coca Cola                                   | 122,862                           | 555,336             |
| Hawley Water Supply Corporation             | 81,740                            | 470,005             |
| City of Merkel                              | 81,576                            | 469,062             |
| View/Caps Water Supply Corporation          | 78,676                            | 452,387             |
| Sun Water Water Supply Corporation          | 73,063                            | 420,112             |
| Hamby Water Supply Corporation              | 48,636                            | 279,657             |
|                                             | <u>1,340,057</u>                  | <u>\$ 7,176,804</u> |

1 Excludes City of Abilene treated water consumption which is metered and billed to General Fund supported activities

2 Texas Department of Criminal Justice prison system facilities.

**Table 20 - Top Ten Special Treated Water Customers ("Contract Customers")**Fiscal Year Ended September 30, 2019

| Customer                                    | Water<br>Consumption<br>(Thousand Gallons) | Billings            |
|---------------------------------------------|--------------------------------------------|---------------------|
| Steamboat Mountain Water Supply Corporation | 239,886                                    | 1,379,345           |
| Dyess AFB                                   | 173,998                                    | 1,000,489           |
| Potosi Water Supply Corporation             | 132,788                                    | 763,531             |
| Hawley Water Supply Corporation             | 81,740                                     | 470,005             |
| City of Merkel                              | 81,576                                     | 469,062             |
| View/Caps Water Supply Corporation          | 78,676                                     | 452,387             |
| Sun Water Water Supply Corporation          | 73,063                                     | 420,112             |
| Hamby Water Supply Corporation              | 48,636                                     | 279,657             |
| City of Tye                                 | 39,542                                     | 227,367             |
| City of Clyde                               | 35,615                                     | 204,786             |
|                                             | <u>985,520</u>                             | <u>\$ 5,666,740</u> |

### AVERAGE MONTHLY CONSUMPTION

For fiscal year ended September 30, 2019, average monthly residential consumption was 5,146 gallons, average monthly commercial consumption was 17,096 gallons, and average monthly industrial consumption was 352,026 gallons.

### THE SEWER SYSTEM

The sewer collections system covers essentially all of the City except for around Lake Fort Phantom Hill and some recently annexed areas. The System operates as a gravity flow system by three small sewage lift stations. Sewage flows through 36" to 48" outfall lines, to a main pump station which pumps to the wastewater reclamation plant 4.8 miles northeast of the City.

### WASTEWATER RECLAMATION PLANT

The plant has a permitted 22.0 mgd capacity and utilizes extended aeration, MBR filtration, and advanced treatment. Final effluent is discharged to either the Clear Fork of the Brazos River, Kirby Lake, or Fort Phantom Hill Reservoir, and is also used for irrigation on City farm land and/or adjoining private farm land, or as reclaimed water within the city limits of Abilene in accords to the Chapter 210 Authorization.

**Table 21 - Monthly Sewer Rates (Effective October 01, 2016)**

|                                                                           |                          |
|---------------------------------------------------------------------------|--------------------------|
| <u>Residential</u>                                                        |                          |
| Customer Service Charge                                                   | \$12.00 (minimum)        |
| Volume Charge (Water Consumption)                                         |                          |
| First 10,000 gallons                                                      | \$1.55 per 1,000 gallons |
| Over 10,000 gallons                                                       | No Charge                |
| <u>Commercial</u>                                                         |                          |
| Customer Service Charge                                                   | \$12.00 (minimum)        |
| Volume Charge (Water Consumption)                                         | \$1.55 per 1,000 gallons |
| <u>Industrial</u>                                                         |                          |
| Customer Service Charge                                                   | \$12.00 (minimum)        |
| Volume Charge (Water Consumption), All Use                                | \$1.55 per 1,000 gallons |
| Plus: Surcharge Rate if effective (based on type and strength of sewage): |                          |
| Biological Oxygen Demand                                                  | \$0.091/lb               |
| Total Suspended Solids                                                    | 0.067/lb                 |
| Fats, Oils and Grease                                                     | 0.091/lb                 |

**Table 22 - Daily Average Sewage Flows**

| Fiscal<br>Year | Million<br>Gallon<br>Per Day |
|----------------|------------------------------|
| 2014           | 11.227                       |
| 2015           | 11.557                       |
| 2016           | 13.001                       |
| 2017           | 13.138                       |
| 2018           | 13.741                       |
| 2019           | 15.766                       |



Table 23 - Top Ten Sewer Customers

|                                 | Fiscal Year Ended September 30, 2019 Billings |           |               |                                           |
|---------------------------------|-----------------------------------------------|-----------|---------------|-------------------------------------------|
|                                 | Wastewater Charge                             | Surcharge | Total Billing | Volume <sup>2</sup><br>(Thousand Gallons) |
| TDCJID <sup>1</sup>             | \$ 391,034                                    | \$ 8,926  | \$ 399,961    | 315,234                                   |
| Dyess AFB                       | 54,082                                        | -         | 54,082        | 173,992                                   |
| Coca Cola Southwest Beverages   | 114,406                                       | 47,921    | 162,327       | 122,862                                   |
| Abilene Christian University    | 55,966                                        | -         | 55,966        | 60,024                                    |
| City of Tye                     | 90,091                                        | 459       | 90,549        | 58,030                                    |
| Hendrick Medical Center         | 54,438                                        | -         | 54,438        | 50,041                                    |
| Hardin Simmons University       | 27,552                                        | -         | 27,552        | 29,471                                    |
| Abilene ISD                     | 25,385                                        | -         | 25,385        | 27,141                                    |
| Western A.H.406 Ltd             | 39,385                                        | -         | 39,385        | 25,317                                    |
| Abilene Regional Medical Center | 24,984                                        | -         | 24,984        | 22,894                                    |

(1) Texas Department of Criminal Justice prison system facilities

(2) Wastewater Charges are an estimation based on gallons consumed and multiplier

Table 24 - Waterworks and Sewer System Condensed Statement of Operations

|                                          | Fiscal Year Ended September 30, |               |               |               |               |
|------------------------------------------|---------------------------------|---------------|---------------|---------------|---------------|
|                                          | 2019                            | 2018          | 2017          | 2016          | 2015          |
| <b>Revenue</b>                           |                                 |               |               |               |               |
| Water Service                            | \$ 38,296,205                   | \$ 41,462,515 | \$ 39,641,787 | \$ 34,984,930 | \$ 31,181,991 |
| Sewer Service                            | 11,475,857                      | 11,771,175    | 11,656,489    | 11,564,817    | 11,559,729    |
| Other Operating Revenues                 | 779,186                         | 784,918       | 834,869       | 716,256       | 692,368       |
| Non-Operating Income                     | 2,076,485                       | 1,300,187     | 1,411,277     | 796,562       | 908,013       |
| Gross Revenues                           | \$ 52,627,733                   | \$ 55,318,795 | \$ 53,544,422 | \$ 48,062,565 | \$ 44,342,101 |
| <b>Operating Expenses <sup>(1)</sup></b> |                                 |               |               |               |               |
| Personal Services                        | \$ 9,160,732                    | \$ 8,583,950  | \$ 8,738,102  | \$ 7,986,072  | \$ 7,005,496  |
| Supplies                                 | 2,911,997                       | 3,227,407     | 2,670,160     | 3,038,483     | 2,533,499     |
| Maintenance                              | 2,239,597                       | 2,249,694     | 2,048,759     | 1,790,069     | 1,515,274     |
| Other Services and Charges               | 19,174,500                      | 19,487,349    | 19,362,278    | 20,297,721    | 19,384,183    |
| Total Operating Expense                  | \$ 33,486,826                   | \$ 33,548,400 | \$ 32,819,299 | \$ 33,112,345 | \$ 30,438,452 |
| Net Revenue                              | \$ 19,140,907                   | \$ 21,770,395 | \$ 20,725,123 | \$ 14,950,220 | \$ 13,903,649 |
| Water Customers                          | 41,463                          | 41,036        | 40,897        | 40,674        | 40,974        |
| Sewer Customers                          | 39,877                          | 39,485        | 39,331        | 39,039        | 39,321        |

(1) Operating Expenses: Excludes depreciation; includes all payments to the West Central Texas Municipal Water District and the Colorado River Municipal Water District.

Note: The City has no outstanding or authorized Waterworks and Sewer Revenue Bonds, however, there will be General Obligation debt outstanding (2009, 2012, 2013, 2014, 2015, 2017, and 2018 Certificates of Obligation and 2011, 2013, 2015, 2016 and 2017 General Obligation.) Certificates issued for Waterworks and Sewer Systems purposes on which annual debt service is to be provided from revenues of the System (see "Table 10 - Computation of Self-Supporting Debt"). It is the City's policy and intention to maintain rates and charges for water and sewer service that will provide net revenues of the system that will fully provide for debt service on General Obligation debt issued for Waterworks and Sewer System purposes over the life of the Waterworks and Sewer System General Obligation debt and any additional Waterworks and Sewer General Obligation debt issued in the future. Monthly water rates were increased effective October 01, 2016 (see "The Waterworks and Sewer System" and "Table 17 - Monthly Water Rates," above.)

## FEDERAL FINANCIAL ASSISTANCE





**Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

**Independent Auditor's Report**

The Honorable Mayor and  
Members of the City Council  
City of Abilene, Texas  
Abilene, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Abilene, Texas (City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 3, 2020.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Honorable Mayor and  
Members of the City Council  
City of Abilene, Texas  
Page 173

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

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

### ***Purpose of this Report***

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

**BKD, LLP**

Dallas, Texas  
March 3, 2020

## **Report on Compliance for the Major Federal and State Programs and Report on Internal Control Over Compliance**

### **Independent Auditor's Report**

The Honorable Mayor and  
Members of the City Council  
City of Abilene, Texas  
Abilene, Texas

#### **Report on Compliance for the Major Federal Program**

We have audited the City of Abilene, Texas' (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and State of Texas *Uniform Grant Management Standards* (UGMS) that could have a direct and material effect on the City's major federal and state programs for the year ended September 30, 2019. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal and state programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and UGMS, issued by the Texas Comptroller of Public Accounts. Those standards, the Uniform Guidance and UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal and state programs. However, our audit does not provide a legal determination of the City's compliance.

The Honorable Mayor and  
Members of the City Council  
City of Abilene, Texas  
Page 175

### ***Opinion on the Major Federal and State Programs***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended September 30, 2019.

### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal and state programs and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and UGMS. Accordingly, this report is not suitable for any other purpose.

*BKD, LLP*

Dallas, Texas  
March 3, 2020

**CITY OF ABILENE, TEXAS**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended September 30, 2019**

**Exhibit H-1**  
**Page 1**

| <u>Federal Grantor/Pass-Through or Cluster Title</u>          | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-Through<br/>Entity<br/>Identifying Number</u> | <u>Current Year<br/>GAAP Basis<br/>Grant<br/>Expenditures</u> | <u>Pass-Through<br/>To<br/>Subrecipients</u> |
|---------------------------------------------------------------|------------------------------------|-------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------|
| <b>Federal Assistance:</b>                                    |                                    |                                                       |                                                               |                                              |
| <u>Department of Housing and Urban Development:</u>           |                                    |                                                       |                                                               |                                              |
| Direct Programs:                                              |                                    |                                                       |                                                               |                                              |
| Community Planning and Development:                           |                                    |                                                       |                                                               |                                              |
| Community Development Block Grant - Entitlement Grant Cluster | 14.218                             |                                                       | \$ 80,686                                                     | \$ -                                         |
| Community Development Block Grant - Entitlement Grant Cluster | 14.218                             |                                                       | 169,243                                                       | -                                            |
| Community Development Block Grant - Entitlement Grant Cluster | 14.218                             |                                                       | <u>432,836</u>                                                | -                                            |
| Total Entitlement Grant Cluster                               |                                    |                                                       | <u>682,765</u>                                                | -                                            |
| Home Investment Partnership Program                           | 14.239                             |                                                       | 12,947                                                        | -                                            |
| Home Investment Partnership Program                           | 14.239                             |                                                       | 30,500                                                        | -                                            |
| Home Investment Partnership Program                           | 14.239                             |                                                       | 14,503                                                        | -                                            |
| Home Investment Partnership Program                           | 14.239                             |                                                       | 14,712                                                        | -                                            |
| Home Investment Partnership Program                           | 14.239                             |                                                       | 211,580                                                       | -                                            |
| Home Investment Partnership Program                           | 14.239                             |                                                       | <u>25,146</u>                                                 | -                                            |
| Total Department of Housing and Urban Development             |                                    |                                                       | <u>992,153</u>                                                | -                                            |
| <u>Department of Transportation:</u>                          |                                    |                                                       |                                                               |                                              |
| Direct Programs:                                              |                                    |                                                       |                                                               |                                              |
| Federal Transit Administration:                               |                                    |                                                       |                                                               |                                              |
| Federal Transit Cluster                                       |                                    |                                                       |                                                               |                                              |
| Operating Assistance                                          | 20.507                             |                                                       | 185,244                                                       | -                                            |
| Operating Assistance                                          | 20.507                             |                                                       | 871,158                                                       | -                                            |
| Preventive Maintenance                                        | 20.507                             |                                                       | 210,863                                                       | -                                            |
| Preventive Maintenance                                        | 20.507                             |                                                       | 385,197                                                       | -                                            |
| Planning                                                      | 20.507                             |                                                       | 3,687                                                         | -                                            |
| Planning                                                      | 20.507                             |                                                       | 15,000                                                        | -                                            |
| ADA Assistance                                                | 20.507                             |                                                       | <u>110,112</u>                                                | -                                            |
|                                                               |                                    |                                                       | <u>1,781,261</u>                                              | -                                            |
| Office of the Secretary:                                      |                                    |                                                       |                                                               |                                              |
| Passed Through Texas Department of Transportation:            |                                    |                                                       |                                                               |                                              |
| Federal Transit Cluster                                       |                                    |                                                       |                                                               |                                              |
| Capital - 5339 grant                                          | 20.500                             | TX-2017-010                                           | <u>271,159</u>                                                | -                                            |
|                                                               |                                    |                                                       | <u>271,159</u>                                                | -                                            |
| Total Federal Transit Cluster                                 |                                    |                                                       | <u>2,052,420</u>                                              | -                                            |
| Airport Improvement Program                                   |                                    |                                                       |                                                               |                                              |
| Abilene Municipal Airport                                     | 20.106                             | 3-48-0002-46                                          | 253,719                                                       | -                                            |
| Abilene Municipal Airport                                     | 20.106                             | 3-48-0002-47                                          | <u>41,132</u>                                                 | -                                            |
|                                                               |                                    |                                                       | <u>294,851</u>                                                | -                                            |
| FHWA - Highway Planning and Construction Cluster              |                                    |                                                       |                                                               |                                              |
| Abilene Urban Transportation Study                            | 20.205                             | 50-18XF0013                                           | <u>272,062</u>                                                | -                                            |
|                                                               |                                    |                                                       | <u>272,062</u>                                                | -                                            |
| FHA - Federal Highway Administration                          |                                    |                                                       |                                                               |                                              |
| Passed Through Texas Department of Transportation:            |                                    |                                                       |                                                               |                                              |
| Highway Planning & Construction Cluster                       |                                    |                                                       |                                                               |                                              |
| B. Gap LPA Agreement                                          | 20.205                             | CSJ#0699-01-057                                       | 104,967                                                       | -                                            |
| US 83/84 TASA Sidewalk Project                                | 20.205                             | CSJ#0908-33-099                                       | <u>7,643</u>                                                  | -                                            |
|                                                               |                                    |                                                       | <u>112,610</u>                                                | -                                            |
| Total CFDA 20.205 - Highway Planning & Construction Cluster   |                                    |                                                       | <u>384,672</u>                                                | -                                            |
| National Highway Traffic Safety Administration:               |                                    |                                                       |                                                               |                                              |
| Passed Through Texas Department of Transportation:            |                                    |                                                       |                                                               |                                              |
| National Priority Safety Programs                             |                                    |                                                       |                                                               |                                              |
| National Priority Safety Programs                             | 20.616                             | 2019-Abilene IDM-0032                                 | <u>4,727</u>                                                  | -                                            |
| Total Highway Safety Cluster                                  |                                    |                                                       | <u>4,727</u>                                                  | -                                            |
| Total Department of Transportation                            |                                    |                                                       | <u>2,736,670</u>                                              | -                                            |
| <u>Department of Agriculture:</u>                             |                                    |                                                       |                                                               |                                              |
| Passed Through Department of State Health Services:           |                                    |                                                       |                                                               |                                              |
| Special Supplemental Nutrition Program for                    |                                    |                                                       |                                                               |                                              |
| Women, Infants, and Children                                  | 10.557                             | 2017-049823-001                                       | <u>698,761</u>                                                | -                                            |
| Total Department of Agriculture                               |                                    |                                                       | <u>\$ 698,761</u>                                             | <u>\$ -</u>                                  |

The accompanying notes are an integral part of this schedule.



**CITY OF ABILENE, TEXAS**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended September 30, 2019**

**Exhibit H-1**  
**Page 2**

| <u>Grantor/Program Title</u>                                          | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-Through<br/>Entity<br/>Identifying Number</u> | <u>Current Year<br/>GAAP Basis<br/>Grant<br/>Expenditures</u> | <u>Pass-Through<br/>To<br/>Subrecipients</u> |
|-----------------------------------------------------------------------|------------------------------------|-------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------|
| Federal Assistance: (continued)                                       |                                    |                                                       |                                                               |                                              |
| <u>Department of Homeland Security:</u>                               |                                    |                                                       |                                                               |                                              |
| Direct Program                                                        |                                    |                                                       |                                                               |                                              |
| Federal Emergency Management Agency                                   |                                    |                                                       |                                                               |                                              |
| Staffing for Adequate Fire and Emergency Response                     | 97.083                             | EMW-2017-FH-00292                                     | \$ 453,756                                                    | \$ -                                         |
|                                                                       |                                    |                                                       | <u>453,756</u>                                                | <u>-</u>                                     |
| Passed Through Governor's Division of Emergency Management:           |                                    |                                                       |                                                               |                                              |
| Homeland Security Grant Program:                                      |                                    |                                                       |                                                               |                                              |
| Emergency Management Performance Grant                                | 97.042                             | 19TX-EMPG-0841                                        | 37,768                                                        | -                                            |
|                                                                       |                                    |                                                       | <u>37,768</u>                                                 | <u>-</u>                                     |
| Total Department of Homeland Security                                 |                                    |                                                       | <u>491,524</u>                                                | <u>-</u>                                     |
| <u>Department of Health and Human Services:</u>                       |                                    |                                                       |                                                               |                                              |
| Passed Through Department of State Health Services:                   |                                    |                                                       |                                                               |                                              |
| CDC - Centers for Disease Control and Prevention                      |                                    |                                                       |                                                               |                                              |
| Investigations and Technical Assistance:                              |                                    |                                                       |                                                               |                                              |
| CPS/HAZARDS - 19                                                      | 93.074                             | 537-18-0121-00001                                     | 89,044                                                        | -                                            |
| CPS/HAZARDS - 20                                                      | 93.074                             | 537-18-0121-00001                                     | 25,605                                                        | -                                            |
|                                                                       |                                    |                                                       | <u>114,649</u>                                                | <u>-</u>                                     |
| Passed Through Department of State Health Services:                   |                                    |                                                       |                                                               |                                              |
| CDC - Centers for Disease Control and Prevention                      |                                    |                                                       |                                                               |                                              |
| State Physical Activity and Nutrition                                 |                                    |                                                       |                                                               |                                              |
| TXPAN (Obesity Prevention Grant) FY 20                                | 93.439                             | HHS000448200001                                       | 23,810                                                        | -                                            |
|                                                                       |                                    |                                                       | <u>23,810</u>                                                 | <u>-</u>                                     |
| Passed Through Department of State Health Services:                   |                                    |                                                       |                                                               |                                              |
| Project Grants & Cooperative Agreements for TB Control                |                                    |                                                       |                                                               |                                              |
| Investigations and Technical Assistance:                              |                                    |                                                       |                                                               |                                              |
| TB/PC-FED - Tuberculosis Prevention and Control 18                    | 93.116                             | HHS000046100001                                       | 2,815                                                         | -                                            |
| TB/PC-FED - Tuberculosis Prevention and Control 19                    | 93.116                             | HHS000046100001                                       | 12,013                                                        | -                                            |
|                                                                       |                                    |                                                       | <u>14,828</u>                                                 | <u>-</u>                                     |
| Passed Through Department of State Health Services:                   |                                    |                                                       |                                                               |                                              |
| DSHS - Immunization - State Admn Program                              |                                    |                                                       |                                                               |                                              |
| Immunization '19                                                      | 93.268                             | HHS000119700019                                       | 61,040                                                        | -                                            |
| Immunization '20                                                      | 93.268                             | HHS000119700019 01                                    | 13,207                                                        | -                                            |
|                                                                       |                                    |                                                       | <u>74,247</u>                                                 | <u>-</u>                                     |
| Passed Through Department of State Health Services:                   |                                    |                                                       |                                                               |                                              |
| Preventive Health and Health Services                                 |                                    |                                                       |                                                               |                                              |
| RLSS/LPHS '19                                                         | 93.991                             | 537-18-0019-00001                                     | 107,416                                                       | -                                            |
| RLSS/LPHS '20                                                         | 93.991                             | HHS000485600034                                       | -                                                             | -                                            |
| Texas Healthy Communities                                             | 93.758                             | 2016-003875B-003                                      | 49,958                                                        | -                                            |
|                                                                       |                                    |                                                       | <u>157,374</u>                                                | <u>-</u>                                     |
| Passed Through U.S. Committee for Refugees and Immigrants:            |                                    |                                                       |                                                               |                                              |
| ACF - Refugee and Entrant Assistance - State Admn Programs:           |                                    |                                                       |                                                               |                                              |
| Refugee Health Screening Program '18                                  | 93.566                             | 2018-ABITX-02                                         | 201,115                                                       | -                                            |
|                                                                       |                                    |                                                       | <u>201,115</u>                                                | <u>-</u>                                     |
| Passed Through West Central Texas Council                             |                                    |                                                       |                                                               |                                              |
| of Governments:                                                       |                                    |                                                       |                                                               |                                              |
| Administration on Aging:                                              |                                    |                                                       |                                                               |                                              |
| Special Programs for the Aging - Title III, Part C-Nutrition Services |                                    |                                                       |                                                               |                                              |
| Home Delivered Meals                                                  | 93.045                             |                                                       | 11,079                                                        | -                                            |
| Total Aging Cluster                                                   |                                    |                                                       | <u>11,079</u>                                                 | <u>-</u>                                     |
| Total Department of Health and Human Services                         |                                    |                                                       | \$ 597,102                                                    | \$ -                                         |

The accompanying notes are an integral part of this schedule.

**CITY OF ABILENE, TEXAS**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended September 30, 2019**

**Exhibit H-1**  
**Page 3**

| <u>Grantor/Program Title</u>                                | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-Through<br/>Entity<br/>Identifying Number</u> | <u>Current Year<br/>GAAP Basis<br/>Grant<br/>Expenditures</u> | <u>Pass-Through<br/>To<br/>Subrecipients</u> |
|-------------------------------------------------------------|------------------------------------|-------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------|
| Federal Assistance: (continued)                             |                                    |                                                       |                                                               |                                              |
| <u>Department of Justice:</u>                               |                                    |                                                       |                                                               |                                              |
| Office for Victims of Crime:                                |                                    |                                                       |                                                               |                                              |
| Passed Through Children's Advocacy Center of Texas:         |                                    |                                                       |                                                               |                                              |
| Crime Victim Assistance                                     | 16.575                             | VOCA-FY19-20-29                                       | \$ 41,024                                                     | \$ -                                         |
|                                                             |                                    |                                                       | <u>41,024</u>                                                 | <u>-</u>                                     |
| Office of Juvenile Justice and Delinquency Prevention:      |                                    |                                                       |                                                               |                                              |
| Passed Through the City of Dallas:                          |                                    |                                                       |                                                               |                                              |
| Federal Missing and Exploited Children's Program            | 16.543                             | 2016-MC-FX-K034                                       | 9,921                                                         | -                                            |
|                                                             |                                    |                                                       | <u>9,921</u>                                                  | <u>-</u>                                     |
| Direct Program:                                             |                                    |                                                       |                                                               |                                              |
| Bureau of Justice Assistance:                               |                                    |                                                       |                                                               |                                              |
| Edward Byrne Justice Assistance Grant                       | 16.738                             |                                                       | 809                                                           | -                                            |
|                                                             |                                    |                                                       | <u>809</u>                                                    | <u>-</u>                                     |
| Total Department of Justice                                 |                                    |                                                       | <u>51,754</u>                                                 | <u>-</u>                                     |
| <u>Institute of Museum and Library Services:</u>            |                                    |                                                       |                                                               |                                              |
| Passed through Texas State Library and Archives Commission: |                                    |                                                       |                                                               |                                              |
| Interlibrary Loan                                           |                                    |                                                       |                                                               |                                              |
| Interlibrary Loan                                           | 45.310                             | 901279                                                | 20,799                                                        | -                                            |
|                                                             |                                    |                                                       | <u>20,799</u>                                                 | <u>-</u>                                     |
| Passed through Texas State Library and Archives Commission: |                                    |                                                       |                                                               |                                              |
| Special Projects Grant                                      |                                    |                                                       |                                                               |                                              |
| Library Special Projects                                    | 45.310                             | SPP-19001                                             | 75,000                                                        | -                                            |
|                                                             |                                    |                                                       | <u>75,000</u>                                                 | <u>-</u>                                     |
| Total Institute of Museum and Library Services              |                                    |                                                       | <u>95,799</u>                                                 | <u>-</u>                                     |
| <u>Environmental Protection Agency:</u>                     |                                    |                                                       |                                                               |                                              |
| Passed through Texas Water Development Board:               |                                    |                                                       |                                                               |                                              |
| CW State Revolving Fund                                     | 66.458                             | L1000761                                              | 458,120                                                       | -                                            |
| Total Clean Water State Revolving Fund Cluster              |                                    |                                                       | <u>458,120</u>                                                | <u>-</u>                                     |
| Total Federal Awards                                        |                                    |                                                       | \$ 6,121,883                                                  | \$ -                                         |

The accompanying notes are an integral part of this schedule.

**CITY OF ABILENE, TEXAS**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended September 30, 2019**

**Exhibit H-1**  
**Page 4**

|                                                             | Pass-Through<br>Entity<br>Identifying Number | Current Year<br>GAAP Basis<br>Grant<br>Expenditures | Pass-Through<br>To<br>Subrecipients |
|-------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------|-------------------------------------|
| <b>State Assistance:</b>                                    |                                              |                                                     |                                     |
| <u>Office of the Attorney General</u>                       |                                              |                                                     |                                     |
| Other Victim Assistance Grant                               | 1986496                                      | \$ 38,870                                           | \$ -                                |
| Other Victim Assistance Grant                               | 2096790                                      | 3,814                                               | -                                   |
|                                                             |                                              | <u>42,684</u>                                       | <u>-</u>                            |
| <u>Texas Comptroller of Public Accounts:</u>                |                                              |                                                     |                                     |
| Law Enforcement Officer Standards and Education             | 17560004404-025                              | 15,823                                              | -                                   |
| Law Enforcement Officer Standards and Education             | 17560004404-026                              | 2,258                                               | -                                   |
| Law Enforcement Officer Standards and Education             | 17560004404-026                              | 1,146                                               | -                                   |
|                                                             |                                              | <u>19,227</u>                                       | <u>-</u>                            |
| <u>Texas Office of the Governor</u>                         |                                              |                                                     |                                     |
| Texas Military Preparedness Commission                      |                                              |                                                     |                                     |
| Defense Economic Adjustment Assistance                      | TMPC 1801-01-04                              | 103,852                                             | -                                   |
|                                                             |                                              | <u>103,852</u>                                      | <u>-</u>                            |
| <u>Health and Human Services Commission:</u>                |                                              |                                                     |                                     |
| Primary Care '19                                            | 2016-045908-002                              | 81,270                                              | -                                   |
| Primary Care '20                                            | 2016-045908-002                              | 6,564                                               | -                                   |
| Breast and Cervical Cancer Screening Program 19             | 529-17-0023-0024                             | 106,281                                             | -                                   |
| Family Planning '19                                         | 529-16-0102-00029-A                          | 37,692                                              | -                                   |
| Family Planning '20                                         | 529-16-0102-00029-03                         | 7,353                                               | -                                   |
| Women's Health and Family Planning                          |                                              | 38,768                                              | -                                   |
| Women's Health and Family Planning                          |                                              | 35,728                                              | -                                   |
|                                                             |                                              | <u>313,656</u>                                      | <u>-</u>                            |
| <u>Department of State Health Services:</u>                 |                                              |                                                     |                                     |
| IDCU/SUREB - Infectious Disease '19                         | 537-18-0304-00001                            | 57,502                                              | -                                   |
| IDCU/SUREB - Infectious Disease '19                         | 537-18-0304-00001                            | 5,173                                               | -                                   |
| Immunization Program '19                                    | HHS000119700019                              | 94,245                                              | -                                   |
| Immunization Program '20                                    | HHS000119700019                              | -                                                   | -                                   |
| RLSS/LPHS '19                                               | 537-18-0019-00001                            | 10,017                                              | -                                   |
| RLSS/LPHS '20                                               | HHS000485600034                              | 17,052                                              | -                                   |
| TB/PC-STATE - Tuberculosis Prevention and Control - 19      | 537-18-0020-00001-01                         | 8,575                                               | -                                   |
| TB/PC-STATE - Tuberculosis Prevention and Control - 20      | HHS000492100001                              | 1,230                                               | -                                   |
|                                                             |                                              | <u>193,794</u>                                      | <u>-</u>                            |
| <u>Children's Advocacy Centers of Texas:</u>                |                                              |                                                     |                                     |
| Passed Through Abilene/Taylor County Child Advocacy Center: |                                              |                                                     |                                     |
| Child Advocacy Center '19                                   | HHSC-FY19-29                                 | 87,109                                              | -                                   |
| Child Advocacy Center '20                                   | HHSC-FY20-29                                 | 28,063                                              | -                                   |
|                                                             |                                              | <u>115,172</u>                                      | <u>-</u>                            |
| <u>Texas Department of Transportation</u>                   |                                              |                                                     |                                     |
| Routine Airport Maintenance Program                         | M1908ABLN                                    | 50,000                                              | -                                   |
| Regional Coordinator                                        | RCTP-2018-ABILENE-0054                       | 24,356                                              | 26,856                              |
| Urban Renewal Transit Grant                                 | STATE-U-2017-ABILENE-00052                   | 450,581                                             | -                                   |
|                                                             |                                              | <u>524,937</u>                                      | <u>26,856</u>                       |
| Total State Assistance                                      |                                              | <u>1,313,322</u>                                    | <u>26,856</u>                       |
| TOTAL FEDERAL AND STATE AWARDS                              |                                              | \$ <u>7,435,205</u>                                 | \$ <u>26,856</u>                    |

**CITY OF ABILENE, TEXAS**  
**Notes on Accounting Policies for Federal Awards**  
**For the Year Ended September 30, 2019**

**NOTE 1: GENERAL**

The accompanying schedule of expenditures of federal and state awards (Schedule) includes the federal and state award activity of the primary government of the City of Abilene, Texas (City) under programs of the federal and state government for the year ended September 30, 2019. The City's reporting entity is defined in Note 1 in the City's basic financial statements for the year ended September 30, 2019.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas Uniform Grant Management Standards (UGMS) issued by the Texas Comptroller of Public Accounts. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

**NOTE 2: BASIS OF ACCOUNTING**

Governmental fund expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Proprietary fund expenses reported on the Schedule are reported on the accrual basis of accounting. The City's summary of significant accounting policies is presented in Note 1 to the City's basic financial statements for the year ended September 30, 2019. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or State of Texas Uniform Grant Management Standards (UGMS), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 3: FEDERAL LOAN PROGRAM**

The City received a \$18,370,000 revolving loan fund during fiscal year 2019. All proceeds were placed in a trust. As of September 30, 2019, \$2,245,327 has been expended on allowable projects. Of the \$2,245,327, \$458,120 was financed with federal financial assistance through the Clean Water State Revolving fund (CFDA Number 66.458) and \$1,787,207 in state funds received from Texas Water Development Board. As of and for the year ended September 30, 2019, the City has no other federal loans outstanding. Additionally, the allocation of the remaining proceeds of the revolving loan fund between federal and state is unknown as of year end.

**City of Abilene, Texas**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2019**

***Summary of Auditor's Results***

*Financial Statements*

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:  
☒ Unmodified      ☐ Qualified      ☐ Adverse      ☐ Disclaimer
  
2. The independent auditor's report on internal control over financial reporting disclosed:  
Significant deficiency(ies)?      ☐ Yes      ☒ None reported  
Material weakness(es)?      ☐ Yes      ☒ No
  
3. Noncompliance considered material to the financial statements was disclosed by the audit?  
☐ Yes      ☒ No

*Federal Awards*

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:  
Significant deficiency(ies)?      ☐ Yes      ☒ None reported  
Material weakness(es)?      ☐ Yes      ☒ No
  
5. The opinions expressed in the independent auditor's report on compliance for major federal awards were:  
☒ Unmodified      ☐ Qualified      ☐ Adverse      ☐ Disclaimer
  
6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?  
☐ Yes      ☒ No

**City of Abilene, Texas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended September 30, 2019**

7. The City's major federal program was:

| <b>Cluster/Program</b>                     | <b>CFDA<br/>Number</b> |
|--------------------------------------------|------------------------|
| Federal Transit Cluster:                   |                        |
| Federal Transit – Capital Investment Grant | 20.500                 |
| Federal Transit – Formula Grant            | 20.507                 |

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The City qualified as a low-risk auditee?

☒ Yes      ☐ No

*State Awards*

10. The independent auditor's report on internal control over compliance for major state awards programs disclosed:

Significant deficiency(ies)? ☐ Yes      ☒ None reported

Material weakness(es)? ☐ Yes      ☒ No

11. The opinions expressed in the independent auditor's report on compliance for major state awards were:

☒ Unmodified      ☐ Qualified      ☐ Adverse      ☐ Disclaimer

12. The audit disclosed findings required to be reported by the State of Texas *Uniform Grant Management Standards*:

☐ Yes      ☒ No

**City of Abilene, Texas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended September 30, 2019**

13. The City's major state program was:

**Program**

---

Urban Renewal Transit Grant

14. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the State of Texas *Uniform Grant Management Standards* was \$300,000.
15. The City qualified as a low-risk auditee as that term is defined in the State of Texas *Uniform Grant Management Standards*?

☒ Yes      ☐ No

**City of Abilene, Texas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended September 30, 2019**

**Findings Required to be Reported by *Government Auditing Standards***

| <b>Reference<br/>Number</b> | <b>Finding</b> |
|-----------------------------|----------------|
|-----------------------------|----------------|

No matters are reportable.

**Findings Required to be Reported by the Uniform Guidance**

| <b>Reference<br/>Number</b> | <b>Finding</b> |
|-----------------------------|----------------|
|-----------------------------|----------------|

No matters are reportable.

**Findings Required to be Reported by the State of Texas *Uniform Grant Management Standards***

| <b>Reference<br/>Number</b> | <b>Finding</b> |
|-----------------------------|----------------|
|-----------------------------|----------------|

No matters are reportable.



**City of Abilene, Texas**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended September 30, 2018**

| <b>Reference<br/>Number</b> | <b>Summary of Finding</b>  | <b>Status</b> |
|-----------------------------|----------------------------|---------------|
|                             | No matters are reportable. |               |

The Honorable Mayor, City Council and City Manager  
City of Abilene, Texas  
Abilene, Texas

As part of our audits of the financial statements and compliance of City of Abilene, Texas (City) as of and for the year ended September 30, 2019, we wish to communicate the following to you.

## AUDIT SCOPE AND RESULTS

**Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in Government Auditing Standards Issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Uniform Grant Management Standards (UGMS) Issued by the Texas Comptroller of Public Accounts and Passenger Facility Charge Guide for Public Agencies (PFC Guide) Issued by the Federal Aviation Administration**

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Uniform Guidance, UGMS and PFC Guide is designed to obtain reasonable, rather than absolute, assurance about the financial statements and about whether noncompliance with the types of compliance requirements described in the OMB Compliance Supplement, UGMS and PFC Guide that could have a direct and material effect on a major federal, state, or PFC program occurred. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement and compliance audits that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

Audits of the financial statements and compliance do not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

## **Qualitative Aspects of Significant Accounting Policies and Practices**

### **Significant Accounting Policies**

The City's significant accounting policies are described in *Note 1* of the audited financial statements.

### **Alternative Accounting Treatments**

We had no discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies.

### **Management Judgments and Accounting Estimates**

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Allowance for doubtful accounts receivable
- Self-insured liabilities
- Net pension liability and related deferred inflows and outflows of resources
- Total other postemployment benefits liability (OPEB) and related deferred inflows of resources
- Contingent liabilities

### **Financial Statement Disclosures**

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Loss contingencies
- Other postemployment benefits liability
- Net pension liability

### **Audit Adjustments**

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. A misstatement is a difference between the amount, classification, presentation or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework. An adjustment proposed was not recorded because it is not currently material; however, it could be material in the future.

Areas in which adjustments were proposed include:

#### *Proposed Audit Adjustments Recorded*

- None

#### *Proposed Audit Adjustments Not Recorded*

- Attached is a summary of an audit adjustment we noted during the current engagement and pertaining to the latest period presented that was determined by management to be immaterial but more than trivial to the financial statements as a whole.

### **Disagreements with Management**

No matters are reportable.

### **Other Material Communication**

Listed below are other material communications between management and us related to the audit:

- Management representation letter (attached)

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements of City as of and for the year ended September 30, 2019, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We observed the following matter that we consider to be a deficiency.

### **Deficiency**

#### **PFC Expenditures**

During our audit, we noted that there were no set procedures for the reimbursement of PFC eligible expenditures to the City's General Fund and that the current practice contributed to the City's delay in reporting PFC disbursements to the Federal Aviation Administration (FAA) in a timely manner. We suggest that formal policies and procedures be adopted to ensure finance and aviation personnel have on-going communication that ensures PFC eligible expenditures are reported to the FAA in a timely manner.

### **OTHER MATTERS**

We observed the following matters and offer these comments and suggestions. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements.

#### **GASB Statement No. 84, Fiduciary Activities (GASB 84)**

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

GASB 84 is effective for financial statements for the City's 2020 fiscal year.

*GASB Statement No. 87, Leases (GASB 87)*

This new Statement establishes a single model for lease accounting based on the principle that leases represent the financing of the right to use an underlying asset. Specifically, GASB 87 includes the following accounting guidance for lessees and lessors:

**Lessee Accounting:** A lessee will recognize a liability measured at the present value of payments expected to be made for the lease term, and an intangible asset measured at the amount of the initial lease liability, plus any payments made to the lessor at or before the beginning of the lease and certain indirect costs. A lessee will reduce the liability as payments are made and recognize an outflow of resources for interest on the liability. The asset will be amortized by the lessee over the shorter of the lease term or the useful life of the asset.

**Lessor Accounting:** A lessor will recognize a receivable measured at the present value of the lease payments expected for the lease term and a deferred inflow of resources measured at the value of the lease receivable plus any payments received at or prior to the beginning of the lease that relate to future periods. The lessor will reduce the receivable as payments are received and recognize an inflow of resources from the deferred inflow of resources in a systematic and rational manner over the term of the lease. A lessor will not derecognize the asset underlying the lease. There is an exception for regulated leases for which certain criteria are met, such as airport-aeronautical agreements.

The lease term used to measure the asset or liability is based on the period in which the lessee has the noncancellable right to use the underlying asset. The lease term also contemplates any lease extension or termination option that is reasonably certain of being exercised.

GASB 87 does not apply to leases for intangible assets, biological assets (i.e. timber and living plants and animals), service concession agreements or leases in which the underlying asset is financed with conduit debt that is reported by the lessor. Additionally, leases with a maximum possible term of 12 months or less are excluded.

GASB 87 is effective for the City's 2021 fiscal year. Earlier application is encouraged. Governments will be allowed to transition using the facts and circumstances in place at the time of adoption, rather than retroactive to the time each lease was begun.

*Meeting the Increasing Challenges of Cybersecurity*

The increasing value of electronic protected health information (ePHI), payment card data and intellectual property (e.g. trade secrets) is driving more organizations of all sizes to prepare for the potential of a cyberattack. Hackers and cyber-thieves have become adept at pilfering confidential information, using ransomware to extort money and leveraging social engineering techniques to trick employees into wiring funds.

As a first step to improving their cyber-readiness, organizations need to perform a cybersecurity risk assessment to determine the current state of cybersecurity processes, controls and technology. This effort can determine how well the organization can prevent, detect and respond to cyber-attacks.

The key to the assessment process is choosing an appropriate framework against which the organization may be evaluated. In fact, two nationally recognized organizations have developed cybersecurity frameworks.

The National Institute of Standards and Technology (NIST) has developed a Cybersecurity Framework to assist organizations manage cybersecurity-related risk more effectively. The NIST Cybersecurity Framework provides a prioritized, flexible, repeatable and a cost-effective approach that can be used in any industry or organization.

For organizations that store, process or transmit ePHI, there is an additional industry-specific framework. The Health Information Trust (HITRUST) Alliance—in collaboration with health care and information security professionals—has developed the HITRUST Common Security Framework (CSF). The CSF rationalizes relevant health care regulations and standards into a single overarching security framework.

Once the framework has been chosen, we recommend that management consider performing a cybersecurity risk assessment to gauge the overall readiness and maturity of existing controls and perform appropriate testing of the IT infrastructure and employee awareness.

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

*BKD, LLP*

March 3, 2020

# City of Abilene

## ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

### Discretely Presented Component Units (Government-Wide Statements)

#### QUANTITATIVE ANALYSIS

|                                      | Before<br>Misstatements | Misstatements | Subsequent to<br>Misstatements | % Change |
|--------------------------------------|-------------------------|---------------|--------------------------------|----------|
| Total Assets & Deferred Outflows     | 91,985,613              | 239,039       | 92,224,652                     | 0.26%    |
| Total Liabilities & Deferred Inflows | (858,663)               |               | (858,663)                      |          |
| Total Net Position                   | (91,126,950)            | (239,039)     | (91,365,989)                   | 0.26%    |
|                                      |                         |               |                                |          |
| General Revenues & Transfers         | (13,743,796)            | (73)          | (13,743,869)                   |          |
| Net Program Revenues/ Expenses       | 9,503,239               | (39,779)      | 9,463,460                      | -0.42%   |
| Change in Net Position               | (4,240,557)             | (39,852)      | (4,280,409)                    | 0.94%    |

**Verify Debits and Credits have been entered correctly on the Menu-GA Tab**



**Client: City of Abilene**  
**Period Ending: September 30, 2019**

### Governmental Activities (Government-Wide Statements)

**SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)**

[illegible]

Total passed adjustments

|         |   |                                  |          |           |         |           |
|---------|---|----------------------------------|----------|-----------|---------|-----------|
| 239,039 | 0 | (73)                             | (39,779) | (199,187) | 239,039 | (239,039) |
|         |   | Impact on Change in Net Position |          | (39,852)  |         |           |
|         |   | Impact on Net Position           |          | (239,039) |         |           |



**City Response to Auditor's Comment on Internal Control Deficiency Noted  
During the Audit of the September 30, 2019 Financial Statements**

**BKD, LLP Comment on Internal Control Deficiency:**

*PFC Expenditures*

During our audit, we noted that there were no set procedures for the reimbursement of PFC eligible expenditures to the City's General Fund and that the current practice contributed to the City's delay in reporting PFC disbursements to the Federal Aviation Administration (FAA) in a timely manner. We suggest that formal policies and procedures be adopted to ensure finance and aviation personnel have on-going communication that ensures PFC eligible expenditures are reported to the FAA in a timely manner.

**City Response:**

The PFC (Passenger Facility Charge) is an FAA program which helps to fund approved airport improvements by charging airport passengers a fee on their ticket price. The improvements are typically pre-funded by the City and then reimbursed by the PFC revenue as it's collected. There are significant timing differences between when PFC approved project expenditures occur and when PFC revenues are received. It's not uncommon for it to take years before enough PFC revenues have been collected to cover the entire cost of one project, which is why PFCs are used to reimburse the City for these projects instead of using PFCs to directly pay for the project expenditures as they occur. The former practice of the City was for Finance staff to wait until enough PFC revenues had accumulated so that the entire cost of a project could be reimbursed to the City at one time, which as a result, gives the appearance that the reimbursement of PFC expenditures was not being done in a timely manner. At the end of FY 19, this practice was changed so that reimbursement of PFC expenditures occur quarterly. A formal policy with related procedures for PFC reimbursement is currently in development.

# Acceptance of the FY 2019 Comprehensive Annual Financial Report (CAFR)



# Acceptance of the FY 2019 Comprehensive Annual Financial Report (CAFR)

- Staff has completed the FY 2019 Comprehensive Annual Financial Report (CAFR) and BKD, LLP has audited the financial statements
- Significant Areas
  - Letter of Transmittal – pg I-3
  - Independent Auditor's Report – pg 1
  - Management's Discussion and Analysis – pg 4
  - Basic Financial Statements:
    - Government-Wide Statements – pg 17
    - Fund Financial Statements – pg 20
    - Notes to Financial Statements – pg 29
  - General Fund – Budgetary Basis – pg 61
  - Combining & Individual Fund Statements – pg 70
  - Statistical Section – pg 126
  - Federal Financial Assistance – pg 172



## Government-Wide Financial Statements

Exhibits A-1 & A-2

- Composed of Statement of Net Position & Statement of Activities
- Statements provide information about the City as a whole and present a longer-term view
- Similar to how a for-profit organization would present their finances



## Fund Financial Statements

Exhibits B, C, D, E, F

- Provides detailed information about the most significant funds of the City
- Presented on a GAAP Basis (generally accepted accounting principles) in three fund groupings: Governmental Funds, Proprietary Funds (Enterprise Funds, Internal Service Funds) and Fiduciary Funds
- Major funds presented separately



## Budget Basis Financial Statements

Exhibits C-1, D-3–D-15

Presented based on a Budget Basis: the City's traditional  
basis for establishing the budget





# Acceptance of the FY 2019 Comprehensive Annual Financial Report (CAFR)

- Key takeaways:
  - The City is in good financial health with adequate reserves
- Areas of Weakness
  - Abilene Firemen's Relief and Retirement Fund's pension liabilities are only 47% funded compared to TMRS which is 87% funded at September 30, 2019. The Fund has taken several positive steps by increasing contributions and making plan changes, however, more steps may be needed to return this Fund to a healthy state.
  - The Self Insurance Fund continues to struggle to keep up with increases in health care costs.



# Questions?





**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO: Robert Hanna, City Manager**

**FROM: Mike Rains, Finance Director**

**SUBJECT: 9. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approval of Expenditure of Funds in Excess of the General Fund Three Month Operating Reserve (*Mike Rains*)**

---

**GENERAL INFORMATION**

In accordance with Council Policy Statement 2015-001 excess General Fund reserve funds must be spent on Council directed funding priority list or on a different program if recommended by the City Manager.

The current funding priority list, as amended March 14, 2019, stipulates that 100% be contributed toward the Minor Improvement Fund.

The current required three month operating reserve as of September 30, 2019 for the General Fund is \$25,867,833. The September 30, 2019 General Fund budget-basis fund balance is \$27,258,898 leaving an excess of \$1,391,065.

**SPECIAL CONSIDERATIONS**

**FUNDING/FISCAL IMPACT**

The General Fund - fund balance will decrease by \$1,391,065 and the amount will be transferred

to the Minor Improvement Fund.

**STAFF RECOMMENDATION**

Staff is recommending the excess reserve funds be contributed to the Minor Improvement Fund.

**BOARD OR COMMISSION RECOMMENDATION**

**ATTACHMENTS:**

1. Resolution Approving the Expenditure of FY 2019 Fund Balance in Excess of the General Fund's Three Month Reserve Requirement
2. Council Policy Statement 2015-001
3. Powerpoint - Resolution Approving Expenditure of Excess General Fund Fund Balance

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS  
APPROVING THE EXPENDITURE OF GENERAL FUND FY 2019 FUND BALANCE IN  
EXCESS OF THE THREE MONTH RESERVE REQUIREMENT.**

**WHEREAS**, the City's Fund Balance policy requires a three month reserve to be maintained in the General Fund; and,

**WHEREAS**, City staff has completed a final accounting of the budget basis fund balance of the General Fund as of September 30, 2019; and,

**WHEREAS**, the budget basis fund balance exceeds the three month reserve requirement by \$1,391,065; and,

**WHEREAS**, the City's Revenues Collected in Excess of Revised Budget policy requires the excess revenues be expended according to a funding priority list or the City Manager may recommend a program that differs from the funding priority list if, in the opinion of the City Manager a business necessity exists; and,

**WHEREAS**, the Minor Improvement Fund is in need of additional funds.

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

PART 1: That the City Council approves the expenditure of FY 2019 General Fund funds in excess of the three month reserve requirement in the following amounts: Minor Improvement Fund - \$1,391,065.

PART 2: That this Resolution shall take effect immediately from and after passage.

**ADOPTED** this 12<sup>th</sup> day of March, 2020.

ATTEST:

\_\_\_\_\_  
Shawna Atkinson, City Secretary

\_\_\_\_\_  
Anthony Williams, Mayor

APPROVED:

\_\_\_\_\_  
Stanley Smith, City Attorney

CITY OF ABILENE, TEXAS

COUNCIL POLICY STATEMENT

| <i>SUBJECT</i>                                  | <i>POLICY NO.</i> | <i>ADOPTED</i>  | <i>PAGE</i> |
|-------------------------------------------------|-------------------|-----------------|-------------|
| Revenues collected in excess of revised budget. | 2015-001          | August 27, 2015 | 1 of 2      |

PURPOSE

The purpose of this policy is to establish rules governing the use of revenues collected in excess of revised budget amounts in any given fiscal year.

POLICY AND PROCEDURE

The City shall exercise sound, conservative principles and other recognized best practices when estimating revenues to be collected in any given fiscal year. It is recognized that the use of these principles have historically resulted in the collection of revenues in excess of budgeted amounts, and may continue to do so in the future. For any given fiscal year, it shall be the policy of the City Council of the City of Abilene, Texas that the City shall collect and expense revenue in excess of amounts needed to balance expenditures as follows:

A. Revenues to be set aside at annual audit

1. The annual audit shall identify revenue in excess of revised budget amounts.
2. Identified revenues shall be set aside for Council's consideration and expended in accordance with an adopted funding program.

B. Funds to be spent in accordance with an adopted funding program

1. The City Council shall adopt a funding priority list as part of the annual budget process for the upcoming fiscal year. The funding program shall consider unfunded budget requests, additional resources for recurring operating expenses, one-time capital expenditures, dedication of resources for capital replacement funds or other internal service funds.
2. The City Manager shall inform the City Council of the auditor's findings and present a recommended funding program based on Council's adopted funding priority list within 30 days of receiving the final audit. The City Manager may recommend a program that differs from the adopted Council funding priority list if, in the opinion of the City Manager, a business necessity exists.
3. The City Council may authorize the City Manager to expend revenue in excess of revised budget amounts, and in accordance with the City Manager's recommended funding program as amended and adopted by the City Council.

C. Reserve requirement obligations

1. Nothing in this policy supersedes the City's obligation to maintain reserve requirements at their adopted levels.

**City of Abilene  
City Council**

FY 2019 Funding Priority List  
as amended March 14, 2019

1. 100% of identified funds to be set aside for the minor improvement fund.

# Approval of the Expenditure of Excess General Fund - Fund Balance





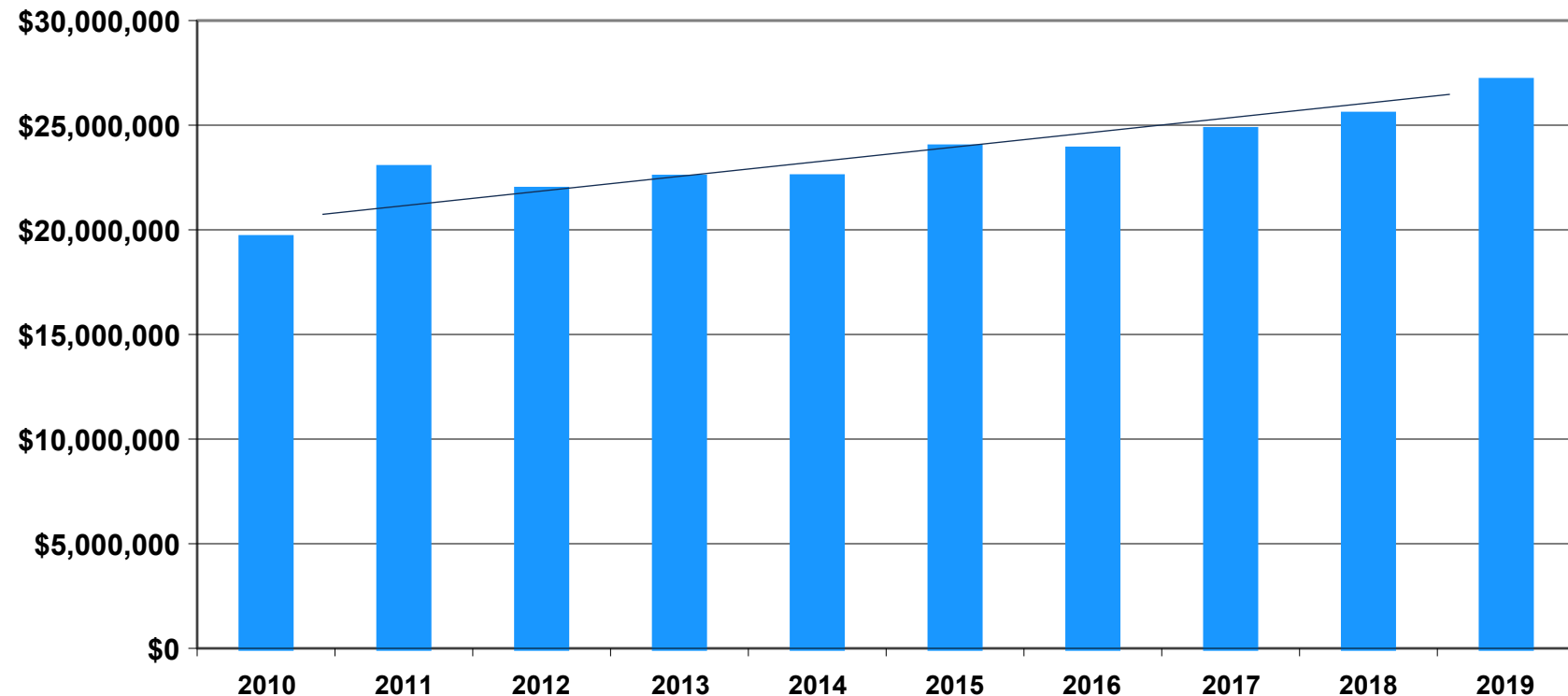
## Approval of the Expenditure of Excess General Fund - Fund Balance

- As of September 30, 2019 the General Fund has a fund balance in excess of the three month operating reserve of \$1,391,065
- In accordance with Council Policy Statement 2015-001 excess reserve funds are to be spent on Council directed funding priority list or on a different program if recommended by the City Manager
- The current funding priority list, as amended March 14, 2019, stipulates 100% of the excess reserves go toward the Minor Improvement Fund



# Approval of the Expenditure of Excess General Fund - Fund Balance

## General Fund Fund Balance History – Budget Basis Fiscal Years 2010-2019



## General Fund Fund Balance – Budget Basis

|         |            |            |
|---------|------------|------------|
| FY 2015 | 3.3 months | 24,080,840 |
| FY 2016 | 3.2 months | 23,977,597 |
| FY 2017 | 3.2 months | 24,912,196 |
| FY 2018 | 3.1 months | 25,642,927 |
| FY 2019 | 3.2 months | 27,258,898 |



## General Fund

FY 2019 Fund Balance – Budget Basis

Actual - \$27,258,898 or 3.2 months

Per Policy - \$25,867,833 or 3.0 months

Excess - \$1,391,065



Questions?





**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO: Robert Hanna, City Manager**

**FROM: Greg McCaffery**

**SUBJECT: 10. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Awarding Bid No. CB-2037 to Nobles Road Construction for T&P Lane Reconstruction Project (Greg McCaffery)**

---

**GENERAL INFORMATION**

This Project was advertised as a Public Notice on February 9, 2020 and on February 16, 2020 with a bid opening dated February 25, 2020. This contract involves the reclamation and partial reconstruction of T & P Lane from ES 11<sup>th</sup> Street to HWY 80. The contract also includes drainage improvements and a shared bicycle route lanes. The "Best Value" competitive bidding method was used for this project selection.

The T&P Lane Reconstruction Project is on the streets projects schedule for this year as part of Proposition 1 of the voter approved 2015 Bond Project.

T&P Lane is designated to have a Bicycle Lane on the approved Bicycle Plan for the City of Abilene from ES 11<sup>th</sup> St to E HWY 80. Due to spacing concerns on this narrow roadway, a Bicycle Route will be implemented rather than a Bicycle Lane.

**SPECIAL CONSIDERATIONS**

This project has a contract completion time of 60 working days (approx. 3 months, weather permitting).

## **FUNDING/FISCAL IMPACT**

Funding for this project is allocated through General Bond funds.

## **STAFF RECOMMENDATION**

Nobles Road Construction was determined through the "Best Value" bidding method as the best value bid. Staff recommends bid award to Nobles Road Construction of Abilene, Texas in the amount of \$727,425.50.

## **BOARD OR COMMISSION RECOMMENDATION**

## **ATTACHMENTS:**

1. REV\_T\_&\_P\_Lane\_Proj\_Award\_Resolution
2. (Item 10) Scope of Work\_T & P Lane
3. Nobles - T&P council contract
4. CB2037 TABSHEET
5. T&P PROJECT LOCATION MAP
6. BICYCLE FACILITIES
7. Presentation\_T\_&\_P\_Lane\_Award

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, AWARDING  
BID TO NOBLES ROAD CONSTRUCTION, ABILENE, TEXAS**

**WHEREAS**, the City of Abilene duly advertised and gave such notice, as required by law, for bids for the reconstruction and overlay of T & P Lane from East South 11<sup>th</sup> Street to East Highway 80; and

**WHEREAS**, the project involves the reconstruction and overlay of T & P Lane from East South 11<sup>th</sup> Street to East Highway 80 . The contract will also include share bicycle lanes; and

**WHEREAS**, the City of Abilene has utilized the “Best Value” competitive bidding method in determining award of contract; and

**WHEREAS**, the following bids were received and opened on the February 25, 2020:

|                                              |              |
|----------------------------------------------|--------------|
| Contract Paving, Tye, Texas                  | \$703,317.58 |
| Nobles Road Construction, Abilene, Texas     | \$727,425.50 |
| Bontke Brothers Construction, Abilene, Texas | \$919,661.50 |

**WHEREAS**, Nobles Road Construction, Abilene, Texas submitted a bid in the amount of \$727,425.50 with the bid meeting specifications. Staff recommends awarding a contract to the best value bid to Nobles Road Construction, Abilene, Texas.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF ABILENE, TEXAS**

PART 1:       That the City Council approves this bid in the amount of \$727,425.50.

PART 2:       That this Resolution shall take effect immediately from and after passage.

**ADOPTED** this 12<sup>th</sup> day of March, 2020.

ATTEST:

\_\_\_\_\_  
Shawna Atkinson, City Secretary

\_\_\_\_\_  
Anthony Williams, Mayor

APPROVED:

\_\_\_\_\_  
Stanley Smith, City Attorney



## SCOPE OF PROJECT

This construction contract involves the full depth reclamation and hot mix overlay of T&P Lane from E.S. 11<sup>th</sup> St. to Virgil St. and a full depth reconstruction including re-compaction of subgrade, and replacement of the flexible base and hot mix materials from Sandy St. to E. Hwy 80. Also included in this contract is, concrete work, drainage improvements, and bicycle facilities.

# CONSTRUCTION CONTRACT

## BACKGROUND

THIS CONTRACT, made on the 12th day of March, 2020 is between the City of Abilene, a Municipal Corporation of Taylor and Jones Counties, Texas ("City"), and Nobles Road Construction, Inc. of the City of Abilene, State of Texas. ("Contractor").

The City recognizes a need for high quality construction work; the Contractor agrees to complete the project in return for payment.

## THE AGREEMENT

1. **Work and Consideration.** hereby agrees to commence and complete the construction of Work required in the Contract Documents -- incorporated herein by reference --

### T&P LANE RECONSTRUCTION PROJECT

All work to be performed will be completed in conformance with (1) Part I and II of the City of Abilene's Standard Specifications for Construction adopted September, 2006 with the attached amendments in these Contract Documents, and (2) the Technical Specifications and Plans attached to these Contract Documents. Technical Specifications and Plans attached to these Contract Documents control in the event of a conflict.

In consideration of this Work, the City will pay the Contractor the sum of \$727,425.50 (Seven hundred twenty-seven thousand four hundred twenty-five dollars and fifty cents).

2. **Timely Work.** The Contractor must begin and fully complete Work in the days stated in the Notice to Proceed. The time allows for normal delays associated with weather conditions, crew coordination, etc. Time is of the essence, and liquidated damages as set forth in the General Conditions (Paragraph 16) apply for late Work.

3. **Payment.** If Performance and Payment Bonds are required, the City will pay Contractor according to the General Conditions (Paragraph 20). If Performance and Payment Bonds are not required, the City will pay Contractor according to the Instructions to Bidders.

4. **No liens.** No mechanic, contractor, subcontractor, supplier, or other person can or will contract for, or in any other manner have or acquire any lien upon the work of this Contract, or the land upon which it is situated. The laws of the State of Texas govern this Contract.

5. **Venue.** Venue for any legal proceeding is Taylor County, Texas.

6. **Indemnity.**

### A. Definitions

For the purpose of this section the following definitions apply:

"City" shall mean all officers, agents and employees of the City of Abilene.

"Claims" shall mean all claims, liens, suits, demands, accusations, allegations, assertions, complaints, petitions, proceedings and causes of action of every kind and description brought for damages.

"Contractor" includes the corporation, company, partnership, or other entity, its owners, officers, and/or partners, and their agents, successors, and assigns.

"Contractor's employees" shall mean any employees, officers, agents, subcontractors, licensee and invitees of Contractor.

"Damages" shall mean each and every injury, wound, hurt, harm, fee, damage, cost, expense, outlay, expenditure or loss of any and every nature, including but not limited to:

- (i) injury or damage to any property or right
- (ii) injury, damage, or death to any person or entity
- (iii) attorneys fees, witness fees, expert witness fees and expenses, and
- (iv) all other costs and expenses of litigation

"Premise Defects" shall mean any defect, real or alleged, which now exists or which may hereafter arise upon the premises.

"Proven" shall mean that a court of competent jurisdiction has entered a final unappealable judgment on a claim adjudging an entity or person liable for a monetary judgment.

"Sole negligence" shall mean negligence of a party that is unmixed with the fault of any other person or entity.

#### B. Indemnity

The Contractor must indemnify, hold harmless, and defend the City from and against liability for any claims arising out of the Contractor's work and activities conducted in connection with this Contract.

The Contractor is an independent contractor and is not, with respect to its acts or omissions, an agent or employee of the City.

Contractor must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of Contractor's employees while in the vicinity where the work is being done. The City is not liable or responsible for the negligence or intentional acts or omissions of the Contractor or Contractor's employees.

The City assumes no responsibility or liability for damages which are directly or indirectly attributable to premise defects. Responsibility for all such defects is expressly assumed by the Contractor.

The City and Contractor must provide the other prompt and timely notice of any covered event which in any way affects or might affect the Contractor or City. The City has the right to compromise and defend the same to the extent of its own interests.

BOTH CITY AND CONTRACTOR EXPRESSLY INTEND THIS CONTRACT'S INDEMNITY PROVISION TO REQUIRE CONTRACTOR TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE WHILE CITY IS PARTICIPATING IN THIS CONTRACT. WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE DAMAGES. THIS CONTRACT'S INDEMNITY PROVISION DOES NOT APPLY TO ANY CLAIM WHERE DAMAGE IS PROVEN TO RESULT FROM THE SOLE NEGLIGENCE OF THE CITY.

7. **Insurance.** The Special Conditions found in the City of Abilene's Standard Specifications for Construction adopted September, 2006, Part I, Division I, Item 3, contain the insurance requirements of this Contract.

8. **Overcharges.** The Contractor assigns to City any claims for overcharges related to this Contract which arise under antitrust laws of the United States, 15 U.S.C.A. Sec. 1 et seq., as amended.

9. **Contract Interpretation.** Any dispute about the Contract's meaning or application will be interpreted fairly and reasonably, and neither more strongly for or against either party.

10. **Indebtedness to City.** Contractor agrees that no payments owed by him of any nature whatsoever to the City, including payment in advance for service charges or any sums of any character whatsoever, shall become delinquent or in arrears.

The City will not knowingly award contracts for goods or services to any Bidder in arrears to the City for any debt, claim, demand, or account whatsoever, including taxes, penalty or interest. Contractor is responsible for ensuring that no indebtedness exists.

Section 130 of the City Charter authorizes the City to counterclaim and offset any debt, claim, demand or account owed by the City to any person, firm or corporation in arrears to the City for any debt, claim, demand or account of any nature whatsoever, including taxes, penalty or interest.

11. **Boycott of Israel.** In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.

This section only applies to a contract that: (a) is between a governmental entity and a company with 10 or more full-time employees and (b) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity. Additionally, "company" does not include a sole proprietorship.

If this section is applicable, the signatory executing this contract on behalf of company verifies that the company does not boycott Israel and will not boycott Israel during the term of this contract.

12. **Contract Execution.** The Contractor must sign the Contract first, with any necessary attestation and seal. The City Attorney or designee must review the Contract, and approve or disapprove it. If approved, the City's authorized agent will then sign. The City Secretary must keep a signed original in the City Secretary's Office.

13. **Contract Copies.** Each of the two executed copies is an original.

IN WITNESS HERE OF, the parties hereto have executed this contract:

**CONTRACTOR**

Name of Contractor:

Nobles Road Construction Inc

Business Address:

5401 S. 1<sup>st</sup> ST

Abilene, TX 79605

Signature

Aaron Myers

Name - Typed or Printed

Aaron Myers

Title - Typed or Printed

Vice President

Business Phone No.

(325) 677 6258

Federal Tax I.D.#

75 2218861

ATTEST: (If Corporation)

Stephanie Dodson

Corporate Secretary's Signature

Corporate Seal

(if none, write "None")

**CITY OF ABILENE**

Authorized Signature

APPROVED:

City Attorney

ATTEST:

City Secretary

Seal:



**CITY OF ABILENE  
PURCHASING DIVISION  
TABULATION OF BIDS**

PAGE  
1 OF 1

**DEPARTMENT:** ENGR  
**BID NO.:** CB-2037  
**TIME OF OPENING:** 11:00 A.M.  
**DATE OF OPENING:** FEBRUARY 25, 2020

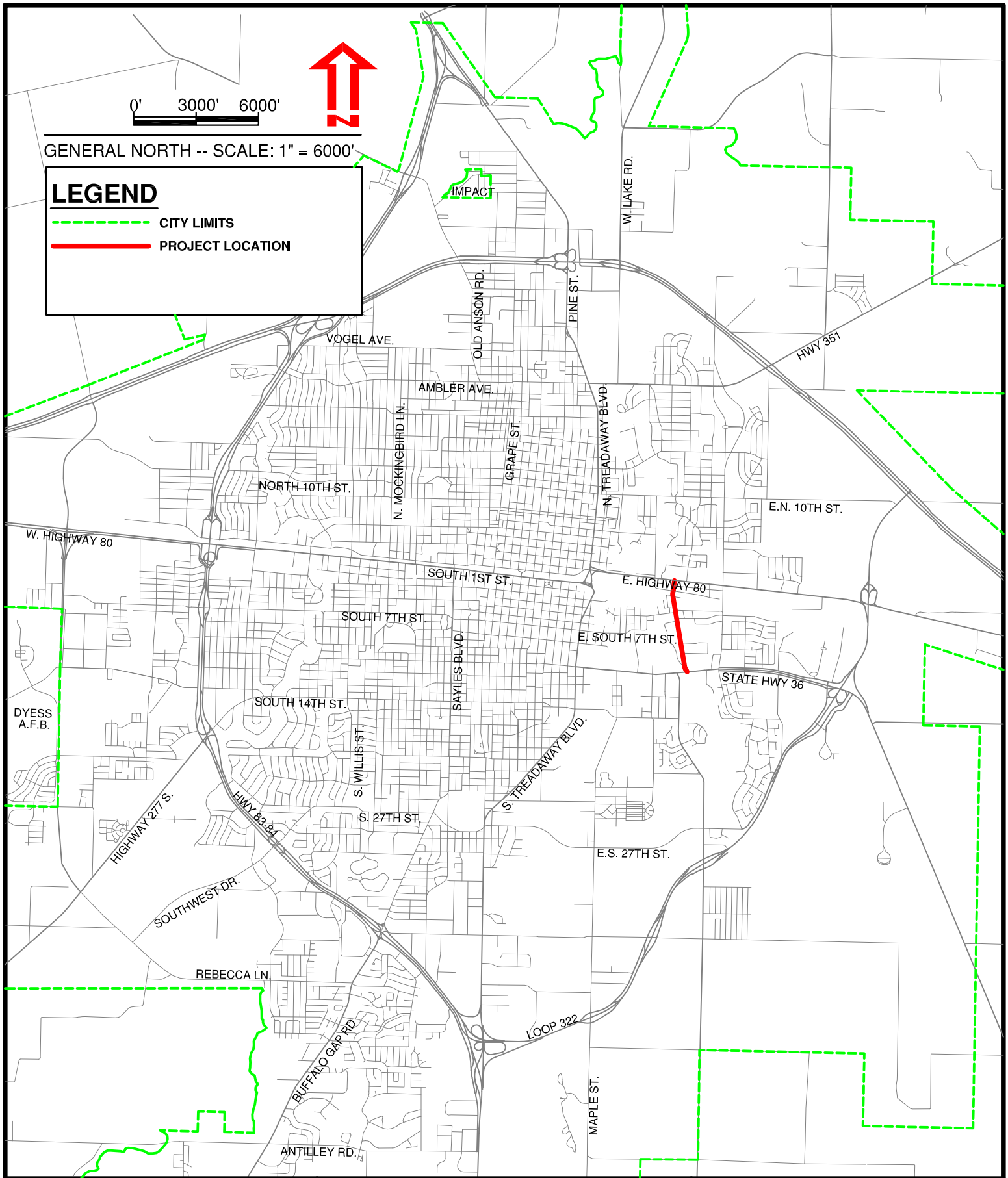
CONTRACT PAVING  
TYE, TX

NOBLES ROAD  
CONSTRUCITON  
ABILENE, TX

BONTKE BROTHERS  
ABILENE, TX

| ITEM      | DESCRIPTION                     | QTY | UNIT | UNIT PRICE | EXTENSION  | UNIT PRICE | EXTENSION  | UNIT PRICE | EXTENSION  | UNIT PRICE | EXTENSION | UNIT PRICE | EXTENSION | UNIT PRICE | EXTENSION |
|-----------|---------------------------------|-----|------|------------|------------|------------|------------|------------|------------|------------|-----------|------------|-----------|------------|-----------|
| 1.        | T&P LANE RECONSTRUCTION PROJECT |     |      |            | 703,317.58 |            | 727,425.50 |            | 919,661.50 |            |           |            |           |            |           |
|           |                                 |     |      |            |            |            |            |            |            |            |           |            |           |            |           |
|           |                                 |     |      |            |            |            |            |            |            |            |           |            |           |            |           |
|           |                                 |     |      |            |            |            |            |            |            |            |           |            |           |            |           |
|           |                                 |     |      |            |            |            |            |            |            |            |           |            |           |            |           |
|           |                                 |     |      |            |            |            |            |            |            |            |           |            |           |            |           |
|           |                                 |     |      |            |            |            |            |            |            |            |           |            |           |            |           |
|           |                                 |     |      |            |            |            |            |            |            |            |           |            |           |            |           |
|           |                                 |     |      |            |            |            |            |            |            |            |           |            |           |            |           |
| BASE BID  |                                 |     |      |            | 703,317.58 |            | 727,425.50 |            | 919,661.50 |            |           |            |           |            |           |
| DISCOUNT  |                                 |     |      |            |            |            |            |            |            |            |           |            |           |            |           |
| TOTAL BID |                                 |     |      |            | 703,317.58 |            | 727,425.50 |            | 919,661.50 |            |           |            |           |            |           |

\*NOTES: INDICATES RECOMMENDED AWARD



Sheet  
1  
of  
1

**CITY OF ABILENE, TEXAS**  
PUBLIC WORKS DEPARTMENT  
ENGINEERING DIVISION

# **T&P LANE RECONSTRUCTION PROJECT**

Designed By: C. THOMAS

Drawn By: T. MATTHEWS

Checked By: C. THOMAS

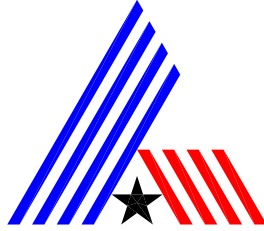
Horizontal Scale: 1"=6000'

Vertical Scale: N.T.S.

Computer File Name:

Project Location Map

Date: FEBRUARY 2020

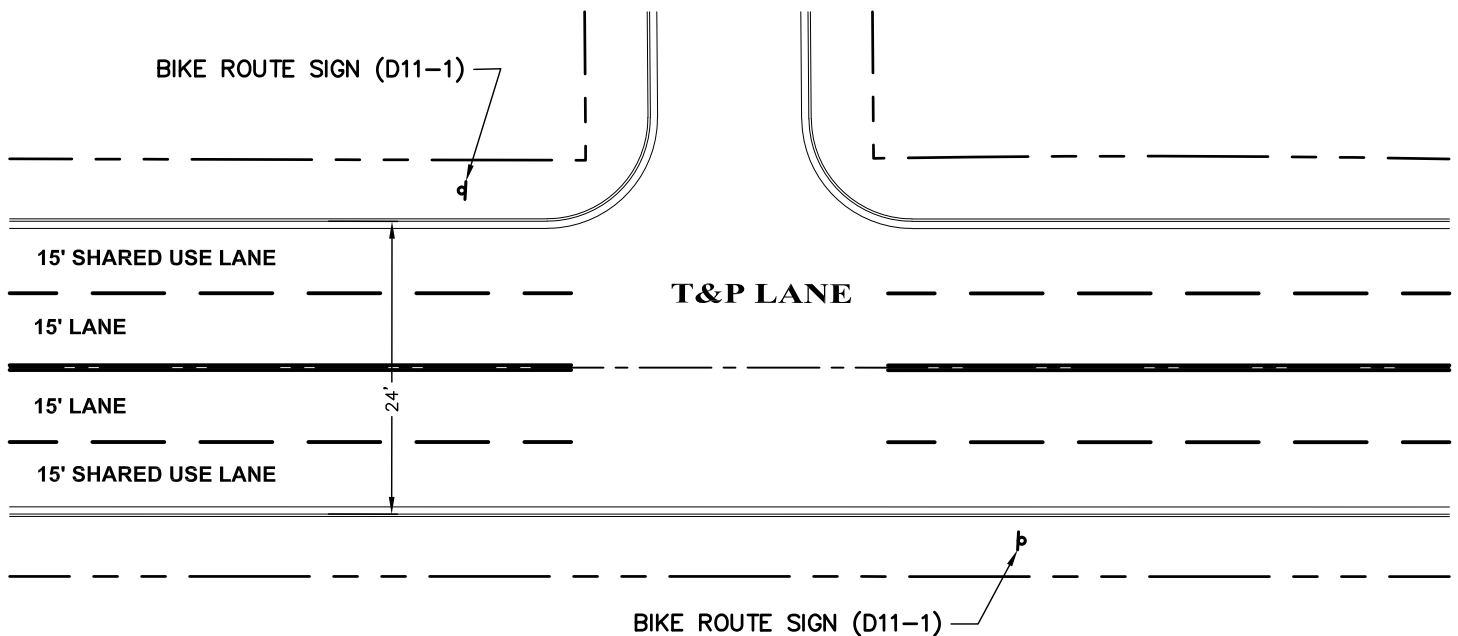


**CITY OF ABILENE, TEXAS**  
**PUBLIC WORKS DEPARTMENT**  
ENGINEERING DIVISION

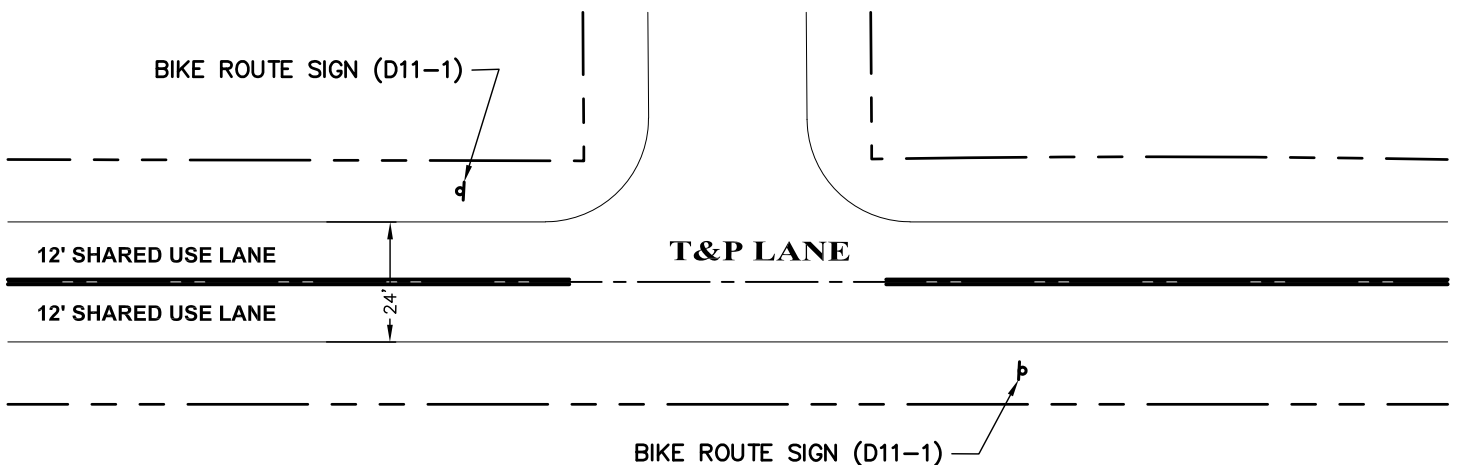
DATE: 03/12/2020

TO: Abilene City Council

MISCELLANEOUS: Bicycle Facilities on T&P Lane (Master Bike Plan)



**TYPICAL LAYOUT SANDY ST TO E HWY 80**



**TYPICAL LAYOUT ES 11TH ST TO SANDY ST**



# Agenda Item: T & P Lane Reconstruction Project

Resolution: Bid Award #CB-2037 T & P Lane  
Reconstruction Project  
*(McCaffery)*

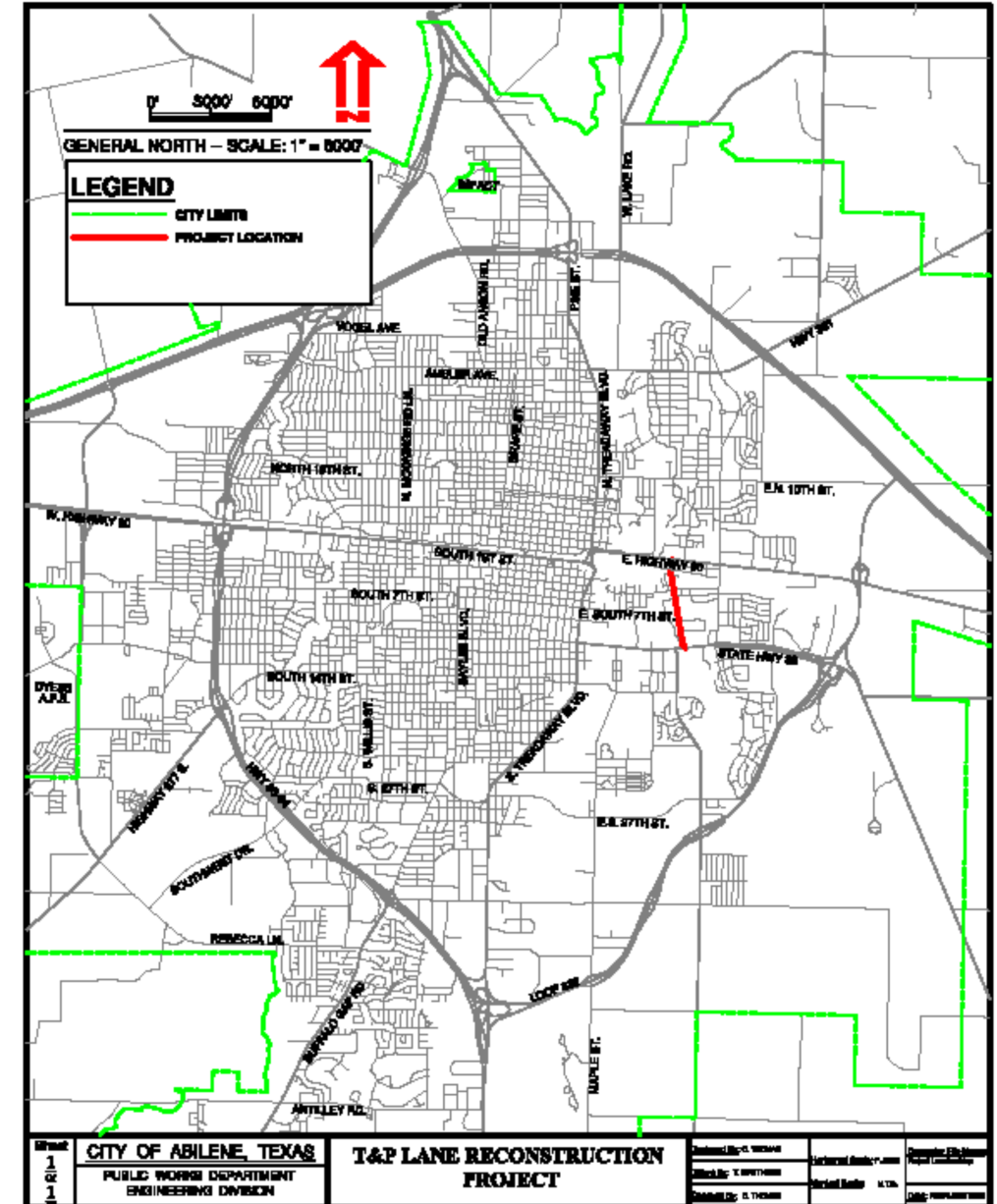


# Project Location Map

**Street**  
T & P Lane

**From**  
**ES 11<sup>th</sup> Street**

To  
E. Hwy 80



# Agenda Item:

## T & P Lane Reconstruction Project

- Construction Contract includes the Reconstruction of T & P Lane from ES 11<sup>th</sup> Street to E. Hwy 80.
- Project Advertised February 9<sup>th</sup> 2020 & February 16<sup>th</sup> 2020, Bids Opened February 25<sup>th</sup> 2020.
- Three bids were received.
- The “Best Value” competitive bidding method was use.
- Staff recommends award of contract to Nobles Road Construction in the amount of \$727,425.50.



# Questions?





**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Robert Hanna, City Manager

**FROM:** Greg McCaffery

**SUBJECT:** 11. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Awarding Bid No. CB-2036 to Intermountain Slurry Seal, Inc. for Modified-Slurry-Seal in Work Zones S6 & S24 (Greg McCaffery)

---

**GENERAL INFORMATION**

This Project was advertised as a Public Notice on February 2, 2020 and on February 9, 2020 with a bid opening dated February 18, 2020. This contract involves a modified slurry seal of several streets located within the street maintenance work zones of S6 and S24.

The Street Maintenance Advisory and Appeals Board has reviewed and recommended this construction project during their review of projects.

The "Best Value" competitive bidding method was used for this project selection.

**SPECIAL CONSIDERATIONS**

This project has a contract completion time of 20 working days (approx. 1 month, weather permitting).

**FUNDING/FISCAL IMPACT**

Funding for this project is allocated through Street Maintenance Fund.

## **STAFF RECOMMENDATION**

Intermountain Slurry Seal, Inc. was determined through the "Best Value" bidding method as the best value bid. Staff recommends bid award to Intermountain Slurry Seal, Inc. of Lewisville, TX in the amount of \$713,348.20.

## **BOARD OR COMMISSION RECOMMENDATION**

## **ATTACHMENTS:**

1. Rev\_Mod\_Slurry\_Proj\_Resolution
2. (Item 11)Scope of Work\_Work Zones S6 & S24
3. Modified Slurry Seal S6 S24 contract
4. CB2036 TABSHEET
5. Backup\_Work\_Zone\_Map\_General (1)
6. 2020 MICROSURFACING Project Location
7. Presentation\_mod-slurry S6 & S24 (1)

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, AWARDING  
BID TO INTERMOUNTAIN SLURRY SEAL, INC., LEWISVILLE, TEXAS**

**WHEREAS**, the City of Abilene duly advertised and gave such notice, as required by law, for bids for the sealing of several streets located within street maintenance work zones S6 and S24; and

**WHEREAS**, the project involves the modify slurry seal of several streets located within street maintenance work zones S6 and S24; and

**WHEREAS**, the City of Abilene has utilized the “Best Value” competitive bidding method in determining the award of contract; and

**WHEREAS**, the following bid was received and opened on the February 18, 2020;

|                                                     |              |
|-----------------------------------------------------|--------------|
| Intermountain Slurry Seal., Inc., Lewisville, Texas | \$713,348.20 |
|-----------------------------------------------------|--------------|

**WHEREAS**, Intermountain Slurry Seal., Inc., Lewisville, Texas submitted the low bid in the amount of \$713,348.20 with the bid meeting specifications. Staff recommends awarding the bid to the best value and low bidder, Intermountain Slurry Seal., Inc., Lewisville, Texas.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF ABILENE, TEXAS**

PART 1: That the City Council approves this bid in the amount of \$713,348.20.

PART 2: That this Resolution shall take effect immediately from and after passage.

**ADOPTED** this 12<sup>th</sup> day of March, 2020.

ATTEST:

\_\_\_\_\_  
Shawna Atkinson, City Secretary

\_\_\_\_\_  
Anthony Williams, Mayor

APPROVED:

\_\_\_\_\_  
Stanley Smith, City Attorney

## **SCOPE OF PROJECT**

This construction contract involves a Polymer-Modified Emulsified Asphalt Slurry Seal (Type III) on the residential streets outlined in the Construction Plans. No other work is required on this project. The Contractor is to follow the "Recommended Performance Guideline for Polymer-Modified Emulsified Asphalt Slurry Seal" that is part of this Contract Document.



## CONSTRUCTION CONTRACT

### BACKGROUND

THIS CONTRACT, made on the 12th day of March, 2020 is between the City of Abilene, a Municipal Corporation of Taylor and Jones Counties, Texas ("City"), and Intermountain Slurry Seal, Inc. of the City of Lewisville, State of Texas ("Contractor").

The City recognizes a need for high quality construction work; the Contractor agrees to complete the project in return for payment.

### THE AGREEMENT

1. **Work and Consideration.** hereby agrees to commence and complete the construction of Work required in the Contract Documents -- incorporated herein by reference --

#### **MODIFIED-SLURRY-SEAL IN WORK ZONES S6 & S24**

All work to be performed will be completed in conformance with (1) Part I and II of the City of Abilene's Standard Specifications for Construction adopted September, 2006 with the attached amendments in these Contract Documents, and (2) the Technical Specifications and Plans attached to these Contract Documents. Technical Specifications and Plans attached to these Contract Documents control in the event of a conflict.

In consideration of this Work, the City will pay the Contractor the sum of \$713,348.20 (Seven hundred thirteen thousand three hundred forty-eight dollars and twenty cents).

2. **Timely Work.** The Contractor must begin and fully complete Work in the days stated in the Notice to Proceed. The time allows for normal delays associated with weather conditions, crew coordination, etc. Time is of the essence, and liquidated damages as set forth in the General Conditions (Paragraph 16) apply for late Work.

3. **Payment.** If Performance and Payment Bonds are required, the City will pay Contractor according to the General Conditions (Paragraph 20). If Performance and Payment Bonds are not required, the City will pay Contractor according to the Instructions to Bidders.

4. **No liens.** No mechanic, contractor, subcontractor, supplier, or other person can or will contract for, or in any other manner have or acquire any lien upon the work of this Contract, or the land upon which it is situated. The laws of the State of Texas govern this Contract.

5. **Venue.** Venue for any legal proceeding is Taylor County, Texas.

6. **Indemnity.**

#### **A. Definitions**

For the purpose of this section the following definitions apply:

"City" shall mean all officers, agents and employees of the City of Abilene.

"Claims" shall mean all claims, liens, suits, demands, accusations, allegations, assertions, complaints, petitions, proceedings and causes of action of every kind and description brought for damages.

“Contractor” includes the corporation, company, partnership, or other entity, its owners, officers, and/or partners, and their agents, successors, and assigns.

“Contractor’s employees” shall mean any employees, officers, agents, subcontractors, licensee and invitees of Contractor.

“Damages” shall mean each and every injury, wound, hurt, harm, fee, damage, cost, expense, outlay, expenditure or loss of any and every nature, including but not limited to:

- (i) injury or damage to any property or right
- (ii) injury, damage, or death to any person or entity
- (iii) attorneys fees, witness fees, expert witness fees and expenses, and
- (iv) all other costs and expenses of litigation

“Premise Defects” shall mean any defect, real or alleged, which now exists or which may hereafter arise upon the premises.

“Proven” shall mean that a court of competent jurisdiction has entered a final unappealable judgment on a claim adjudging an entity or person liable for a monetary judgment.

“Sole negligence” shall mean negligence of a party that is unmixed with the fault of any other person or entity.

#### **B. Indemnity**

**The Contractor must indemnify, hold harmless, and defend the City from and against liability for any claims arising out of the Contractor's work and activities conducted in connection with this Contract.**

**The Contractor is an independent contractor and is not, with respect to its acts or omissions, an agent or employee of the City.**

**Contractor must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of Contractor’s employees while in the vicinity where the work is being done. The City is not liable or responsible for the negligence or intentional acts or omissions of the Contractor or Contractor’s employees.**

**The City assumes no responsibility or liability for damages which are directly or indirectly attributable to premise defects. Responsibility for all such defects is expressly assumed by the Contractor.**

**The City and Contractor must provide the other prompt and timely notice of any covered event which in any way affects or might affect the Contractor or City. The City has the right to compromise and defend the same to the extent of its own interests.**

**BOTH CITY AND CONTRACTOR EXPRESSLY INTEND THIS CONTRACT'S INDEMNITY PROVISION TO REQUIRE CONTRACTOR TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE WHILE CITY IS PARTICIPATING IN THIS CONTRACT, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE DAMAGES. THIS CONTRACT'S INDEMNITY PROVISION DOES NOT APPLY TO ANY CLAIM WHERE DAMAGE IS PROVEN TO RESULT FROM THE SOLE NEGLIGENCE OF THE CITY.**

7. **Insurance.** The Special Conditions found in the City of Abilene's Standard Specifications for Construction adopted September, 2006, Part I, Division I, Item 3, contain the insurance requirements of this Contract.

8. **Overcharges.** The Contractor assigns to City any claims for overcharges related to this Contract which arise under antitrust laws of the United States, 15 U.S.C.A. Sec. 1 et seq., as amended.

9. **Contract Interpretation.** Any dispute about the Contract's meaning or application will be interpreted fairly and reasonably, and neither more strongly for or against either party.

10. **Indebtedness to City.** Contractor agrees that no payments owed by him of any nature whatsoever to the City, including payment in advance for service charges or any sums of any character whatsoever, shall become delinquent or in arrears.

The City will not knowingly award contracts for goods or services to any Bidder in arrears to the City for any debt, claim, demand, or account whatsoever, including taxes, penalty or interest. Contractor is responsible for ensuring that no indebtedness exists.

Section 130 of the City Charter authorizes the City to counterclaim and offset any debt, claim, demand or account owed by the City to any person, firm or corporation in arrears to the City for any debt, claim, demand or account of any nature whatsoever, including taxes, penalty or interest.

11. **Boycott of Israel.** In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.

This section only applies to a contract that: (a) is between a governmental entity and a company with 10 or more full-time employees and (b) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity. Additionally, "company" does not include a sole proprietorship.

If this section is applicable, the signatory executing this contract on behalf of company verifies that the company does not boycott Israel and will not boycott Israel during the term of this contract.

12. **Contract Execution.** The Contractor must sign the Contract first, with any necessary attestation and seal. The City Attorney or designee must review the Contract, and approve or disapprove it. If approved, the City's authorized agent will then sign. The City Secretary must keep a signed original in the City Secretary's Office.

13. **Contract Copies.** Each of the two executed copies is an original.

IN WITNESS HERE OF, the parties hereto have executed this contract:

**CONTRACTOR**

Name of Contractor:

Intermountain Slurry Seal, Inc.

Business Address:

701 E Main Street

Lewisville, TX 75057

Nathan Niemann  
Signature

Nathan Niemann  
Name - Typed or Printed

Project Manager  
Title - Typed or Printed

972-353-6236  
Business Phone No.

870307259  
Federal Tax I.D.#

ATTEST: (If Corporation)

Corporate Secretary's Signature

Corporate Seal  
(if none, write "None")

**CITY OF ABILENE**

Authorized Signature

APPROVED:

City Attorney

ATTEST:

City Secretary

Seal:

**CITY OF ABILENE  
PURCHASING DIVISION  
TABULATION OF BIDS**

PAGE  
1 OF 1

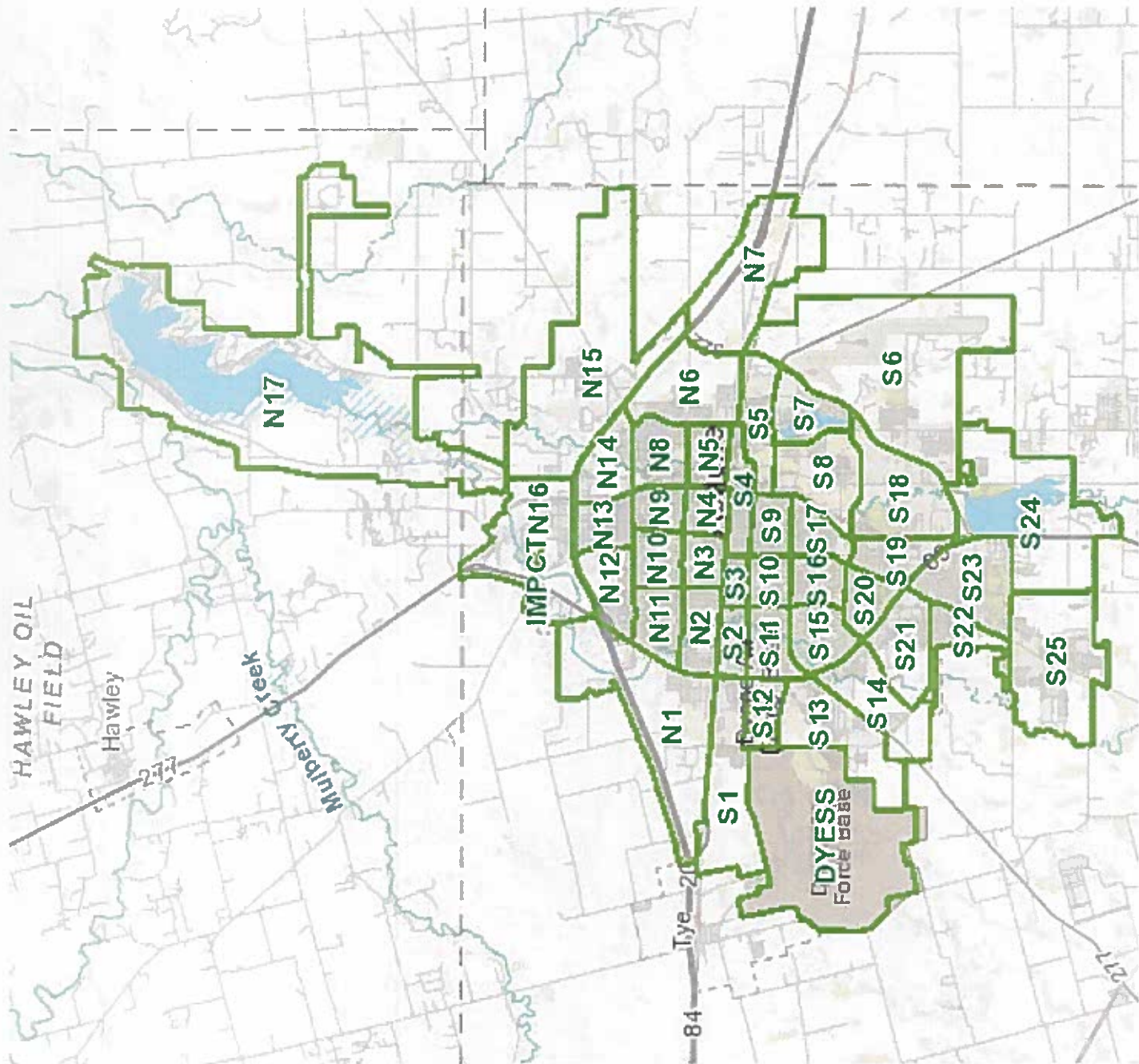
**DEPARTMENT:** ENGR  
**BID NO.:** CB-2036  
**TIME OF OPENING:** 11:00 A.M.  
**DATE OF OPENING:** FEBRUARY 18, 2020

INTERMOUNTAIN SLURRY  
SEAL INC

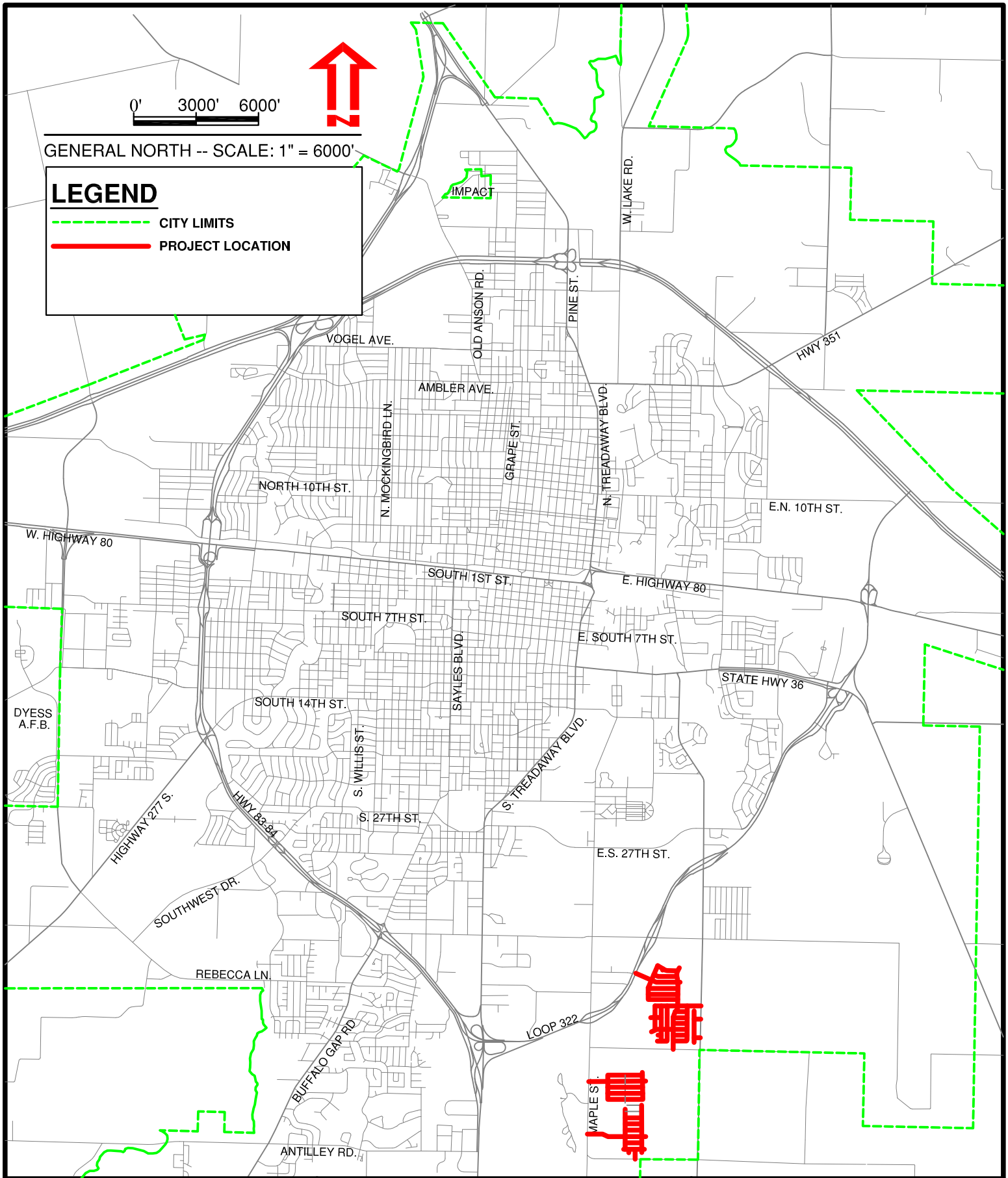
| ITEM      | DESCRIPTION                                    | QTY | UNIT | UNIT PRICE | EXTENSION  | UNIT PRICE | EXTENSION | UNIT PRICE | EXTENSION | UNIT PRICE | EXTENSION | UNIT PRICE | EXTENSION | UNIT PRICE | EXTENSION |
|-----------|------------------------------------------------|-----|------|------------|------------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|
| 1.        | MODIFIED-SLURRY-SEAL IN WORK ZONES<br>S6 & S24 |     |      |            | 713,348.20 |            |           |            |           |            |           |            |           |            |           |
|           |                                                |     |      |            |            |            |           |            |           |            |           |            |           |            |           |
|           |                                                |     |      |            |            |            |           |            |           |            |           |            |           |            |           |
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|           |                                                |     |      |            |            |            |           |            |           |            |           |            |           |            |           |
|           |                                                |     |      |            |            |            |           |            |           |            |           |            |           |            |           |
|           |                                                |     |      |            |            |            |           |            |           |            |           |            |           |            |           |
|           |                                                |     |      |            |            |            |           |            |           |            |           |            |           |            |           |
| BASE BID  |                                                |     |      |            | 713,348.20 |            |           |            |           |            |           |            |           |            |           |
| DISCOUNT  |                                                |     |      |            |            |            |           |            |           |            |           |            |           |            |           |
| TOTAL BID |                                                |     |      |            | 713,348.20 |            |           |            |           |            |           |            |           |            |           |

\*NOTES: INDICATES RECOMMENDED AWARD

CITY OF ABILENE ZONE MAP







Sheet  
1  
of  
1

**CITY OF ABILENE, TEXAS**  
PUBLIC WORKS DEPARTMENT  
ENGINEERING DIVISION

# **MODIFIED-SLURRY-SEAL IN WORK ZONES S6 & S24**

Designed By: C. THOMAS

Drawn By: T. MATTHEWS

Checked By: C. THOMAS

Horizontal Scale: 1"=6000'

Vertical Scale: N.T.S.

Computer File Name:  
2020 MICROSURFACING

Date: OCTOBER 2019

# Agenda Item: Modified-Slurry-Seal in Work Zones S6 & S24

**Resolution: Bid Award #CB-2036 Modified-  
Slurry-Seal in Work Zones S6 & S24  
(McCaffery)**





0' 3000' 6000'

GENERAL NORTH – SCALE: 1" = 6000'

**LEGEND**

- CITY LIMITS
- PROJECT LOCATION

IMPACT

W. LAKE RD.

HWY 351

E.N. 10TH ST.

E. HIGHWAY 80

STATE HWY 35

E.S. 27TH ST.

LOOP 322

MAPLE ST

ANTILLEY RD.

REBECCA LN.

SOUTHWEST DR.

HWY 324

HWY 277 S.

DYESS A.F.B.

W. HIGHWAY 80

NORTH 10TH ST.

N. WICKHAM RD.

AMIELER AVE.

OLD ANSON RD.

THINE ST.

N. TREADAWAY BLVD.

GRAVE ST.

SOUTH 1ST ST.

SOUTH 7TH ST.

SOUTH 14TH ST.

S. WALLER ST.

S. 27TH ST.

SAVILL BLVD.

S. TREADAWAY BLVD.

BUFFALO GAP RD.

# Project Location Cont.

## Street

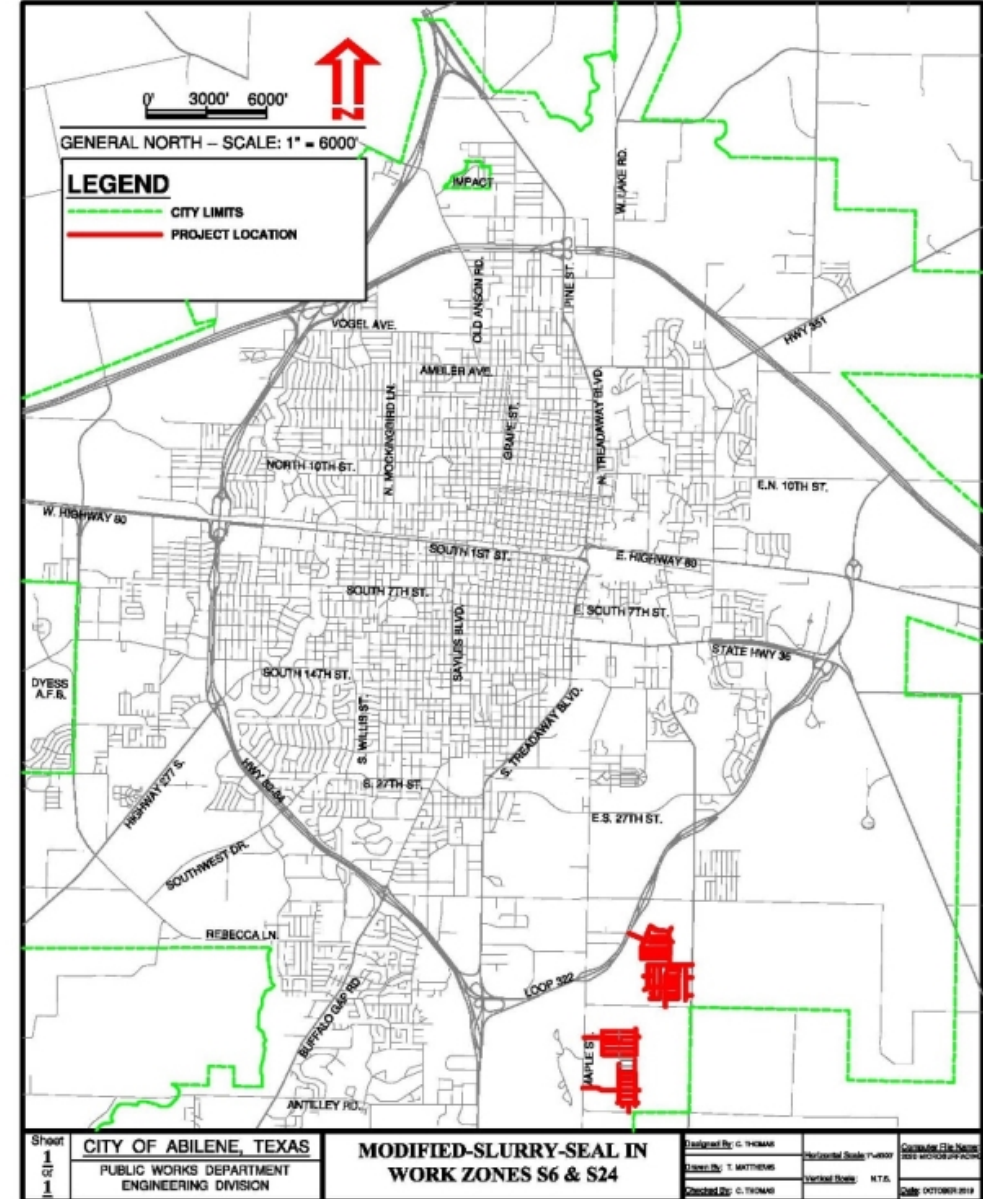
Yellowstone Tr  
Spring Creek Rd  
Many Waters Dr  
Cotton Candy Rd  
Sugar Berry Ave  
Sugarloaf Ave  
Lollipop Tr  
Miss Ellie Ln  
Cinderella Ln  
Preston's Path  
Yellow Brick Rd  
Brazos Dr  
Eagle Mountain Dr  
White Rock Dr  
Southlake Dr  
Mill Creek Dr  
Buffalo Springs Dr  
Raven Ct

## From

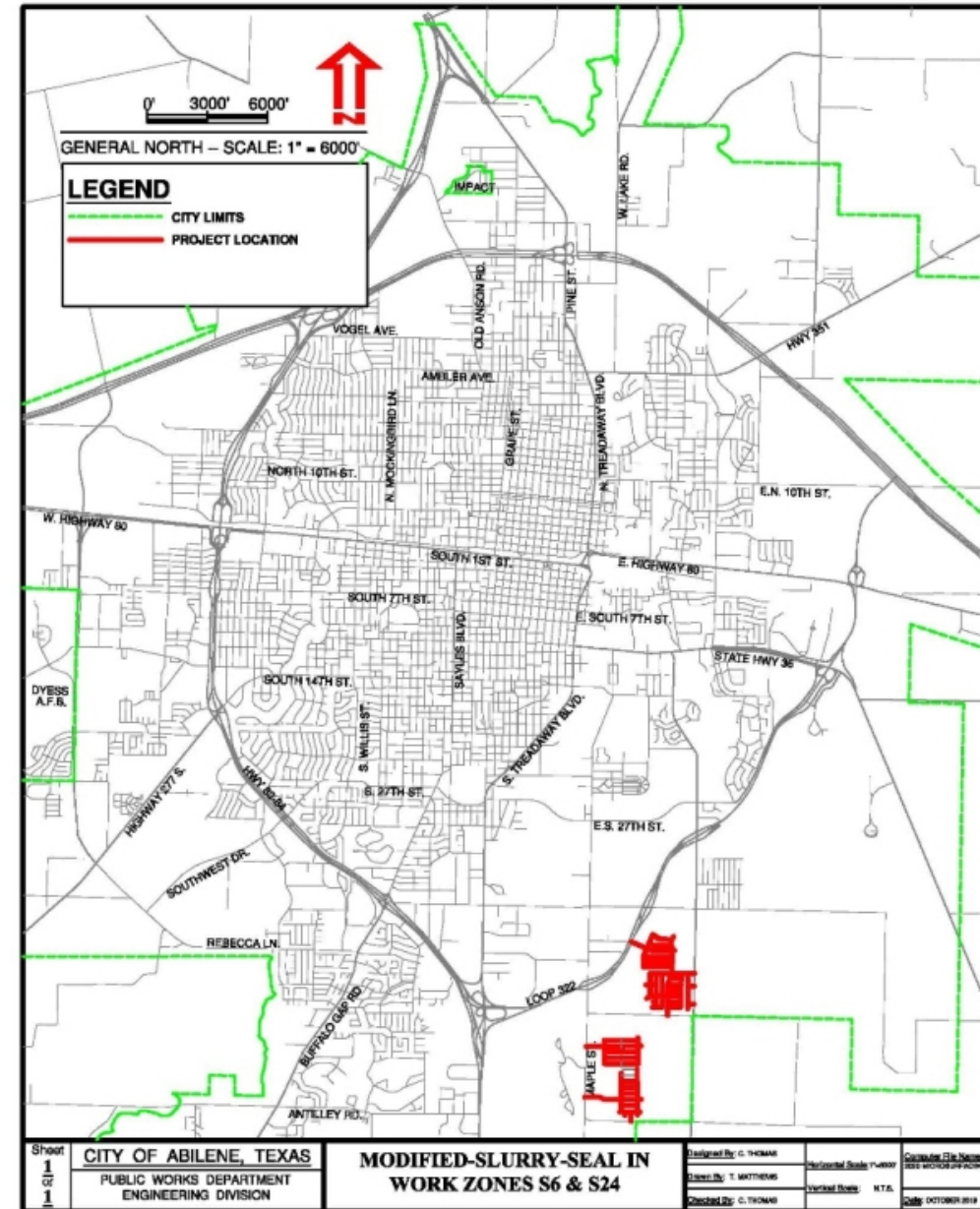
Swift Water Dr  
Swift Water Dr  
Swift Water Dr  
Cinderella Ln  
Maple St  
Cinderella Ln  
Cinderella Ln  
Cinderella Ln  
Cotton Candy Rd  
Cotton Candy Rd  
Cotton Candy Rd  
Preston's Path  
Preston's Path  
Preston's Path  
Maple St  
Preston's Path  
Preston's Path  
Buffalo Springs Dr

## To

Wackadoo Dr  
Wackadoo Dr  
Great Waters  
Yellow Brick  
Yellow Brick  
Yellow Brick  
Yellow Brick  
Miss Ellie Ln  
Buffalo Springs  
Miss Ellie Ln  
McLeod Dr  
McLeod Dr  
McLeod Dr  
Cul-de-sac  
McLeod Dr  
Cul-de-sac  
Cul-de-sac



|                    |                |
|--------------------|----------------|
| <b>From</b>        | <b>To</b>      |
| Buffalo Springs Dr | Colony Hill Rd |
| Garth Ridge Dr     | Cul-de-sac     |



# **Agenda Item:**

## **Modified-Slurry-Seal in Work Zones S6 & S24**

- Construction Contract the sealing of several streets located within the street maintenance work zones S6 and S24.
- Project Advertised February 2<sup>nd</sup> 2020 & February 9<sup>th</sup> 2020, Bids Opened February 18<sup>th</sup> 2020.
- One bid was received.
- The “Best Value” competitive bidding method was use.
- Staff recommends award of contract to Intermountain Slurry Seal, Inc. in the amount of \$713,348.20.





# Questions?





**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO: Robert Hanna, City Manager**

**FROM: Greg McCaffery**

**SUBJECT: 12. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Awarding Bid No. CB-2035 to Bontke Brothers Construction for S. Willis St. Rehabilitation Project (Greg McCaffery)**

---

**GENERAL INFORMATION**

This Project was advertised as a Public Notice on February 2, 2020 and on February 9, 2020 with a bid opening dated February 18, 2020. This contract involves the reconstruction and overlay of South Willis Street from South 32<sup>nd</sup> Street to South 14<sup>th</sup> Street. The contract also includes a concrete intersection at South 20<sup>th</sup> Street, and shared bicycle lanes. The "Best Value" competitive bidding method was used for this project selection.

The South Willis Street Rehabilitation Project is on the streets projects schedule for this year as part of Proposition 1 of the voter approved 2015 Bond Project.

South Willis Street Rehabilitation Project is designated to have a Bicycle Lane on the approved Bicycle Plan for the City of Abilene from South 32<sup>nd</sup> Street to South 15<sup>th</sup> Street.

**SPECIAL CONSIDERATIONS**

This project has a contract completion time of 80 working days (approx. 4 months, weather permitting).

**FUNDING/FISCAL IMPACT**

Funding for this project is allocated through General Bond funds.

## **STAFF RECOMMENDATION**

Bontke Brothers Construction., Inc. was determined through the "Best Value" bidding method as the best value bid. Staff recommends bid award to Bontke Brothers Construction Co., Inc. of Abilene, Texas in the amount of \$1,667,841.50.

## **BOARD OR COMMISSION RECOMMENDATION**

## **ATTACHMENTS:**

1. REV\_S Willis Proj Resolution
2. (12)Scope of Work\_S. Willis
3. Signed\_Bontke\_S. Willis council contract
4. CB2035 TABSHEET
5. S WILLIS PROJECT LOCATION MAP
6. S WILLIS BICYCLE FACILITIES
7. REV\_Presentation\_S\_Willis\_Rehab (1) (1)

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, AWARDING BID TO BONTKE BROTHERS CONSTRUCTION, INC., ABILENE, TEXAS**

**WHEREAS**, the City of Abilene duly advertised and gave such notice, as required by law, for bids for the reconstruction and overlay of South Willis Street from South 32<sup>nd</sup> Street to South 14<sup>th</sup> Street; and

**WHEREAS**, the project involves the reconstruction and overlay of South Willis Street from South 32<sup>nd</sup> Street to South 14<sup>th</sup> Street and the contract will include a concrete intersection at South 20<sup>th</sup> Street and shared bicycle lanes; and

**WHEREAS**, the City of Abilene has utilized the “Best Value” competitive bidding method in determining award of contract; and

**WHEREAS**, the following bids were received and opened on the February 18, 2020:

|                                                        |                |
|--------------------------------------------------------|----------------|
| Bontke Brothers Construction Co., Inc., Abilene, Texas | \$1,667,841.50 |
|--------------------------------------------------------|----------------|

|                                               |                |
|-----------------------------------------------|----------------|
| Nobles Road Construction Inc., Abilene, Texas | \$1,711,035.50 |
|-----------------------------------------------|----------------|

|                                       |                |
|---------------------------------------|----------------|
| Contract Paving Co., Inc., Tye, Texas | \$1,916,341.40 |
|---------------------------------------|----------------|

**WHEREAS**, Bontke Brothers Construction Co., Inc., Abilene, Texas submitted the low bid in the amount of \$1,667,841.50 with the bid meeting specifications. Staff recommends awarding the bid to the best value and low bidder, Bontke Brothers Construction Co., Inc., Abilene, Texas.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS**

PART 1: That the City Council approves this bid in the amount of \$1,667,841.50.

PART 2: That this Resolution shall take effect immediately from and after passage.

**ADOPTED** this 12<sup>th</sup> day of March, 2020.

ATTEST:

\_\_\_\_\_  
Shawna Atkinson, City Secretary

\_\_\_\_\_  
Anthony Williams, Mayor

APPROVED:

\_\_\_\_\_  
Stanley Smith, City Attorney



## SCOPE OF PROJECT

This construction contract involves a milling of 3 ½" starting at S. 32<sup>nd</sup> St. to alley between High meadows Dr. and Edgemont Dr. as well as overlaying back with 2" Type C and 2" Type D HMA. From there to S. 14<sup>th</sup> St. will be a full depth reconstruction as outlined in the plans and the typical Sections. Also included in this contract is a concrete intersection to be built at S. 20<sup>th</sup> St. and Willis St. with additional concrete valleys and curb ramps at various intersections constructed as outlined in the Construction Plans. This project is also on the Master Bicycle Plan, so bike lanes will be added from S. 32<sup>nd</sup> St. to S. 15<sup>th</sup> St.

# CONSTRUCTION CONTRACT

## BACKGROUND

THIS CONTRACT, made on the 12th day of March, 2020 is between the City of Abilene, a Municipal Corporation of Taylor and Jones Counties, Texas ("City"), and Bontke Brothers Construction Company, Inc. of the City of Abilene, State of Texas. ("Contractor").

The City recognizes a need for high quality construction work; the Contractor agrees to complete the project in return for payment.

## THE AGREEMENT

1. **Work and Consideration.** hereby agrees to commence and complete the construction of Work required in the Contract Documents -- incorporated herein by reference --

### S. WILLIS ST. REHABILITATION PROJECT

All work to be performed will be completed in conformance with (1) Part I and II of the City of Abilene's Standard Specifications for Construction adopted September, 2006 with the attached amendments in these Contract Documents, and (2) the Technical Specifications and Plans attached to these Contract Documents. Technical Specifications and Plans attached to these Contract Documents control in the event of a conflict.

In consideration of this Work, the City will pay the Contractor the sum of \$1,667,841.50 (One million six hundred sixty-seven thousand eight hundred forty-one dollars and fifty cents).

2. **Timely Work.** The Contractor must begin and fully complete Work in the days stated in the Notice to Proceed. The time allows for normal delays associated with weather conditions, crew coordination, etc. Time is of the essence, and liquidated damages as set forth in the General Conditions (Paragraph 16) apply for late Work.
3. **Payment.** If Performance and Payment Bonds are required, the City will pay Contractor according to the General Conditions (Paragraph 20). If Performance and Payment Bonds are not required, the City will pay Contractor according to the Instructions to Bidders.
4. **No liens.** No mechanic, contractor, subcontractor, supplier, or other person can or will contract for, or in any other manner have or acquire any lien upon the work of this Contract, or the land upon which it is situated. The laws of the State of Texas govern this Contract.
5. **Venue.** Venue for any legal proceeding is Taylor County, Texas.
6. **Indemnity.**

### A. Definitions

For the purpose of this section the following definitions apply:

"City" shall mean all officers, agents and employees of the City of Abilene.

"Claims" shall mean all claims, liens, suits, demands, accusations, allegations, assertions, complaints, petitions, proceedings and causes of action of every kind and description brought for damages.

"Contractor" includes the corporation, company, partnership, or other entity, its owners, officers, and/or partners, and their agents, successors, and assigns.

"Contractor's employees" shall mean any employees, officers, agents, subcontractors, licensee and invitees of Contractor.

"Damages" shall mean each and every injury, wound, hurt, harm, fee, damage, cost, expense, outlay, expenditure or loss of any and every nature, including but not limited to:

- (i) injury or damage to any property or right
- (ii) injury, damage, or death to any person or entity
- (iii) attorneys fees, witness fees, expert witness fees and expenses, and
- (iv) all other costs and expenses of litigation

"Premise Defects" shall mean any defect, real or alleged, which now exists or which may hereafter arise upon the premises.

"Proven" shall mean that a court of competent jurisdiction has entered a final unappealable judgment on a claim adjudging an entity or person liable for a monetary judgment.

"Sole negligence" shall mean negligence of a party that is unmixed with the fault of any other person or entity.

#### B. Indemnity

The Contractor must indemnify, hold harmless, and defend the City from and against liability for any claims arising out of the Contractor's work and activities conducted in connection with this Contract.

The Contractor is an independent contractor and is not, with respect to its acts or omissions, an agent or employee of the City.

Contractor must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of Contractor's employees while in the vicinity where the work is being done. The City is not liable or responsible for the negligence or intentional acts or omissions of the Contractor or Contractor's employees.

The City assumes no responsibility or liability for damages which are directly or indirectly attributable to premise defects. Responsibility for all such defects is expressly assumed by the Contractor.

The City and Contractor must provide the other prompt and timely notice of any covered event which in any way affects or might affect the Contractor or City. The City has the right to compromise and defend the same to the extent of its own interests.

BOTH CITY AND CONTRACTOR EXPRESSLY INTEND THIS CONTRACT'S INDEMNITY PROVISION TO REQUIRE CONTRACTOR TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE WHILE CITY IS PARTICIPATING IN THIS CONTRACT, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE DAMAGES. THIS CONTRACT'S INDEMNITY PROVISION DOES NOT APPLY TO ANY CLAIM WHERE DAMAGE IS PROVEN TO RESULT FROM THE SOLE NEGLIGENCE OF THE CITY.

7. **Insurance.** The Special Conditions found in the City of Abilene's Standard Specifications for Construction adopted September, 2006, Part I, Division I, Item 3, contain the insurance requirements of this Contract.

8. **Overcharges.** The Contractor assigns to City any claims for overcharges related to this Contract which arise under antitrust laws of the United States, 15 U.S.C.A. Sec. 1 et seq., as amended.

9. **Contract Interpretation.** Any dispute about the Contract's meaning or application will be interpreted fairly and reasonably, and neither more strongly for or against either party.

10. **Indebtedness to City.** Contractor agrees that no payments owed by him of any nature whatsoever to the City, including payment in advance for service charges or any sums of any character whatsoever, shall become delinquent or in arrears.

The City will not knowingly award contracts for goods or services to any Bidder in arrears to the City for any debt, claim, demand, or account whatsoever, including taxes, penalty or interest. Contractor is responsible for ensuring that no indebtedness exists.

Section 130 of the City Charter authorizes the City to counterclaim and offset any debt, claim, demand or account owed by the City to any person, firm or corporation in arrears to the City for any debt, claim, demand or account of any nature whatsoever, including taxes, penalty or interest.

11. **Boycott of Israel.** In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.

This section only applies to a contract that: (a) is between a governmental entity and a company with 10 or more full-time employees and (b) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity. Additionally, "company" does not include a sole proprietorship.

If this section is applicable, the signatory executing this contract on behalf of company verifies that the company does not boycott Israel and will not boycott Israel during the term of this contract.

12. **Contract Execution.** The Contractor must sign the Contract first, with any necessary attestation and seal. The City Attorney or designee must review the Contract, and approve or disapprove it. If approved, the City's authorized agent will then sign. The City Secretary must keep a signed original in the City Secretary's Office.

13. **Contract Copies.** Each of the two executed copies is an original.

IN WITNESS HERE OF, the parties hereto have executed this contract:

CONTRACTOR

Name of Contractor:

Bontke Brothers Construction

Business Address:

102 college Dr  
Abilene, TX 79601

Signature



Brent Partin

Name - Typed or Printed

Project Manager

Title - Typed or Printed

325-677-6276

Business Phone No.

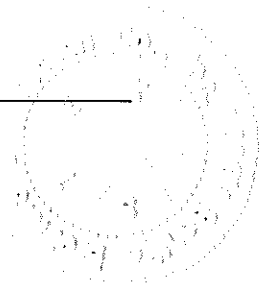
75-1331325

Federal Tax I.D.#

ATTEST: (If Corporation)

B. Partin  
Corporate Secretary's Signature

Corporate Seal  
(if none, write "None") |



CITY OF ABILENE

\_\_\_\_\_  
Authorized Signature

APPROVED:

\_\_\_\_\_  
City Attorney

ATTEST:

\_\_\_\_\_  
City Secretary

Seal: |

**CITY OF ABILENE  
PURCHASING DIVISION  
TABULATION OF BIDS**

PAGE  
1 OF 1

**DEPARTMENT:** ENGR  
**BID NO.:** CB-2035  
**TIME OF OPENING:** 11:00 A.M.  
**DATE OF OPENING:** FEBRUARY 18, 2020

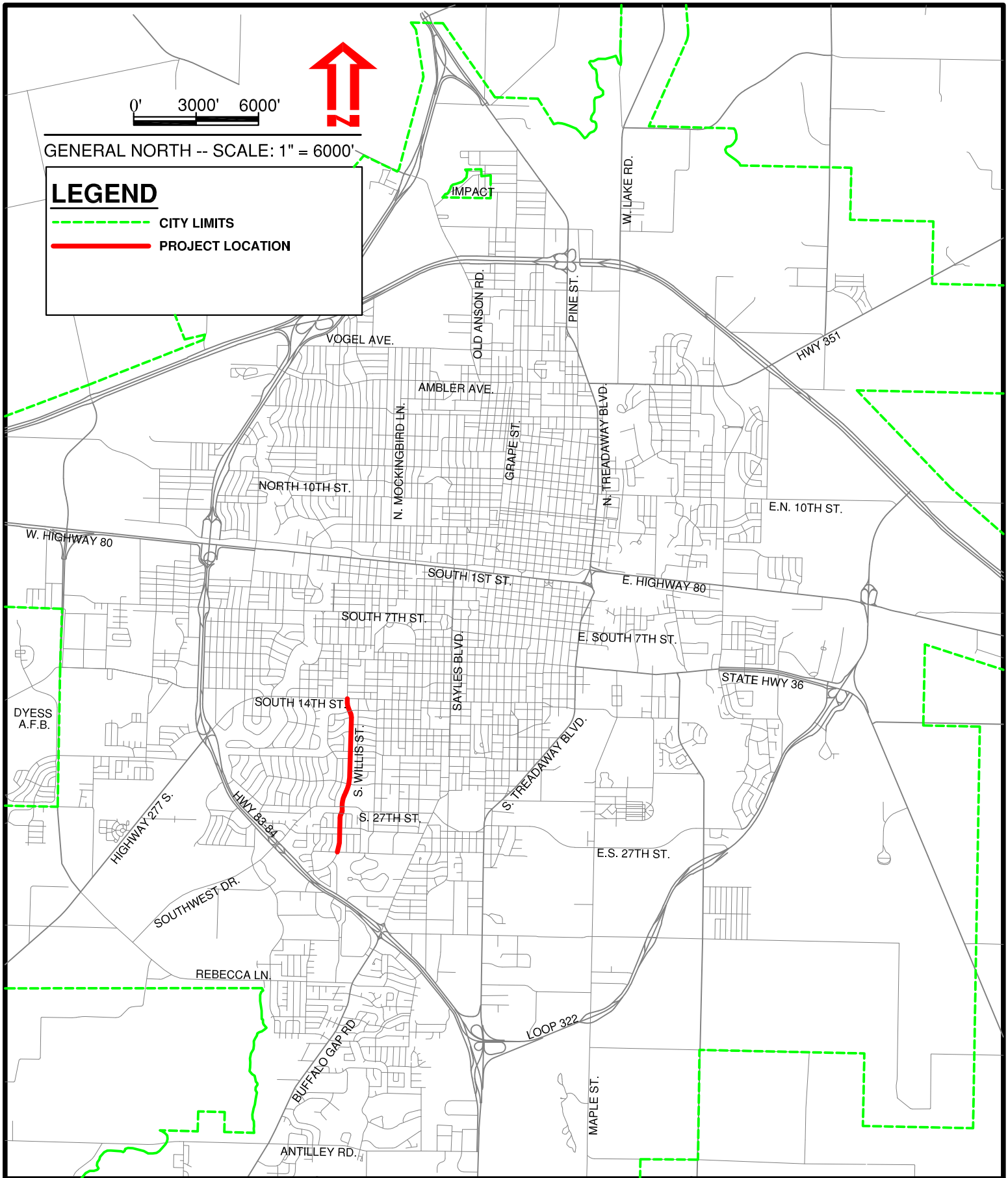
BONTKE BROTHERS  
CONSTRUCTION, INC  
ABILENE, TX

NOBLES ROAD  
CONSTRUCTION, INC  
ABILENE, TX

CONTRACT PAVING CO  
TYE, TX

| ITEM      | DESCRIPTION                          | QTY | UNIT | UNIT PRICE | EXTENSION    | UNIT PRICE | EXTENSION    | UNIT PRICE | EXTENSION    | UNIT PRICE | EXTENSION | UNIT PRICE | EXTENSION | UNIT PRICE | EXTENSION |
|-----------|--------------------------------------|-----|------|------------|--------------|------------|--------------|------------|--------------|------------|-----------|------------|-----------|------------|-----------|
| 1.        | S. WILLIS ST. REHABILITATION PROJECT |     |      |            | 1,667,841.50 |            | 1,711,035.50 |            | 1,916,341.40 |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |              |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |              |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |              |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |              |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |              |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |              |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |              |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |              |            |           |            |           |            |           |
| BASE BID  |                                      |     |      |            | 1,667,841.50 |            | 1,711,035.50 |            | 1,916,341.40 |            |           |            |           |            |           |
| DISCOUNT  |                                      |     |      |            |              |            |              |            |              |            |           |            |           |            |           |
| TOTAL BID |                                      |     |      |            | 1,667,841.50 |            | 1,711,035.50 |            | 1,916,341.40 |            |           |            |           |            |           |

\*NOTES: INDICATES RECOMMENDED AWARD



Sheet  
1  
of  
1

**CITY OF ABILENE, TEXAS**  
PUBLIC WORKS DEPARTMENT  
ENGINEERING DIVISION

# **S WILLIS ST. REHABILITATION PROJECT**

Designed By: C. THOMAS

Drawn By: T. MATTHEWS

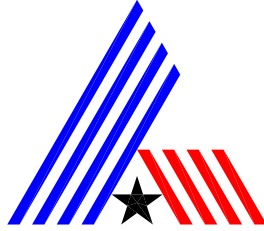
Checked By: C. THOMAS

Horizontal Scale: 1"=6000'

Vertical Scale: N.T.S.

Computer File Name:  
Project Location Map

Date: FEBRUARY 2020

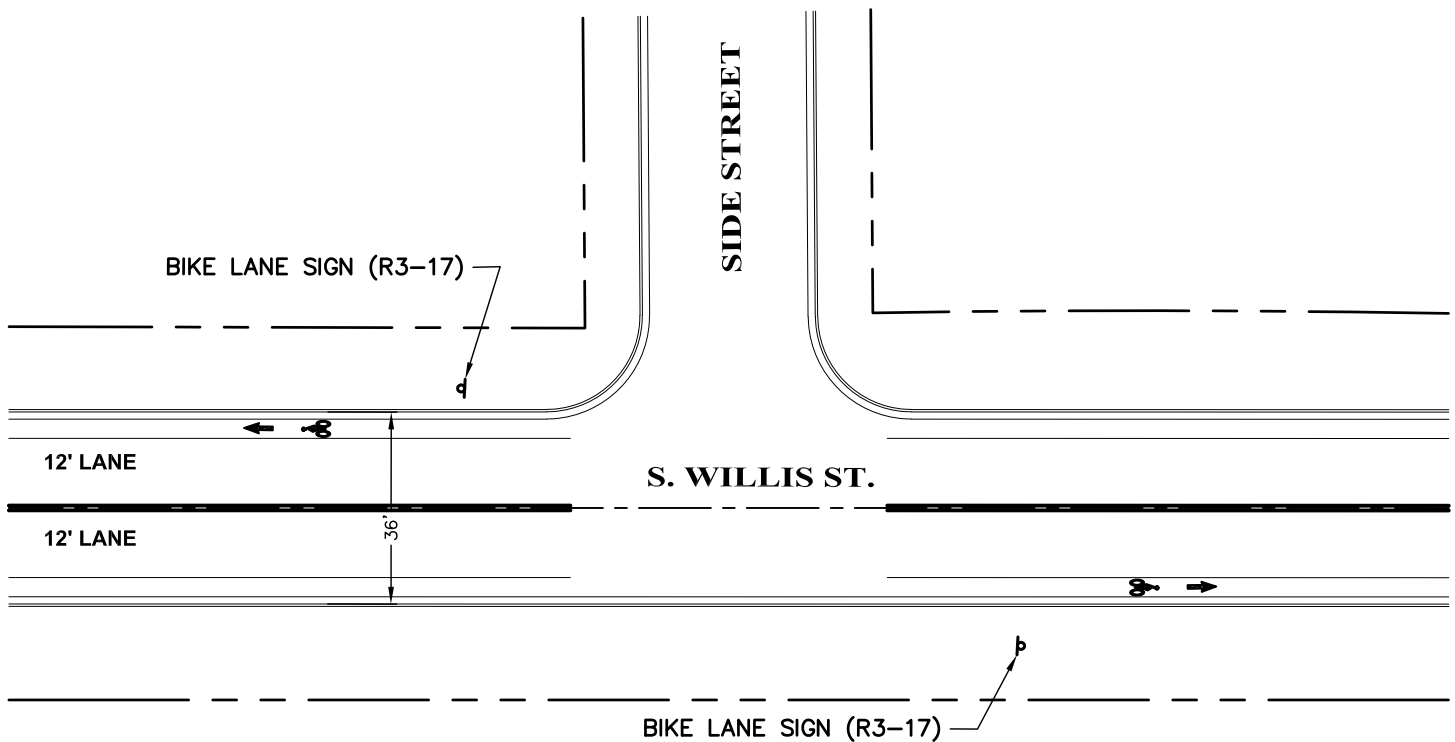


**CITY OF ABILENE, TEXAS**  
**PUBLIC WORKS DEPARTMENT**  
ENGINEERING DIVISION

DATE: 03/12/2020

TO: Abilene City Council

MISCELLANEOUS: Bicycle Facilities on S. Willis St. (Master Bike Plan)



TYPICAL LAYOUT S. 32ND ST. TO S. 15TH ST.



# **Agenda Item:**

## **Bid Award #CB-2035**

### **S. Willis St. Rehabilitation Project**

*(Greg McCaffery)*

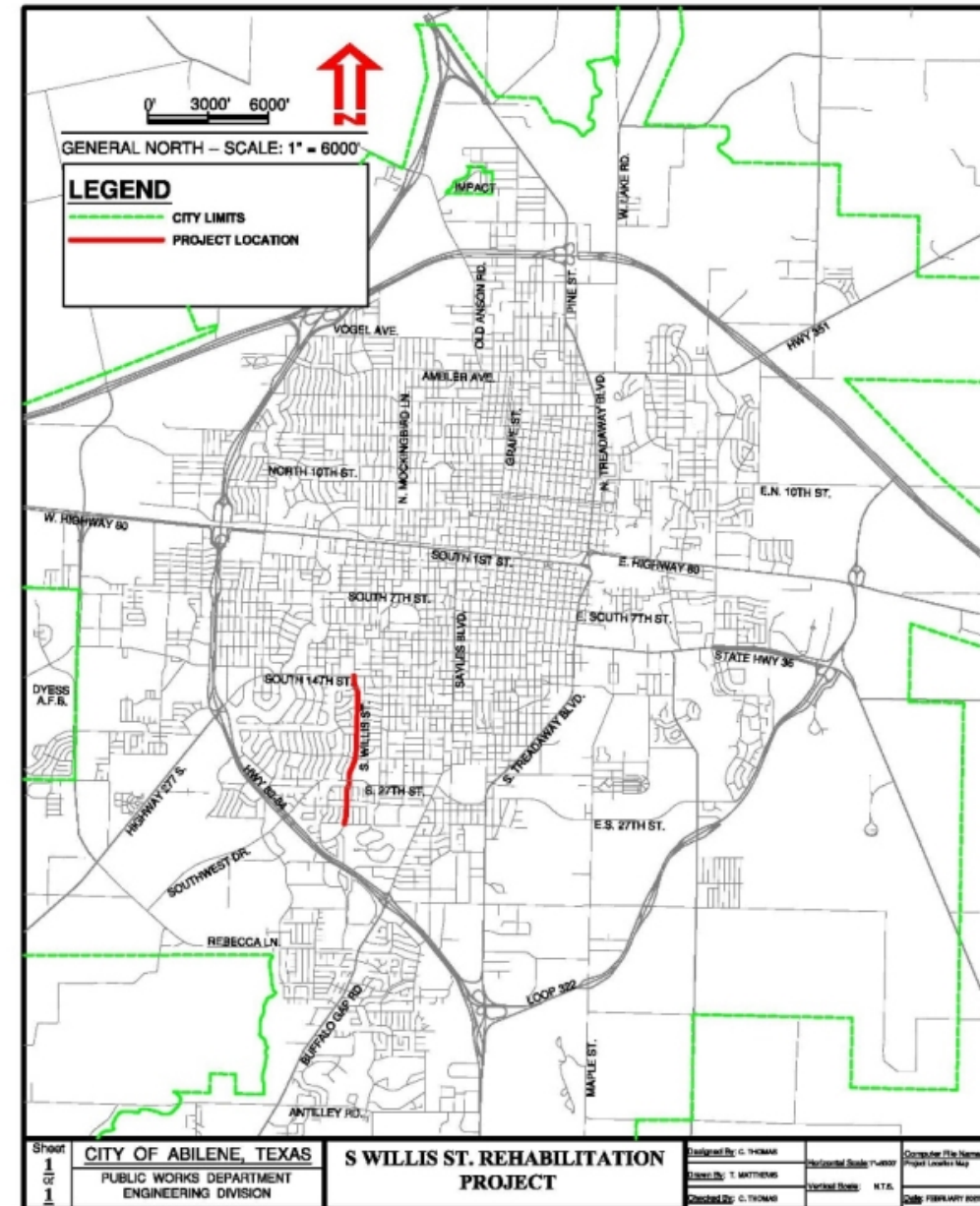


| Street        | From                    | To                      |
|---------------|-------------------------|-------------------------|
| S. Willis St. | S. 14 <sup>th</sup> St. | S. 32 <sup>nd</sup> St. |

**Street**  
S. Willis St.

**From**  
**S. 14<sup>th</sup> St.**

**To**  
**S. 32<sup>nd</sup> St.**



# **Agenda Item:**

## **S. Willis Street Rehabilitation Project**

- Construction contract for the reconstruction and overlay of S. Willis St. from S. 32<sup>nd</sup> St. to S. 14<sup>th</sup> St.
- Project Advertised February 2<sup>nd</sup> & February 9<sup>th</sup>, Bids Opened February 18<sup>th</sup>.
- Three bids were received.
- The “Best Value” competitive bidding method was used.
- Staff recommends award of contract to Bontke Brothers Construction, Inc. in the amount of \$1,667,841.50.



# Questions?





**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Robert Hanna, City Manager

**FROM:** Greg McCaffery

**SUBJECT:** 13. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Awarding Bid No. CB-2040 to Bontke Brothers Construction for Butternut Street Reconstruction Project (Greg McCaffery)

---

**GENERAL INFORMATION**

This Project was advertised as a Public Notice on February 16, 2020 and on February 23, 2020 with a bid opening dated March 3, 2020. This contract involves the overlay and partial reconstruction of Butternut Street from South Treadaway Boulevard to South 1<sup>st</sup> Street. The contract includes five concrete intersections, drainage improvements, and bicycle route facilities. The "Best Value" competitive bidding method was used for this project selection.

The Butternut Street Reconstruction Project is on the streets projects schedule for this year as part of Proposition 1 of the voter approved 2015 Bond Project.

Butternut St. is designated to have a Bicycle Route on the approved Bicycle Plan for the City of Abilene from S 20<sup>th</sup> St to S 1<sup>st</sup> St.

**SPECIAL CONSIDERATIONS**

This project has a contract completion time of 100 working days (approx. 5 months, weather permitting).

**FUNDING/FISCAL IMPACT**

Funding for this project is allocated through General Bond funds.

## **STAFF RECOMMENDATION**

Staff recommends bid award to Bontke Brothers Construction Co., Inc. of Abilene, Texas in the amount of \$2,809,646.00.

## **BOARD OR COMMISSION RECOMMENDATION**

## **ATTACHMENTS:**

1. REV\_Resolution\_Butternut\_Proj\_Award
2. (Item 13)Scope of Work\_Butternut St
3. Signed Contract\_Bontke\_Butternu\_St\_Rehab
4. CB2040 TABSHEET
5. BICYCLE FACILITIES
6. Butternut PROJECT LOCATION MAP
7. REV\_Presentation\_Butternut

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, AWARDBING  
BID TO BONTKE BROTHERS CONSTRUCTION CO., INC., ABILENE, TEXAS**

**WHEREAS**, the City of Abilene duly advertised and gave such notice, as required by law, for bids for the overlay and partial reconstruction of Butternut Street from South Treadaway Boulevard to South 1<sup>st</sup> Street; and

**WHEREAS**, the project involves the overlay and partial reconstruction of Butternut Street from South Treadaway Boulevard to South 1<sup>st</sup> Street. The contract will also include five concrete intersections, drainage improvements, and bicycle route elements; and

**WHEREAS**, the City of Abilene has utilized the “Best Value” competitive bidding method in determining the award of contract; and

**WHEREAS**, the following bids were received and opened on the March 3, 2020:

|                                                        |                |
|--------------------------------------------------------|----------------|
| Bontke Brothers Construction Co., Inc., Abilene, Texas | \$2,809,646.00 |
| Nobles Road Construction Inc., Abilene, Texas          | \$2,904,708.77 |

**WHEREAS**, Bontke Brothers Construction Co., Inc., Abilene, Texas submitted the low bid in the amount of \$2,809,646.00 with the bid meeting specifications. Staff recommends awarding the bid to the best value bidder, Bontke Brothers Construction Co., Inc., Abilene, Texas.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF ABILENE, TEXAS**

PART 1: That the City Council approves this bid in the amount of \$2,809,646.00.

PART 2: That this Resolution shall take effect immediately from and after passage.

**ADOPTED** this 12<sup>th</sup> day of March, 2020.

ATTEST:

\_\_\_\_\_  
Shawna Atkinson, City Secretary

\_\_\_\_\_  
Anthony Williams, Mayor

APPROVED:

\_\_\_\_\_  
Stanley Smith, City Attorney

## SCOPE OF PROJECT

This construction contract involves the reconstruction of Butternut Street starting on the West TxDOT ROW on S. Treadaway and Butternut to S. 1<sup>st</sup> Street as outlined in the Construction Plans. This contract will also include five full concrete intersections and six partial intersections as well as concrete valleys gutters at various location and ADA curb ramps as outlined in the Construction Plans. The old concrete pavement from S. 17<sup>th</sup> Street to S. 21<sup>st</sup> Street will be removed and replaced to the Proposed Section as shown in the Construction Plans. The rest of Butternut Street, not including the concrete pavement areas, will be a mill and overlay and any full depth repairs as needed to the Proposed HMAC Street Section as shown in the Construction Plans. All of the HMAC roadway will also include an under seal.

Part of Butternut Street is on the Master Bicycle Plan so Bike Route Signs will be placed from S. 20<sup>th</sup> Street to S. 1<sup>st</sup> Street. TxDOT Standard Thermoplastic Pavement Markings will be used the full length of the Project.



# CONSTRUCTION CONTRACT

## BACKGROUND

THIS CONTRACT, made on the 12th day of March, 2020 is between the City of Abilene, a Municipal Corporation of Taylor and Jones Counties, Texas ("City"), and Bontke Brothers Construction Company, Inc. of the City of Abilene, State of Texas. ("Contractor").

The City recognizes a need for high quality construction work; the Contractor agrees to complete the project in return for payment.

## THE AGREEMENT

1. **Work and Consideration.** hereby agrees to commence and complete the construction of Work required in the Contract Documents -- incorporated herein by reference --

### BUTTERNUT STREET RECONSTRUCTION PROJECT

All work to be performed will be completed in conformance with (1) Part I and II of the City of Abilene's Standard Specifications for Construction adopted September, 2006 with the attached amendments in these Contract Documents, and (2) the Technical Specifications and Plans attached to these Contract Documents. Technical Specifications and Plans attached to these Contract Documents control in the event of a conflict.

In consideration of this Work, the City will pay the Contractor the sum of \$2,809,646.00 (Two million eight hundred nine thousand six hundred forty-six dollars and zero cents).

2. **Timely Work.** The Contractor must begin and fully complete Work in the days stated in the Notice to Proceed. The time allows for normal delays associated with weather conditions, crew coordination, etc. Time is of the essence, and liquidated damages as set forth in the General Conditions (Paragraph 16) apply for late Work.
3. **Payment.** If Performance and Payment Bonds are required, the City will pay Contractor according to the General Conditions (Paragraph 20). If Performance and Payment Bonds are not required, the City will pay Contractor according to the Instructions to Bidders.
4. **No liens.** No mechanic, contractor, subcontractor, supplier, or other person can or will contract for, or in any other manner have or acquire any lien upon the work of this Contract, or the land upon which it is situated. The laws of the State of Texas govern this Contract.
5. **Venue.** Venue for any legal proceeding is Taylor County, Texas.
6. **Indemnity.**

### A. Definitions

For the purpose of this section the following definitions apply:

"City" shall mean all officers, agents and employees of the City of Abilene.

"Claims" shall mean all claims, liens, suits, demands, accusations, allegations, assertions, complaints, petitions, proceedings and causes of action of every kind and description brought for damages.

"Contractor" includes the corporation, company, partnership, or other entity, its owners, officers, and/or partners, and their agents, successors, and assigns.

"Contractor's employees" shall mean any employees, officers, agents, subcontractors, licensee and invitees of Contractor.

"Damages" shall mean each and every injury, wound, hurt, harm, fee, damage, cost, expense, outlay, expenditure or loss of any and every nature, including but not limited to:

- (i) injury or damage to any property or right
- (ii) injury, damage, or death to any person or entity
- (iii) attorneys fees, witness fees, expert witness fees and expenses, and
- (iv) all other costs and expenses of litigation

"Premise Defects" shall mean any defect, real or alleged, which now exists or which may hereafter arise upon the premises.

"Proven" shall mean that a court of competent jurisdiction has entered a final unappealable judgment on a claim adjudging an entity or person liable for a monetary judgment.

"Sole negligence" shall mean negligence of a party that is unmixed with the fault of any other person or entity.

#### **B. Indemnity**

The Contractor must indemnify, hold harmless, and defend the City from and against liability for any claims arising out of the Contractor's work and activities conducted in connection with this Contract.

The Contractor is an independent contractor and is not, with respect to its acts or omissions, an agent or employee of the City.

Contractor must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of Contractor's employees while in the vicinity where the work is being done. The City is not liable or responsible for the negligence or intentional acts or omissions of the Contractor or Contractor's employees.

The City assumes no responsibility or liability for damages which are directly or indirectly attributable to premise defects. Responsibility for all such defects is expressly assumed by the Contractor.

The City and Contractor must provide the other prompt and timely notice of any covered event which in any way affects or might affect the Contractor or City. The City has the right to compromise and defend the same to the extent of its own interests.

BOTH CITY AND CONTRACTOR EXPRESSLY INTEND THIS CONTRACT'S INDEMNITY PROVISION TO REQUIRE CONTRACTOR TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE WHILE CITY IS PARTICIPATING IN THIS CONTRACT, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE DAMAGES. THIS CONTRACT'S INDEMNITY PROVISION DOES NOT APPLY TO ANY CLAIM WHERE DAMAGE IS PROVEN TO RESULT FROM THE SOLE NEGLIGENCE OF THE CITY.

7. **Insurance.** The Special Conditions found in the City of Abilene's Standard Specifications for Construction adopted September, 2006, Part I, Division I, Item 3, contain the insurance requirements of this Contract.

8. **Overcharges.** The Contractor assigns to City any claims for overcharges related to this Contract which arise under antitrust laws of the United States, 15 U.S.C.A. Sec. 1 et seq., as amended.

9. **Contract Interpretation.** Any dispute about the Contract's meaning or application will be interpreted fairly and reasonably, and neither more strongly for or against either party.

10. **Indebtedness to City.** Contractor agrees that no payments owed by him of any nature whatsoever to the City, including payment in advance for service charges or any sums of any character whatsoever, shall become delinquent or in arrears.

The City will not knowingly award contracts for goods or services to any Bidder in arrears to the City for any debt, claim, demand, or account whatsoever, including taxes, penalty or interest. Contractor is responsible for ensuring that no indebtedness exists.

Section 130 of the City Charter authorizes the City to counterclaim and offset any debt, claim, demand or account owed by the City to any person, firm or corporation in arrears to the City for any debt, claim, demand or account of any nature whatsoever, including taxes, penalty or interest.

11. **Boycott of Israel.** In accordance with Chapter 2270, Texas Government Code, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.

This section only applies to a contract that: (a) is between a governmental entity and a company with 10 or more full-time employees and (b) has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity. Additionally, "company" does not include a sole proprietorship.

If this section is applicable, the signatory executing this contract on behalf of company verifies that the company does not boycott Israel and will not boycott Israel during the term of this contract.

12. **Contract Execution.** The Contractor must sign the Contract first, with any necessary attestation and seal. The City Attorney or designee must review the Contract, and approve or disapprove it. If approved, the City's authorized agent will then sign. The City Secretary must keep a signed original in the City Secretary's Office.

13. **Contract Copies.** Each of the two executed copies is an original.

IN WITNESS HERE OF, the parties hereto have executed this contract:

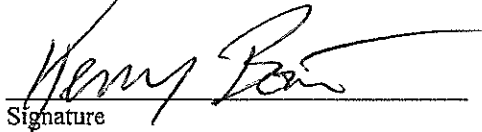
**CONTRACTOR**

Name of Contractor:

Bontke Brothers Construction

Business Address:

102 College Dr  
Abilene, TX



Signature

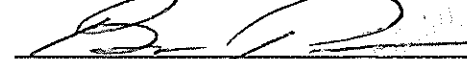
Kenneth Bontke  
Name - Typed or Printed

325-677-6276  
Business Phone No.

President  
Title - Typed or Printed

75-1331325  
Federal Tax I.D.#

ATTEST: (If Corporation)

  
Corporate Secretary's Signature

Corporate Seal  
(if none, write "None") |



**CITY OF ABILENE**

\_\_\_\_\_  
Authorized Signature

ATTEST:

\_\_\_\_\_  
City Secretary

APPROVED:

Seal: |

\_\_\_\_\_  
City Attorney

**CITY OF ABILENE  
PURCHASING DIVISION  
TABULATION OF BIDS**

PAGE  
1 OF 1

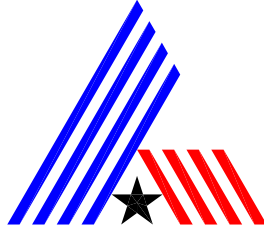
**DEPARTMENT:** ENGR  
**BID NO.:** CB-2040  
**TIME OF OPENING:** 11:00 A.M.  
**DATE OF OPENING:** MARCH 3, 2020

BONTKE BROTHERS  
ABILENE, TX

NOBLES ROAD  
CONSTRUCTION  
ABILENE, TX

| ITEM      | DESCRIPTION                          | QTY | UNIT | UNIT PRICE | EXTENSION    | UNIT PRICE | EXTENSION    | UNIT PRICE | EXTENSION | UNIT PRICE | EXTENSION | UNIT PRICE | EXTENSION | UNIT PRICE | EXTENSION |
|-----------|--------------------------------------|-----|------|------------|--------------|------------|--------------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|
| 1.        | BUTTERNUT ST. REHABILITATION PROJECT |     |      |            | 2,809,646.00 |            | 2,904,708.77 |            |           |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |           |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |           |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |           |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |           |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |           |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |           |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |           |            |           |            |           |            |           |
|           |                                      |     |      |            |              |            |              |            |           |            |           |            |           |            |           |
| BASE BID  |                                      |     |      |            | 2,809,646.00 |            | 2,904,708.77 |            |           |            |           |            |           |            |           |
| DISCOUNT  |                                      |     |      |            |              |            |              |            |           |            |           |            |           |            |           |
| TOTAL BID |                                      |     |      |            | 2,809,646.00 |            | 2,904,708.77 |            |           |            |           |            |           |            |           |

\*NOTES: INDICATES RECOMMENDED AWARD

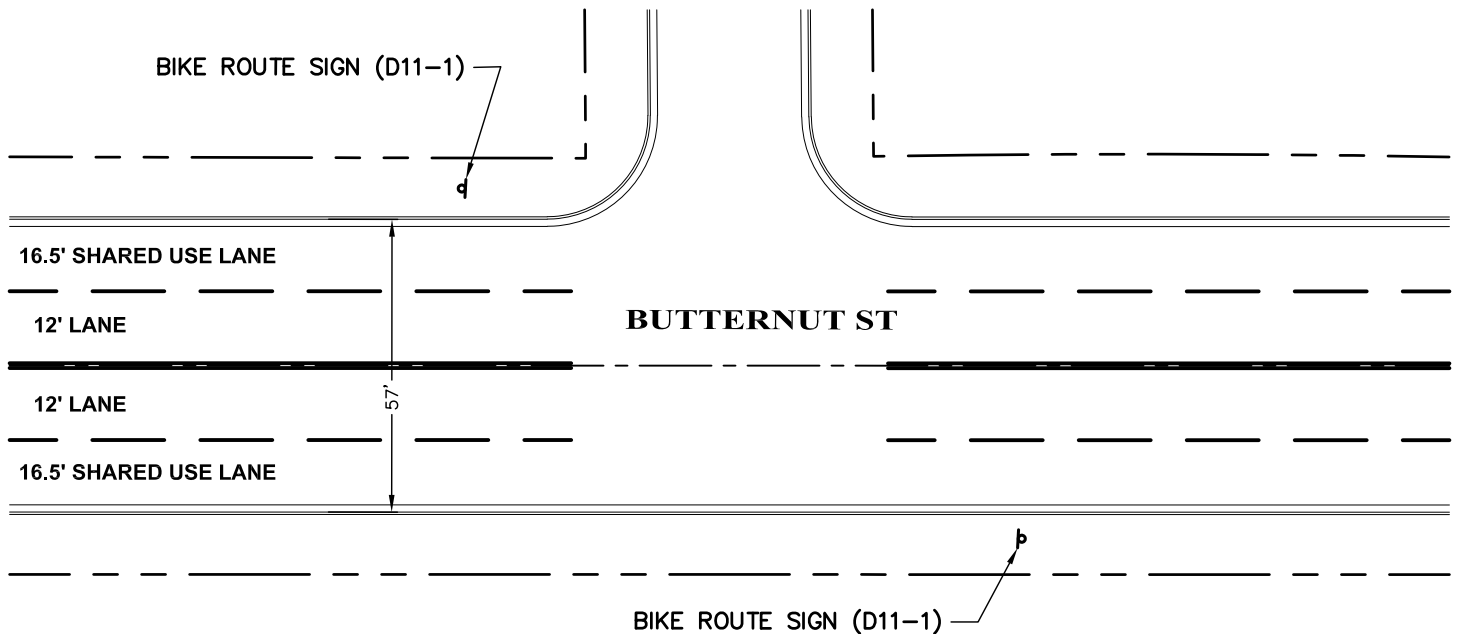


**CITY OF ABILENE, TEXAS**  
**PUBLIC WORKS DEPARTMENT**  
ENGINEERING DIVISION

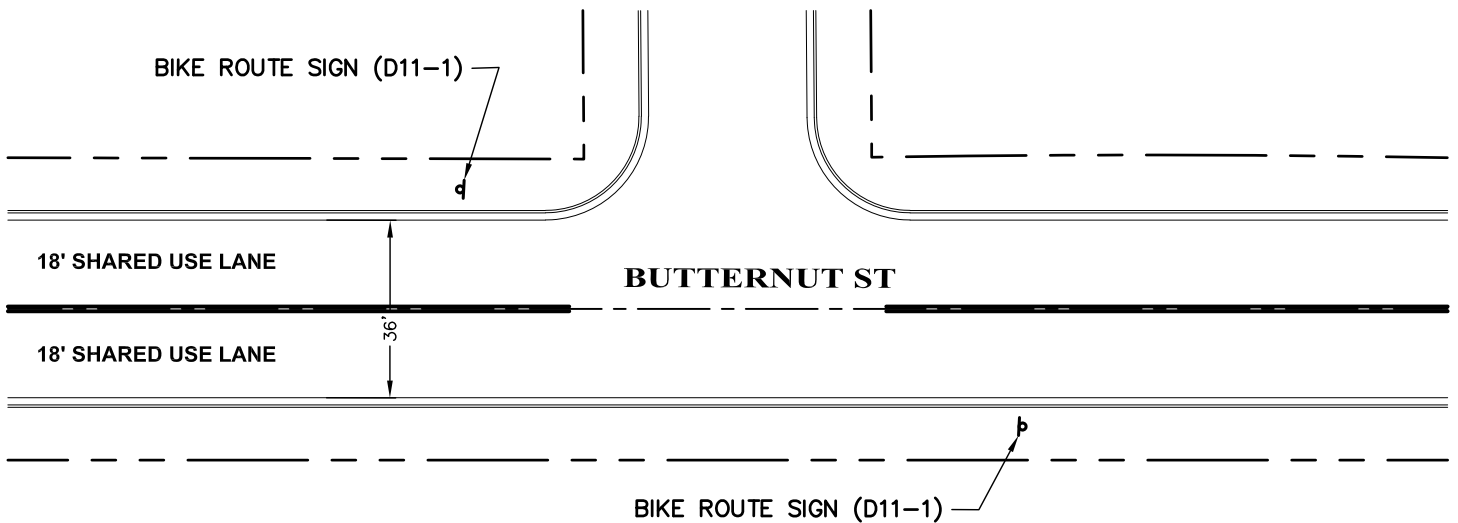
DATE: 03/12/2020

TO: Abilene City Council

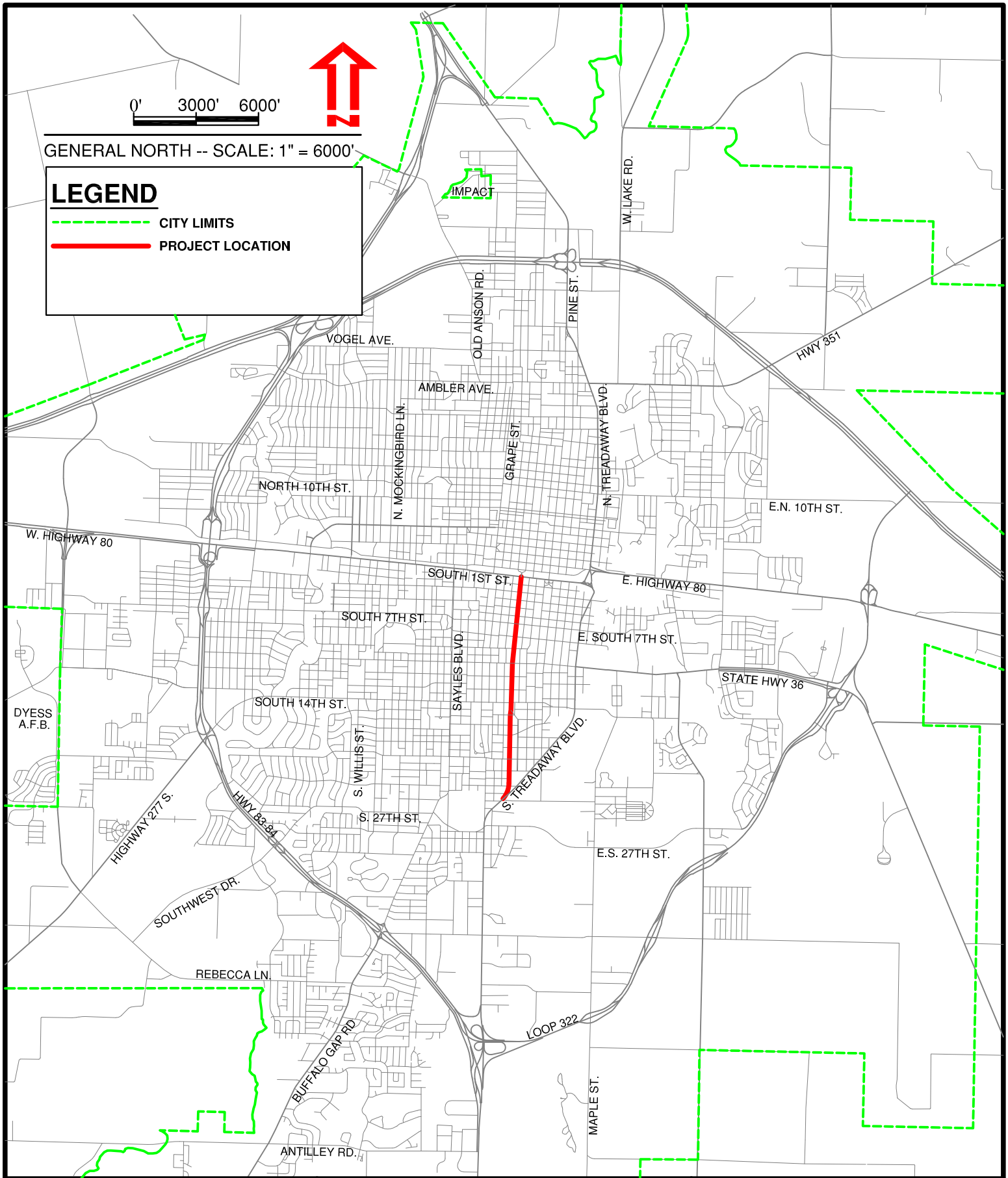
MISCELLANEOUS: Bicycle Facilities on Butternut St (Master Bike Plan)



**TYPICAL LAYOUT BELMONT AVE TO S 1ST ST**



**TYPICAL LAYOUT S 20TH ST TO BELMONT AVE**



Sheet  
1  
of  
1

**CITY OF ABILENE, TEXAS**  
PUBLIC WORKS DEPARTMENT  
ENGINEERING DIVISION

# **BUTTERNUT STREET RECONSTRUCTION PROJECT**

Designed By: C. THOMAS

Drawn By: T. MATTHEWS

Checked By: C. THOMAS

Horizontal Scale: 1"=6000'

Vertical Scale: N.T.S.

Computer File Name:  
Project Location Map

Date: FEBRUARY 2020

# Agenda Item: Butternut Street Reconstruction Project

Resolution: Bid Award #CB-2040 Butternut  
Street Reconstruction Project  
*(McCaffery)*



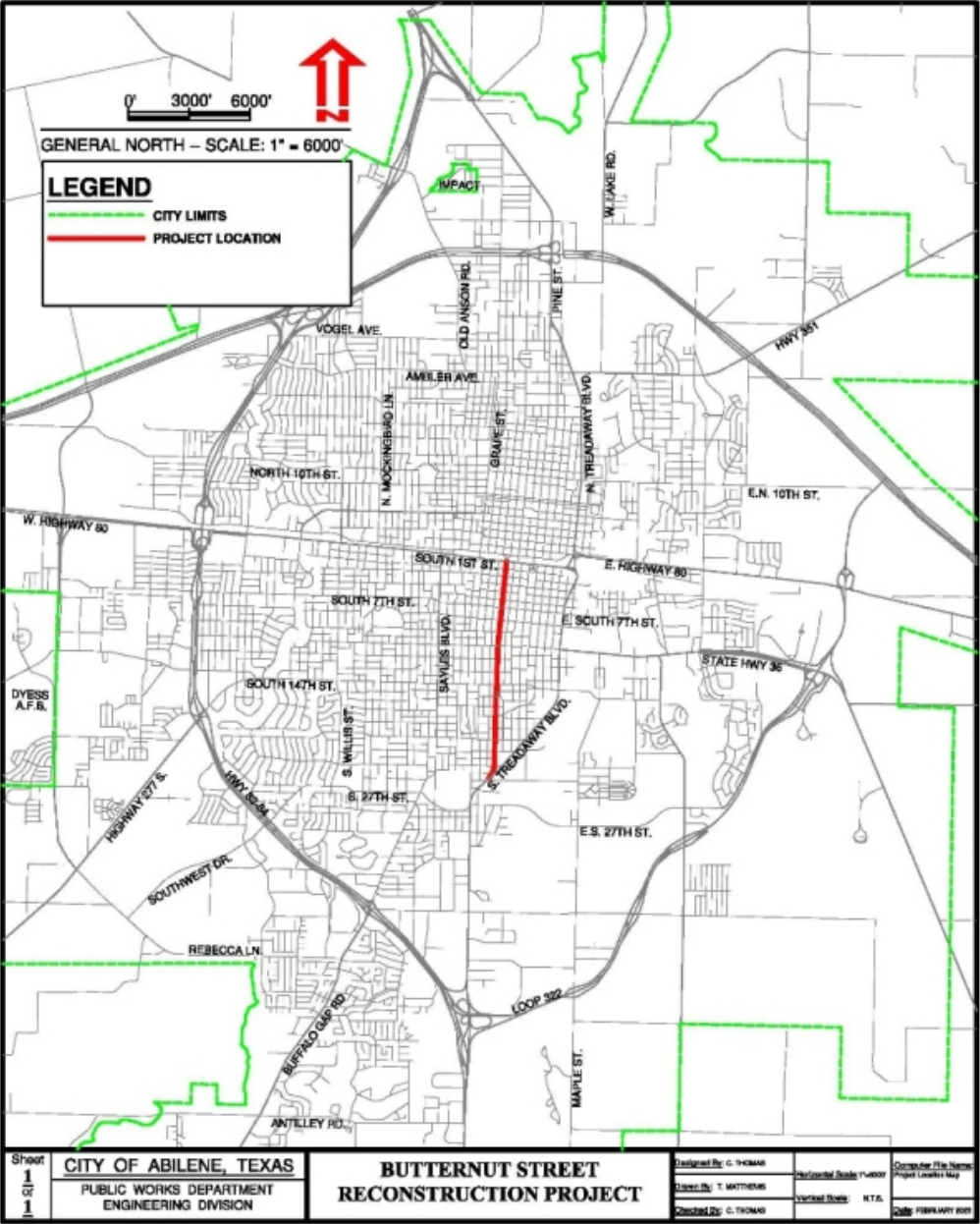


# Project Location Map

**Street**  
 Butternut St  
 Blvd

**From**  
 S 1<sup>st</sup> St

**To**  
 Treadaway



# **Agenda Item:**

## **Butternut Street Reconstruction Project**

- Construction Contract includes the overlay and partial reconstruction of Butternut Street from South Treadaway Boulevard to South 1<sup>st</sup> Street.
- Project Advertised February 16<sup>th</sup> 2020 & February 23<sup>rd</sup> 2020, Bids Opened March 3<sup>rd</sup> 2020.
- Two bids were received.
- Staff recommends award of contract to Bontke Brothers Construction, Inc. in the amount of \$2,809,646.00.



# Questions?





**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Robert Hanna, City Manager

**FROM:** Greg McCaffery

**SUBJECT:** 14. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action to Approve an Extended Term Street Use License with Motis Investments, LLC (*Greg McCaffery*)

---

**GENERAL INFORMATION**

Motis Investments, LLC, has submitted an application for an Extended Term Street Use License to use a portion of City right-of-way along the west right-of-way on Pine Street and along the north right-of-way on North 2<sup>nd</sup> Street at the property addressed at 202 Pine Street. The applicant wishes to construct a second floor balcony and exterior staircase at the location.

**SPECIAL CONSIDERATIONS**

**FUNDING/FISCAL IMPACT**

**STAFF RECOMMENDATION**

Staff has reviewed this request and recommends that the City Council authorize the City Manager to execute the attached Extended Term Street Use License with Motis Investments,

LLC for use of a portion of the City's right-of-way along Pine Street and North 2<sup>nd</sup> Street.

**BOARD OR COMMISSION RECOMMENDATION**

**ATTACHMENTS:**

1. REV\_Resolution
2. SULPkt2
3. REV\_Presentation\_Pine\_St\_Use\_License

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS,  
AUTHORIZING THE CITY MANAGER TO EXECUTE THE EXTENDED TERM STREET USE  
LICENSE WITH MOTIS INVESTMENTS, LLC**

**WHEREAS**, the applicant has submitted an Extended Term Street Use License application to construct and maintain a second floor balcony and exterior staircase along the west right-of-way of Pine Street and along the north right-of-way line on North 2<sup>nd</sup> Street to construct and maintain a second floor balcony and exterior staircase at the building addressed as 202 Pine Street; and

**WHEREAS**, this application and Extended Term Street Use License have been reviewed and approved by City Staff.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF ABILENE, TEXAS**

PART 1: That the City Manager is hereby authorized to execute the Extended Term Street Use License with Motis Investments, LLC.

PART 2: That this Resolution shall take effect immediately from and after its passage.

**ADOPTED** this 12<sup>th</sup> day of March, 2020.

ATTEST:

\_\_\_\_\_  
Shawna Atkinson, City Secretary

\_\_\_\_\_  
Anthony Williams, Mayor

APPROVED:

\_\_\_\_\_  
Stanley Smith, City Attorney

THE STATE OF TEXAS

STREET USE LICENSE AGREEMENT  
EXTENDED TERM

COUNTY OF TAYLOR

THIS STREET USE LICENSE AGREEMENT, hereinafter referred to as "License", executed this \_\_\_\_ day of \_\_\_\_\_, A.D., 2020, by and between the CITY OF ABILENE, a municipal corporation situated in Taylor and Jones Counties, Texas, hereinafter referred to as "City", and Motis Investments, LLC, hereinafter referred to as "Licensee".

WITNESSETH:

That City, pursuant to Chapter 29, "Streets and Sidewalks", Article V, "Street Use License", does hereby grant to Licensee the privilege of using the following described public property, to-wit:

*Along the west right-of-way on Pine Street and along the north right-of-way on North 2<sup>nd</sup> Street*

for and in consideration of THREE HUNDRED AND NO/100 (\$300.00) DOLLARS, commencing the date of execution unless otherwise specified, and upon the conditions and covenants set forth in this License and in Exhibit A incorporated by reference for all purposes herein.

I. Purpose:

The purpose of this License is to permit Licensee to:

*To construct and maintain a second floor balcony and exterior staircase along the west right-of-way on Pine Street and along the north right-of-way on North 2<sup>nd</sup> Street at the building addressed as 202 Pine Street as depicted on Exhibit "B".*

II. Indemnity:

A. Definitions

For the purpose of this section the following definitions apply:

"City" shall mean all officers, agents and employees of the City of Abilene.

"Claims" shall mean all claims, liens, suits, demands, accusations, allegations, assertions, complaints, petitions, proceedings and causes of action of every kind and description brought for damages.

"Licensee" includes the corporation, company, partnership, or other entity, its owners, officers, and/or partners, and their agents, successors, and assigns.

"Licensee's employees" shall mean any employees, officers, agents, subcontractors, licensee and invitees of Licensee.

"Damages" shall mean each and every injury, wound, hurt, harm, fee, damage, cost, expense, outlay, expenditure or loss of any and every nature, including but not limited to:

injury or damage to any property or right

injury, damage, or death to any person or entity

attorneys fees, witness fees, expert witness fees and expenses, and

all other costs and expenses of litigation

"Premise Defects" shall mean any defect, real or alleged, which now exists or which may hereafter arise upon the premises.

"Proven" shall mean that a court of competent jurisdiction has entered a final unappealable judgment on a claim adjudging an entity or person liable for a monetary judgment.

"Sole negligence" shall mean negligence of a part that is unmixed with the fault of any other person or entity.

#### **B. Indemnity**

The Licensee agrees to indemnify, hold harmless, and defend the City from and against liability for any claims arising out of the Licensee's occupancy or use of the premises described above and/or activities conducted in connection with this License.

Licensee must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of Licensee's employees while in the vicinity where the work is being done. The City is not liable or responsible for the negligence or intentional acts or omissions of the Licensee or Licensee's employees.

The City assumes no responsibility or liability for damages which are directly or indirectly attributable to premise defects which may now exist or which may hereafter arise on the premises, whether or not caused in whole or in part by improvements constructed by the Licensee. Responsibility for all such defects is expressly assumed by the Licensee.

The City and Licensee must provide the other prompt and timely notice of any covered event which in any way affects or might affect the Licensee or City. The City has the right to compromise and defend the same to the extent of its own interests.

BOTH CITY AND LICENSEE EXPRESSLY INTEND THIS LICENSE'S INDEMNITY PROVISION TO REQUIRE LICENSEE TO INDEMNIFY AND

PROTECT THE CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE WHILE CITY IS PARTICIPATING IN THIS CONTRACT, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE DAMAGES. THIS CONTRACT'S INDEMNITY PROVISION DOES NOT APPLY TO ANY CLAIM WHERE DAMAGE IS PROVEN TO RESULT FROM THE SOLE NEGLIGENCE OF THE CITY.



### III. Insurance

Licensee agrees to secure and maintain the following types and amounts of insurance, for the term of this license:

| <u>Type</u>                                                                    | <u>Amount</u>                                        |
|--------------------------------------------------------------------------------|------------------------------------------------------|
| Comprehensive General Liability to include (but not limited to) the following: | \$250,000 -----Per Person                            |
| a) Premises/Operations Coverage                                                | \$500,000 -----Per Occurrence for Bodily Injury, and |
| a) Contractual Liability Coverage                                              | \$100,000 -----Per Occurrence for Property Damage    |

The preceding insurance requirements notwithstanding, the City reserves the right to revise the types and amounts of insurance required by this License prior to the approval of the License or if License is in effect, to be effective thirty (30) days after notice is sent to the address provided herein.

All insurance policies or certificates shall contain the following provisions:

- a. That the City of Abilene, Texas, is named as an additional insured.
- b. That such insurance shall not be cancelled or materially changed without a minimum of thirty (30) day's advance notice in writing to the City.

All insurance policies shall be subject to the examination and approval of the Office of the City Attorney, City of Abilene, Texas, for their adequacy as to form and content, form of protection, and insurance company. Licensee shall furnish to City Secretary for her License file certificates or copies of the policies, plainly and clearly evidencing such insurance at the time of application, and thereafter new certificates prior to the expiration date of any prior certificate.

Licensee understands that it is its sole responsibility to provide this necessary information and that failure to timely comply with the requirements of this article shall be a cause for termination of this License.

### IV. License Requirements and Restrictions:

1. During the term of this License, Licensee shall maintain the premises licensed herein in a good and safe condition at all times. If the street surface, parkway, or facilities in the parkway, including landscaping, are damaged or disturbed by any activity associated with this License, the Licensee shall at its expense, restore the same to as good a condition as before the activity, to the satisfaction of the Director of Public Works or designee.

2. The construction signing and barricading requirements of the Texas Manual On Uniform Traffic Control Devices shall be met for all work done in the public right-of-way.

3. The Licensee shall be responsible for locating, protecting, and repairing (if damaged) all utilities within the area permitted and shall pay all costs associated with adjustments to utilities including street lights that are necessitated by the permitted use.

4. Permitted facilities shall be installed in accordance with all applicable laws, regulations, and codes.

5. The Licensee shall relocate its facilities at its own expense to accommodate public improvements in the right-of-way.

6. In the performing or permitting of work consistent with its normal course of duty within the right-of-way, the City shall not be liable for any damages to the Licensee's facilities or equipment or injury to Licensee, all such claim for damage or injury being expressly waived by Licensee.

7. If Street Use License regulations change, the Licensee shall agree to any new requirements or shall remove all constructed facilities from the right-of-way.

8. Upon termination the Licensee shall restore the property at its expense, to a good workmanlike condition and in a manner satisfactory to the Director of Public Works or designee.

9. The City Manager, Police Chief, Fire Chief, or a designee of such officials, shall have the authority to order immediate removal of any objects or materials placed on the premises by Licensee if, in the City's opinion, removal is necessary to protect the health, safety, or welfare of the public. If the Licensee fails to comply with the order, the City shall remove the materials, and the Licensee shall reimburse the City for the cost of compliance. The Licensee may appeal the removal order to the Abilene City Council by filing written notice with the City Secretary within 5 days of the order; provided, however that ANY APPEAL SHALL NOT STAY THE OFFICIAL'S ORDER OR THE REMOVAL PROCEDURE.

V. Termination

1. This License shall automatically terminate five (5) years from the date of execution.

2. The City shall have the right to cancel this License at any time by giving Licensee thirty (30) days notice of its cancellation. The notice shall be in writing delivered to Licensee by certified mail.

3. In the event Licensee shall permit any City of Abilene, Abilene Independent School District, West Central Texas Municipal Water District, or any other taxes assessed against it to become delinquent, this License shall automatically terminate and become null and void.

4. This License may not be assigned or conveyed; any attempt by Licensee to do either shall automatically terminate the License. In the event Licensee should sell the property adjacent to the area for which the License has been granted, this License shall automatically terminate.

CITY OF ABILENE, TEXAS

NAME OF LICENSEE:

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Motis Investments, LLC

ATTEST:

DocuSigned by:

By:



\_\_\_\_\_  
F0B8BAA7C2DC45F Signature

\_\_\_\_\_  
City Secretary

\_\_\_\_\_  
Printed Name and Title

APPROVED:

Business Address: 3401 S. 11<sup>th</sup> Street

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Abilene, Texas 79605

**EXHIBIT "A"**  
**STREET USE LICENSE AGREEMENT**  
**WITH**  
**MOTIS INVESTMENTS, LLC**  
**CONDITIONS AND COVENANTS**

The Street Use License Agreement is subject to the following conditions and covenants:

1. Licensee shall construct the balcony and exterior staircase only on the sidewalk side of the curb line in accordance with plans approved by the city.
2. Licensee shall provide a minimum of 10'-0" clearance between the surface of the sidewalk and the balcony.
3. Licensee shall provide evidence of proper structural design of the balcony, its columns and foundations and the staircase to the Building Official and the City Engineer for approval prior to construction.
4. The Licensee shall contact the city's Engineering Division (676-6281) prior to commencing any work in the right-of-way.
5. The Licensee shall submit a traffic control plan to the Traffic and Transportation Division (676-6281) for approval before beginning any work that will result in blocking traffic lanes.
6. The Licensee shall contact the Traffic Signal Shop (676-6066) or the Traffic Engineering office (676-6281) for location of traffic signal facilities and shall contact the Water Utilities Department (676-6425) for location of water and sewer lines before beginning excavation in the right-of-way.
7. The Licensee shall contact the city of Abilene Building Inspections (676-6232) regarding any necessary permits for the installation of the requested facility.
8. The Licensee shall ensure all underground utilities are identified and marked prior to any excavation.
9. The Licensee shall barricade any excavation in the right-of-way to prevent pedestrian and/or vehicular access while excavation is unattended. Any barricades left in the right-of-way overnight must be lighted.
10. The Licensee shall promptly repair all signs, pavement markings, and other traffic control devices damaged by its work in the right-of-way.
11. If the City determines that the subject right-of-way is needed for purposes that would be adversely impacted by the permitted facility, the Licensee shall remove the permitted facility within sixty (60) days notice of cancellation.

## SITE NOTES



SCALE: 1" = 10'-0"



- KEYWORD NOTES

KEYWORD NOTES



1



11

3

1

## SITE LEGEND

## 2. MATERIALS AND METHODS

THE ORIGINAL COMING  
ACCOMPANIED WITH A

**CONFERE IL TUO VOTO**

**THE QUEEN'S COMMISSION**

**SUPERVISOR TO VERIFY  
BUILDING AND ALL FEE**

### E. THE QUEST FOR COUNTRY

THE AN EXISTING WATER  
MATERIALS, PRODUCT

## D THE NEW CONCRETE

**C THE GENERAL CONTRACTOR**  
MAKES ALL NECESSARY

**SHALL BE INCLUDED ON**

### 8. FINAL CAUSES OF THE

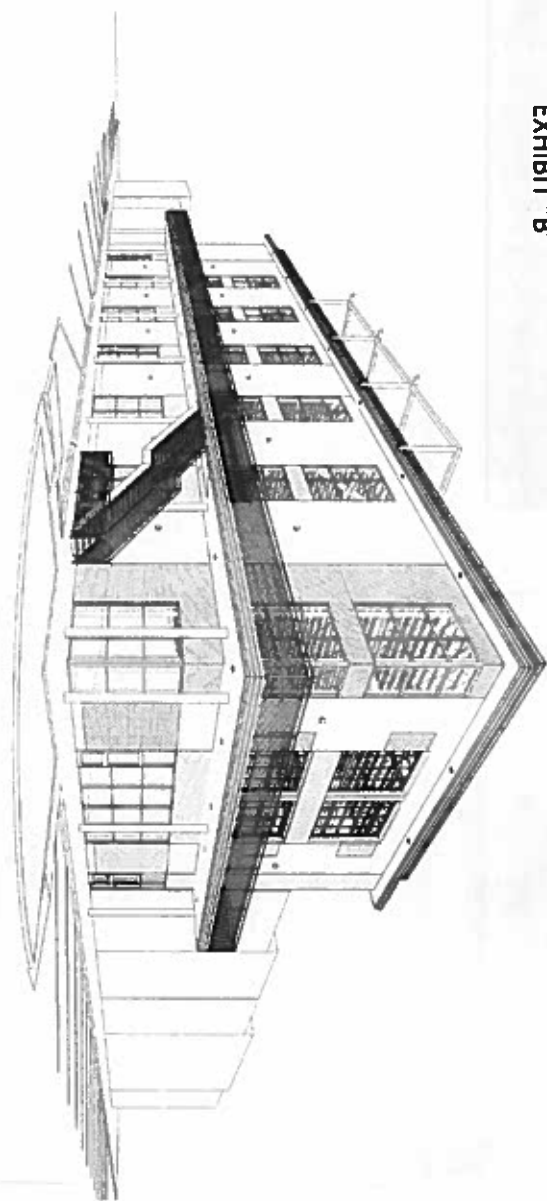
**SHOWING ON THE DRAWING**  
CHANGES ARE TO ALLOW

**A ALL EXISTING CRACKS AND DISCREPANCIES TO**

## SITE NOTES

10

EXHIBIT "g"



1 SOUTHEAST PERSPECTIVE



2 SOUTHWEST PERSPECTIVE



STREET USE LICENSE AGREEMENT  
EXTENDED TERM

APPLICATION

Applicant: Motis Investments, LLC Phone: 325-660-4333

Address: 3401 S. 11th St. Abilene, TX 79605

Agent: Jacob Martin, LLC Phone: 325-695-1070

Description of Public Right-of-Way to be used: Corner of Pine St. and North 2<sup>nd</sup>  
Address of subject property is 202 Pine St.

Owner of adjacent property: Castillo Tres Generaciones, LLC

Proposed use of public right-of-way: Second story balcony overhang, associated supporting  
columns, and exterior staircase.

Reasons for the request: To allow building renovations described  
above.

Application is not complete unless all of the following are included:

- Application fee- \$300
- Certificate or other evidence of insurance
- A dimensioned drawing showing existing and proposed features in the public right-of-way and on adjacent property (sidewalks, curbs, fire hydrants, buildings, fences, etc.)

[Signature]  
Signature of Applicant or Agent

10-18-18  
Date

Return Application to:  
Public Works Dept.  
City of Abilene  
PO Box 60  
Abilene TX 79604

**Agenda Item:**  
**Extended Term Street Use License**  
**Motis Investments, LLC**  
**202 Pine Street**  
*(McCaffery)*



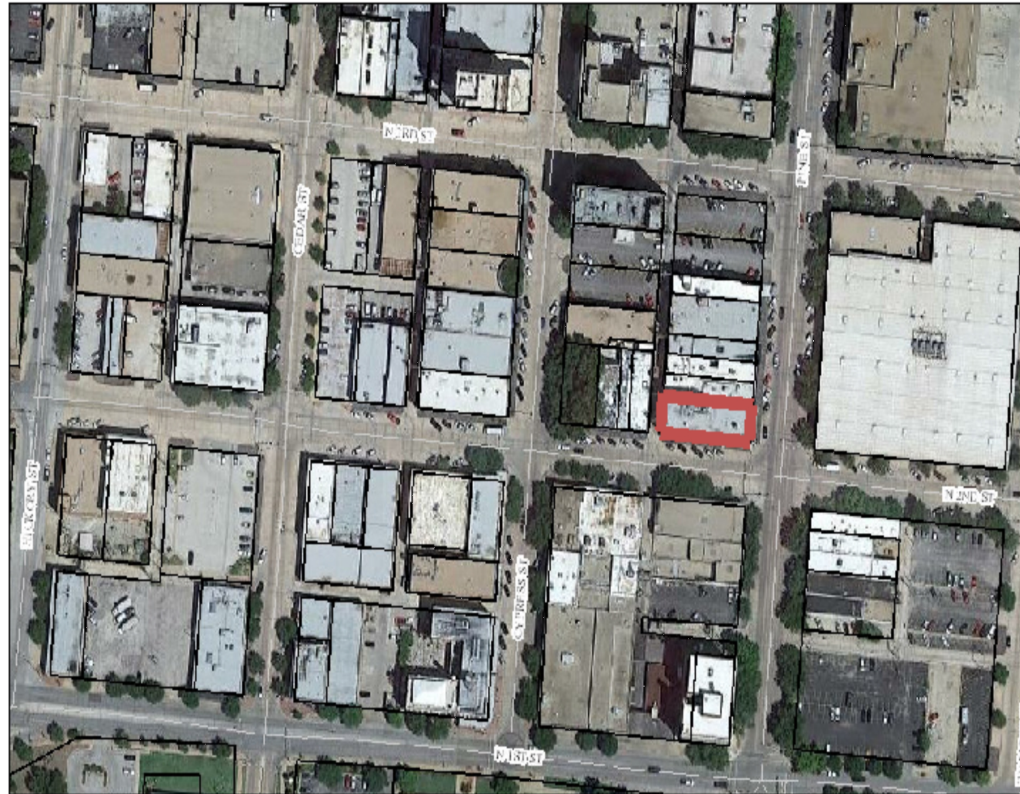
- Motis Investments, LLC has submitted an application for an Extended Term Street Use License to use a portion of City right-of-way along the west right-of-way on Pine Street and along the north right-of-way on North 2<sup>nd</sup> Street for the construction of second floor balcony and exterior staircase at 202 Pine Street.
- The application has been reviewed and found to be complete.
- Staff recommends approval of the Extended Term Street Use License.





# Location Map

ArcGIS Web Map



July 12, 2019

1:2,257  
0 0.0175 0.035 0.07 mi  
0 0.03 0.06 0.12 km  
Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS,  
FAO, NPS, NRCAN, Geobase, IGN, Kadaster NL, Ordnance Survey, Esri  
Web AppBuilder for ArcGIS

ArcGIS Web Map

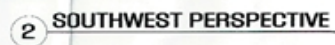


July 18, 2019

1:1,128  
0 0.0075 0.015 0.03 mi  
0 0.015 0.03 0.06 km  
Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS,  
FAO, NPS, NRCAN, Geobase, IGN, Kadaster NL, Ordnance Survey, Esri  
Web AppBuilder for ArcGIS





[illegible]

# Questions?





**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Robert Hanna, City Manager

**FROM:** Cheryl Sawyers, Planning Services Manager

**SUBJECT:** **15. Resolution:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a Resolution Establishing the City of Abilene Property Assessed Clean Energy (PACE) Program (Cheryl Sawyers)

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**GENERAL INFORMATION**

The PACE Program is a program created by the State of Texas to foster economic development.

The program allows the City to serve as a conduit of funds - without risk or exposure to the taxpayer, to private developers for facility improvements.

**SPECIAL CONSIDERATIONS**

On February 27, 2020, the City Council adopted a Resolution of Intent to establish the City of Abilene Property Assessed Clean Energy (PACE) Program, and set the required public hearing for March 12, 2020.

**FUNDING/FISCAL IMPACT**

No negative financial impact is anticipated.

**STAFF RECOMMENDATION**

Staff recommends approval.

## **BOARD OR COMMISSION RECOMMENDATION**

### **ATTACHMENTS:**

1. 2020 Abilene Res to Establish a PACE program
2. Report for PACE Resolution
3. Supporting Document PACE Flyer
4. Supporting Doc CS\_Amarillo-Barfield-2019-02-27
5. Supporting Doc CS\_Butler-Brothers\_2018-11-05
6. Supporting Doc CS\_Elgin-General-2019-03-04
7. PACE Presentation

RESOLUTION NO. 55-2020

THE CITY OF ABILENE CITY COUNCIL  
RESOLUTION ESTABLISHING THE CITY OF ABILENE PACE PROGRAM

STATE OF TEXAS               §  
                                          §  
CITY OF ABILENE           §

WHEREAS, the 83<sup>rd</sup> Regular Session of the Texas Legislature enacted the Property Assessed Clean Energy Act, Texas Local Government Code Chapter 399 (the “PACE Act”), which allows the governing body of a local government, including a City, to designate an area of the territory of the local government as a region within which an authorized representative of a local government and the record owners of commercial, industrial, and large multifamily residential (5 or more dwelling units) real property may enter into written contracts to impose assessments on the property to repay the financing by the owners of permanent improvements fixed to the property intended to decrease energy or water consumption or demand;

WHEREAS, the installation or modification by property owners of qualified energy or water saving improvements to commercial, industrial, and large multifamily residential real property in the City of Abilene will further the goals of energy and water conservation without cost to the public;

WHEREAS, the City Council finds that third-party financing of energy and water conserving projects through contractual assessments maintained by the City (“PACE financing”) furthers essential government purposes, including but not limited to, economic development, reducing energy consumption and costs, conserving water resources, and reducing greenhouse gas emissions;

WHEREAS, the City Council adopted a Resolution of Intent to establish a PACE program for the City of Abilene on February 27, 2020, including a reference to the report on the proposed program prepared as required by Section 399.009 of the PACE Act and made the report available to the public on the City’s website and for inspection in the City Manager’s office;

WHEREAS, the City Council finds that the administration of the PACE program by a qualified non-profit organization as an independent third-party Authorized Representative contracted by the City and compensated by application and administration fees paid by the participating property owners, will enable the program to be administered without use of City resources, will assure the objectives of impartiality and confidentiality of owner information, and will be convenient and advantageous to the City of Abilene; and

WHEREAS, the City Council also finds that because no City funds will be expended for PACE financing of the Authorized Representative’s services, the selection of such an independent third-party Authorized Representative is not subject to the Professional Services Procurement Act or other City purchasing requirements; and

WHEREAS, the City Council held a public hearing on March 12, 2020 at 8:30 am in the City Council Chambers, 555 Walnut Street, Abilene, Texas, at which the public could comment on the proposed program, including the report available for public inspection as mentioned above and as required by Section 399.008(a)(2):

NOW THEREFORE, be it resolved by the City Council of the City of Abilene that:

1. Recitals. The recitals to this Resolution are true and correct and are incorporated into this resolution for all purposes.
2. Establishment of Program. The City of Abilene hereby adopts this Resolution Establishing the City of Abilene Property Assessed Clean Energy Program ("Abilene PACE"), herein called "the Program," and finds that financing qualified projects through contractual assessments pursuant to the PACE Act is a valid public purpose and is convenient and advantageous to the City and its citizens.
3. Contractual Assessments. The City will, at the property owner's request, impose contractual assessments on the property to repay PACE financing for qualified energy and water conserving projects available to owners of privately owned commercial, industrial, and large multifamily property.
4. Qualified Projects. The following types of projects are qualified projects for PACE financing that may be subject to such contractual assessments:

Projects that (a) involve the installation or modification of a permanent improvement fixed to privately owned commercial, industrial, or residential real property with five (5) or more dwelling units, and (b) are intended to decrease energy or water consumption or demand, including a product, device, or interacting group of products or devices on the customer's side of the meter that uses energy technology to generate electricity, provide thermal energy, or regulate temperature.

An assessment may not be imposed to repay the financing of facilities for undeveloped lots or lots undergoing development at the time of the assessment or the purchase or installation of products or devices not permanently fixed to real property.

5. Region. The boundaries of the entire geographic area within City's jurisdiction are included in the boundaries of the region where PACE financing and assessments can occur.
6. Third- Party Financing. Financing for qualified projects under the Program will be provided by qualified third-party lenders chosen by the owners. Such lenders will execute written contracts with the Authorized Representative to service the debt through assessments, as required by the PACE Act. The contracts will provide for the lenders to determine the financial ability of owners to fulfill the financial obligations to be repaid through assessments, advance the funds to owners on such terms as are agreed between the lenders and the owners for the installation or modification of qualified projects, and service the debt secured by the assessments, directly or through a servicer, by collecting payments from the owners pursuant to financing documents executed between the lenders and the owners. The City will maintain and continue the assessments for the benefit of such lenders and will enforce the assessment lien for the benefit of a lender in the event of a default by an owner. The City of Abilene will not, at this time, provide financing of any sort for the City PACE program.
7. Authorized Representative. The City Council will designate a non-profit organization, Texas PACE Authority, to act as the Authorized Representative with authority to enter into written contracts with the record owners of real property in City to impose

assessments pursuant to the PACE Act to repay the financing of qualified projects on the owners' property, to enter into written contracts with the parties that provide third-party financing for such projects to service the debts through assessments, and to file written notice of each contractual assessment in the real property records of the Jones or Taylor County, all on behalf of the City. The Authorized Representative may make technical and conforming updates as necessary so long as the changes are consistent with the resolution to establish the PACE program and the statute. The City Manager or his designee will be the liaison with the Authorized Representative.

8. Enforcement. The City will enforce the collection of past due assessments and may contract with a qualified law firm to assist in collection efforts.
9. Report. The final report on the - PACE program, prepared in accordance with Section 399.009 of the Texas Local Government Code is attached and incorporated into this resolution. The City will post the resolution and report on the City's website.
10. Amendment of Program. The City Council may amend the City of Abilene PACE Program by resolution. However, another public hearing is required before the Program may be amended to provide for City financing of qualified improvements through assessments.

Adopted this 12th day of March, 2020.

ATTEST:

\_\_\_\_\_  
Honorable Anthony Williams, Mayor

\_\_\_\_\_  
Shawna Atkinson, City Secretary

APPROVED:

\_\_\_\_\_  
Stanley Smith, City Attorney



## **REPORT REQUIRED BY TEXAS LOCAL GOVERNMENT CODE SECTION 399.009**

### **FOR PROPOSED MUNICIPAL**

### **PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM**

This Report is adopted by the City Council for the City of Abilene Property Assessed Clean Energy (PACE) Program (**the “Program”**) in accordance with the requirements of the Property Assessed Clean Energy Act (**the “PACE Act”**) as set forth in Texas Local Government Code Chapter 399.

The City and its constituents benefit when older existing buildings are modified with new technology and equipment that increases energy efficiency and reduces water consumption. As described in this Report, the City is establishing the commercial PACE Program to encourage private sector investment in energy efficiency and water conservation. The PACE Program will be offered to property owners on a strictly voluntary basis and will not require the use of any public funds or resources.

Authorized under the PACE Act enacted in 2013, the PACE program is an innovative financing program that enables private sector owners of privately owned commercial, industrial, and multi-family residential properties with five or more dwelling units to obtain low-cost, long-term loans to pay for water conservation, energy-efficiency improvements, and renewable energy retrofits. PACE loans provide up to 100% financing of all project costs, with little or no up-front out-of-pocket cost to the owner. The City has chosen to follow the administrative principles, program processes, and model documents of the uniform Texas PACE in a Box model program.<sup>1</sup>

Loans made under the PACE Program will be secured by assessments on the property that are voluntarily imposed by the owner. Assessments may be amortized over the projected life of the improvements. The utility cost savings derived from improvements financed with PACE loans are expected to equal or exceed the amount of the assessment. In turn, these improvements are able to generate positive cash flow upon installation because the debt service will be less than the savings.

PACE assessments are tied to the property and follow title from one owner to the next. Each owner is responsible only for payment of the assessments accruing during its period of ownership. When the property is sold, the payment obligation for the remaining balance of the assessment is transferred automatically to the next owner. As a result, the program will help property owners overcome market barriers that often discourage investment in energy efficiency and water conservation improvements.

#### **1. Eligible Properties**

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<sup>1</sup> <https://www.keepingpaceintexas.org/pace-in-a-box>

The City PACE program is a strictly voluntary program. All private sector owners of Eligible Properties located within the City PACE region may participate in PACE financing. ***“Eligible Properties”*** include commercial, industrial, and multi-family residential properties with five or more dwelling units. Government, residential<sup>2</sup>, and undeveloped property and property undergoing development at the time of the assessment are not Eligible Properties.

## **2. Qualified Improvements**

PACE financing may be used to pay for Qualified Improvements to Eligible Properties. ***“Qualified Improvements”*** are permanent improvements intended to decrease water or energy consumption or demand, including a product, device, or interacting group of products or devices on the customer’s side of the meter that use energy technology to generate electricity, provide thermal energy, or regulate temperature. Under the PACE Act, products or devices that are not permanently fixed to real property are not considered to be Qualified Improvements.

The following items may constitute Qualified Improvements:

- High efficiency heating, ventilating and air conditioning (“HVAC”) systems
- High efficiency chillers, boilers, and furnaces
- High efficiency water heating systems
- Energy management systems and controls
- Distributed generation systems
- High efficiency lighting system upgrades
- Building enclosure and envelope improvements
- Water conservation and wastewater recovery and reuse systems
- Combustion and burner upgrades
- Heat recovery and steam traps
- Water management systems and controls (indoor and outdoor)
- High efficiency irrigation equipment

## **3. Benefits of PACE to Property Owners**

The PACE program will enable owners of Eligible Properties to overcome traditional barriers to capital investments in energy efficiency and water conservation improvements, such as unattractive returns on investment, split incentives between landlords and tenants, and uncertainty of recouping the investment upon sale of the property.

By financing Qualified Improvements through the program, property owners may achieve utility cost savings that exceed the amount of the assessment and reduce their exposure to utility price volatility. As a result, the value of the property will be enhanced, and the owner will only be obligated to pay the assessment installments that accrue during its period of ownership of the property. Additionally, by investing in energy efficiency and water conservation with PACE financing, property owners may also qualify for various rebate, tax credit, and incentive

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<sup>2</sup> This encompasses single family residential and any multi-family properties with fewer than five units.

programs offered by utility providers and state or federal governmental authorities to encourage these types of investments.

#### **4. Benefits of PACE to the City**

Among other things, projects financed through PACE will:

- Enable property owners and occupants to save substantial amounts in utility costs,
- Reduce demand on the electricity grid
- Mitigate greenhouse gas emissions associated with energy generation
- Enhance the value and efficiency of existing buildings
- Boost the local economy by creating new job opportunities and new business opportunities for contractors, engineers, commercial lenders, professionals, and equipment vendors and manufactures
- Increase business retention and expansion in the PACE region by enabling cost effective energy and water saving updates to existing property
- Improve productivity through optimized energy usage
- Support the State's water conservation plan
- Better enable the City to meet its water conservation goals

Finally, through the reduction in energy consumption as a result of the PACE program, there will be a decreased demand for power resulting in lower emissions from power plants. EPA regulations have significant impacts on air quality standards in Texas. For example, the most recent adjustment in the NAAQS to a lower standard increased the difficulty for the City to maintain its attainment status]. Being non-attainment for priority pollutants in the Clean Air Act endangers federal transportation funding.

The PACE program requires minimal support from the City. It is designed to be self-sustaining. Furthermore, because the PACE program is tax neutral, it achieves all of the benefits listed in this Report without imposing a burden on the City's general fund.

The 84<sup>th</sup> Texas Legislature added a provision that explicitly shields the City and its employees, members of the governing body of a local government, employees of a local government, and board members, executives, employees, and contractors of a third party who enter into a contract with a local government to provide administrative services for a program under this chapter.<sup>3</sup>

#### **5. The Benefits of PACE to Lenders**

PACE loans are attractive to lenders because they are very secure investments. Like a property tax lien, the assessment lien securing the PACE loan has priority over other liens on the property. Therefore, the risk of loss from non-payment of a PACE loan is low compared to most other types of loans. PACE assessments provide lenders with an attractive new product to assist existing and new customers in addressing an almost universal pent-up demand for needed commercial and industrial property equipment modernization. In order to protect the interests of

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<sup>3</sup> TX. Local Gov't Code §399.019. In the 85th legislature, HB 2654 clarified that the personal immunity provisions apply to all elected officials performing rights and duties under chapter 399 of the Local Government Code.

holders of existing mortgage loans on the property, the PACE Act requires their written consent to the PACE assessment as a condition to obtaining a PACE loan.

## **6. The Benefits of PACE to Contractors, Engineers, and Manufacturers**

PACE loans provide attractive sources of financing for water and energy saving retrofits and upgrades, thereby encouraging property owners to make substantial investments in existing commercial and industrial buildings. As a result, PACE will unlock business opportunities for contractors, engineers, and manufacturers throughout the commercial and industrial sectors.

## **7. Administration of the City of Abilene PACE Program**

Under the PACE Act, the establishment and operation of the program are considered to be governmental functions.<sup>4</sup> The PACE Act further authorizes the City to enter into a contract with a third party to provide administrative services for the PACE program (the “***Authorized Representative***”). The City of Abilene] will delegate administration of the PACE program to Texas PACE Authority, a qualified, non-profit organization that can administer the program at no cost to the City.

The Authorized Representative’s role is to serve as an extension of the local government staff to provide oversight of the program to ensure best practices and consumer protections at the lowest possible cost to the property owner in a transparent and ethical manner and to provide education and outreach.

The Authorized Representative will be funded by administrative fees paid by the property owners establishing a PACE project, charitable grants or other authorized sources of revenue. The Authorized Representative will not receive compensation or reimbursement from the City.

## **8. Eligible Lenders**

The PACE Act does not set criteria for financial institutions or investors to be PACE lenders. The City will follow best practices of other PACE programs and the Texas PACE in a Box model program by recommending that lenders be:

- Any federally insured depository institution such as a bank, savings bank, savings and loan association and federal or state credit union;
- Any insurance company authorized to conduct business in one or more states;
- Any registered investment company, registered business development company, or a Small Business
- Small business investment company;
- Any publicly traded entity; or
- Any private entity that:
  - Has a minimum net worth of \$5 million; and
  - Has at least three years’ experience in business or industrial lending or commercial real estate lending (including multifamily lending), or has a lending officer that has

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<sup>4</sup>

TX Local Government Code §399.003(b)

- at least three years' experience in business or industrial lending or commercial real estate lending; and
  - Can provide independent certification as to availability of funds; and
- All lenders must have the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts.

Any lender can participate in the PACE program as long as it is a financially stable entity with the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts. The property owner, not the City or the Authorized Representative, selects the lender.

The Authorized Representative will not guarantee or imply that funding will automatically be provided from a third-party lender, imply or create any endorsement of, or responsibility for, any lender; or create any type of express or implied favoritism for any eligible lender.

## 9. Components of the PACE Program

As required under Section 399.009 of the PACE Act, the following describes all aspects of the PACE Program:

- a. Map of Region. A map of the boundaries of the region included in the program is attached to this Report as Exhibit 1. The region encompasses the City limits and its extra-territorial jurisdiction.
- b. Form Contract with Owner. A form contract between the City and the record owner of the Eligible Property is attached as Exhibit 2. It specifies the terms of the assessment under the PACE program and the financing to be provided by an Eligible Lender of the property owner's choosing.
- c. Form Contract with Lender. A form contract between City of Abilene and the Eligible Lender chosen by a property owner is attached to this Report as Exhibit 3. It specifies the financing and servicing of the debt through assessments.

Form Notice of Contractual Assessment Lien. A form Notice of Assessment Lien to be filed by the City with the County Clerk is attached to this Report as Exhibit 4.

- d. Qualified Improvement. The following types of projects are qualified improvements that may be subject to contractual assessments under the PACE program:

Projects that (a) involve the installation or modification of a permanent improvement fixed to privately owned commercial, industrial or residential real property with five (5) or more

dwelling units;<sup>5</sup> and (b) are intended to decrease energy or water consumption or demand by installing a product, device, or interacting group of products or devices on the customer's side of the meter that uses energy technology to generate electricity, provide thermal energy, or regulate temperature.<sup>6</sup>

A sample list of potential Qualified Improvements appears in Section 2 above.

The PACE program may not be used to finance improvements to undeveloped lots or lots undergoing development at the time of the assessment, or for the purchase or installation of products or devices not permanently fixed to real property.<sup>7</sup>

- e. Authorized Representative. HB 3187 was signed into law on June 16, 2015. It authorizes the City to delegate administration of the PACE program to a third-party "Authorized Representative." The City may delegate all official administrative responsibilities, such as the execution of individual contracts with property owners and lenders, to an Authorized Representative. This relationship will be monitored and maintained by the City Manager or his/her designee or department.
- f. Project Review. Track and provide a public overview with savings metrics for all PACE projects
- g. Plans for Insuring Sufficient Capital. Lenders will extend loans to finance Qualified Improvements. Financing documents executed between owners and lenders will impose a contractual assessment on Eligible Property to repay the owner's financing of the Qualified Improvements. The lenders will ensure that property owners demonstrate the financial ability to fulfill the financial obligations to be repaid through contractual assessments.
- h. No Use of Bonds or Public Funds. The City of Abilene does not intend to issue bonds or use any other public monies to fund PACE projects. Property owners will obtain all financing from the Eligible Lenders they choose.
- i. Limit on Length of Loan. One of the statutory criteria of a PACE loan is that the assessment payment period cannot exceed the useful life of the Qualified Improvement that is the basis for the loan and assessment. As part of the application process, the property owners will submit an independent third-party review prepared by a licensed engineer showing the water or energy baseline conditions and the projected water or energy savings. This review will aid the

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<sup>5</sup> TX. Local Gov't Code §399.002(5).

<sup>6</sup> TX. Local Gov't Code §399.002(3).

<sup>7</sup> TX. Local Gov't Code §399.004.

<sup>8</sup> The Texas PACE Authority's website ([www.texaspaceauthority.org](http://www.texaspaceauthority.org)) offers a non-exhaustive list of interested and qualified lenders to assist property owners in funding PACE projects in Texas.

Authorized Representative in making a determination that the period of the requested assessment does not exceed the useful life of the Qualified Improvement.

- j. Application Process. The Authorized Representative will accept applications from property owners seeking to finance Qualified Improvements under the program. Each application must be accompanied by the required application fee and must include:
- (1) A description of the specific Qualified Improvements to be installed or modified on the property,
  - (2) A description of the specific real property to which the Qualified Improvements will be permanently fixed, and
  - (3) The total amount of financing, including any transaction costs, to be repaid through assessments.

Based on this information, the Authorized Representative may issue a preliminary letter indicating that, subject to verification of all requirements at closing, the proposed project appears to meet program requirements. Based on this preliminary letter, the property owner may initiate an independent third-party review of the project and submit the project to Eligible Lenders for approval of financing.

Once the above processes are completed, the property owner will submit the application to the Authorized Representative to obtain preliminary approval. The property owner is expected to produce the following documentation prior to closing on the PACE loan:

- (1) A Report conducted by a qualified, independent third-party reviewer, showing water or energy baseline conditions and the projected water or energy savings, or the amount of renewable energy generated attributable to the project;
  - (2) Such financial information about the owner and the property as the lender chosen by the owner deems necessary to determine that the owner has demonstrated the financial ability to fulfill the financial obligations to be paid through assessments; and
  - (3) All other information required by the Authorized Representative.
- k. Financial Eligibility Requirements. The Authorized Representative will determine whether the owner, the property and the improvements are eligible for financing under the program. The Eligible Lender chosen by the owner will determine whether the owner has demonstrated the financial ability to repay the financial obligations to be collected through contractual assessments. The statutory method<sup>9</sup> for ensuring such a demonstration of financial ability must be based on appropriate underwriting factors, including the following:
- (1) verification that the person requesting to participate in the program is the legal record owner of the benefitted property,

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<sup>9</sup> TX. Local Gov't Code §399.009(b).

(2) the applicant is current on mortgage and property tax payments,  
(3) the applicant is not insolvent or in bankruptcy proceedings,  
(4) the title of the benefitted property is not in dispute; and  
(5) there is an appropriate ratio of the amount of the assessment to the assessed value of the property. The City determines that a 20% loan to assessed value of the property is appropriate and acknowledges that in some circumstances a variance of this ratio may be appropriate. The Authorized Representative will consider factors in a variance request, including:

- (a) What is the existing debt to assessed value of the property prior to closing the PACE loan?
- (b). What is the estimated fair market value of the property? How was the value determined (e.g., market appraisal, desktop appraisal, insurance valuation, etc.)?
- (c). What is the estimated post-renovation fair market value of the property (including an explanation on how this value was determined)?

The City determines to be eligible for PACE financing, the projected savings derived from the Qualified Improvement must be greater than the cost of the PACE assessment and lien over the life of the assessment (i.e., the Savings to Investment Ratio (SIR) should be greater than one,  $SIR > 1$ ). A third-party lender and a for profit-property owner may request a waiver in writing for a project with an  $SIR < 1$  and address the interests of tenants and future property owners. The Authorized Representative may consider factors in a variance request including:

- (a). Are there other environmental benefits such as air or water quality or resiliency that are not captured in the SIR analysis;
- (b) Will the proposed qualifying improvements generate environmental marketable credits that can be monetized?
- (c). What is the SIR calculation for the project (how far below 1)?;
- (d). If the SIR is  $< 1$  over the term of the assessment, is the  $SIR > 1$  over the useful life of the equipment?
- (e). What is the impact of a variance request on affected third parties? and
- (f) Other information the owner and lender wish to submit regarding the impact of the qualified improvements on the company and the community.

1. Mortgage Holder Notice and Consent. As a condition to the execution of a written contract between the Authorized Representative and the property owner imposing an assessment under the program, the holder of any mortgage lien on the property must be given notice of the owner's intention to participate in the program on or before the 30<sup>th</sup> day before the date the contract is executed, and the owner must obtain the written consent of all mortgage holders.<sup>10</sup>

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<sup>10</sup>

TX. Local Gov't Code §399.010.



- m. Imposition of Assessment. The Authorized Representative will enter into a written contract with the property owner, only after:
- (1) The property owner delivers to the Authorized Representative written consent of all mortgage lien holders;
  - (2) The Authorized Representative's determination that the owner and the property are eligible to participate in the program, that the proposed improvements are reasonably likely to decrease energy or water consumption or demand, and that the period of the requested assessment does not exceed the useful life of the Qualified Improvements; and
  - (3) The Eligible Lender notifies the Authorized Representative that the owner has demonstrated the financial ability to fulfill the financial obligations to be repaid through contractual assessments.

The contract will impose a contractual assessment on the owner's Eligible Property to repay the lender's financing of the Qualified Improvements. The Eligible Lender will file "A Notice of Contractual Assessment Lien," in substantially the form in Exhibit 4 in the Official Public Records of Jones or Taylor County, depending on where the Eligible Property is located, as notice to the public of the assessment, from the date of filing. The contract and the notice must contain the amount of the assessment, the legal description of the property, the name of the property owner, and a reference to the statutory assessment lien provided under the PACE Act.

- n. Collection of Assessments. The execution of the written contract between the Authorized Representative and the property owner and recording of the Notice of Contractual Assessment Lien incorporate the terms of the financing documents executed between the property owner and with the lender to repay the financing secured by the assessment. The third-party lender will advance financing to the owner, and the terms for repayment will be such terms as are agreed between the lender and the owner. Under the form lender contract attached as Exhibit 3, the lender or a designated servicer will agree to service the debt secured by the assessment.<sup>11</sup>

With funds from the lender, the property owner can purchase directly the equipment and materials for the Qualified Improvement and contract directly, including through lease, power purchase agreement, or other service contract, for the installation or modification of the Qualified Improvements. Alternatively, the lender may make progress payments to the property owner as the Qualified Improvement is installed.

The lender will receive the owner's assessment payments to repay the debt and remit to the Authorized Representative any administrative fees. The lender will

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<sup>11</sup> The servicer will be responsible for maintaining payment records, account balances, and reporting to the Authorized Representative as required.

have the right to assign or transfer the right to receive the installments of the debt secured by the assessment, provided all of the following conditions are met:

- (1) The assignment or transfer is made to an Eligible Lender, as defined above;
- (2) The property owner and the Authorized Representative are notified in writing of the assignment or transfer and the address to which payment of the future installments should be mailed at least 30 days before the next installment is due according to the schedule for repayment of the debt; and
- (3) The assignee or transferee, by operation of the financing documents or otherwise, written evidence of which shall be provided, assumes lender's obligations under the lender contract.

- o. Verification Review. After a Qualified Improvement is completed, the Authorized Representative will require the property owner to provide verification by a qualified independent third-party reviewer that the Qualified Improvement was properly completed and is operating as intended.<sup>12</sup> The verification report conclusively establishes that the improvement is a Qualified Improvement and the project is qualified under the PACE program.<sup>13</sup>
- p. Marketing and Education Services. The Program Administrator will provide service provider training workshops for contractors, engineers, property managers and other stakeholders, provide outreach and education for all stakeholders including presentations, conference booths and individual meetings, and provide written and electronic materials such as case studies, flyers, and webinars.
- q. The City may subsequently enter into agreements with one or more other local governments or non-profit organizations that promote energy and water conservation and/or economic development to provide marketing and education services for the PACE program.
- r. Quality Assurance and Antifraud Measures. The Authorized Representative will institute quality assurance and antifraud measures for the Program. The Authorized Representative will review each PACE application for completeness and supporting documents through independent review and verification procedures. The application and required attachments will identify and supply the information necessary to ensure that the property owner, the property itself, and the proposed project all satisfy PACE program underwriting and technical standard requirements. Measures will be put in place to provide safeguards, including a review of the energy and water savings baseline and certification of compliance with the technical standards manual from an independent third-party reviewer (ITPR), who must be a registered professional engineer, before the project can proceed. This review will include a site visit, report, and a letter

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<sup>12</sup> TX Local Gov't Code §399.011.

<sup>13</sup> TX Local Government Code §399.011(a-1)

from the ITPR certifying that he or she has no financial interest in the project and is an independent reviewer. After the construction of the project is complete, an ITPR will conduct a final site inspection and determine whether the project was completed and is operating properly. The reviewer's certification will also include a statement that the reviewer is qualified and has no financial interest in the project.

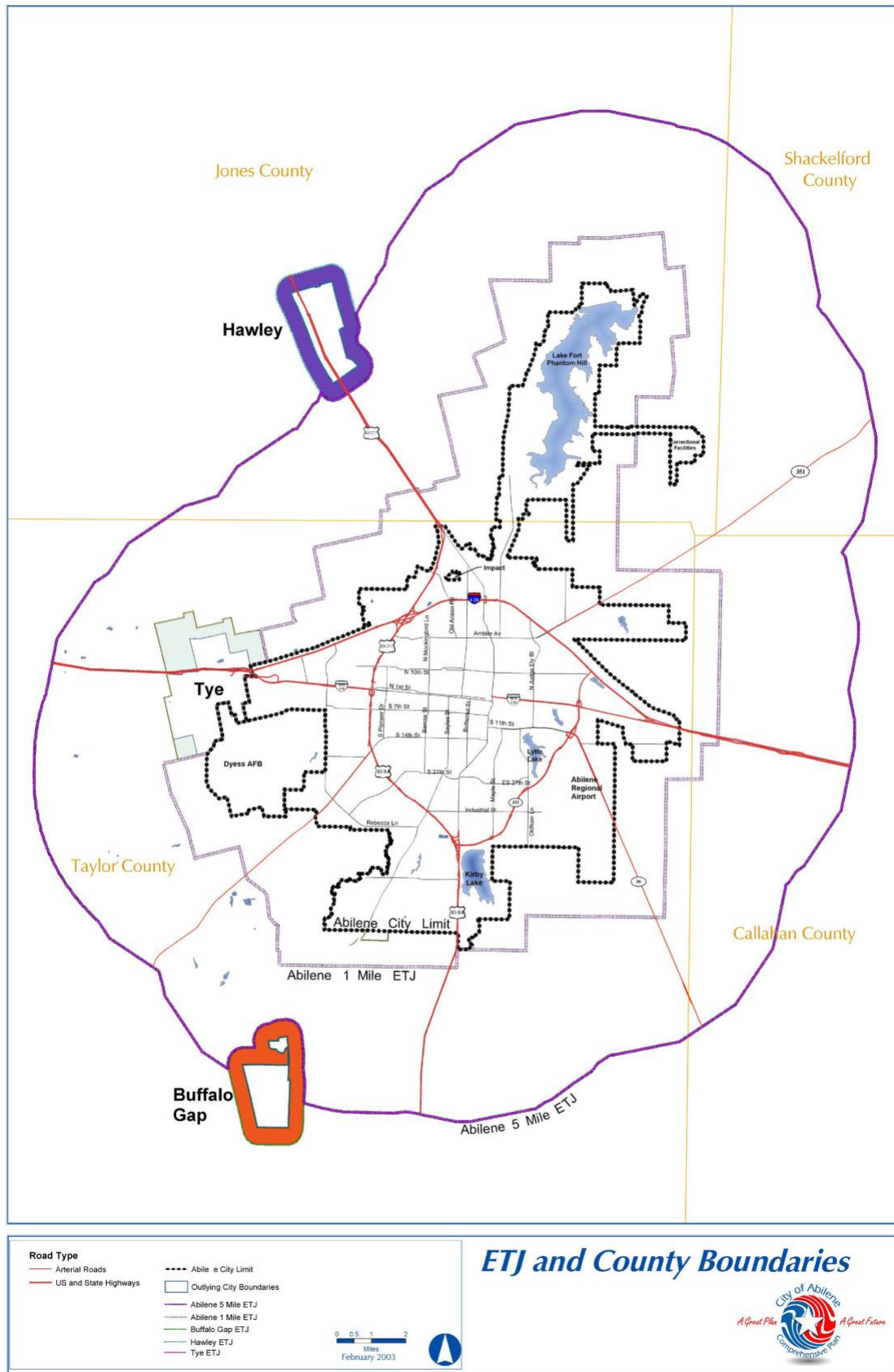
- s. **Delinquency.** Under the terms of the form lender contract attached as Exhibit 3, if a property owner fails to pay an agreed installment when due on the PACE assessment, the lender will agree to take at least the following steps to collect the delinquent installment:
  - (1) Mail to the owner a written notice of delinquency and demand for payment by both certified mail (return receipt requested) and first-class mail, and
  - (2) Mail to the owner a second notice of delinquency and demand for payment by both certified mail (return receipt requested) and first-class mail, at least 30 days after the date of the first notice if the delinquency is continuing.

If the owner fails to cure the delinquency within 30 days after mailing the second notice of delinquency, the lender may notify the Authorized Representative of the owner's default. Pursuant to Texas Local Government Code Section 399.014(c), the Authorized Representative will initiate steps for the City to enforce the assessment lien in the same manner as a property tax lien against real property may be enforced, to the extent the enforcement is consistent with Section 50, Article XVI, of the Texas Constitution. Delinquent installments will incur penalties and interest in the same manner and at the same rate as delinquent property taxes, according to Texas Local Government Code Section 399.014(d), and such statutory penalties and interest will be due to the City to offset the cost of collection.

If the City files suit to enforce collection, the City may also recover costs and expenses, including attorney's fees, in a suit to collect a delinquent installment of an assessment in the same manner and at the same rate as in a suit to collect a delinquent property tax. If a delinquent installment of an assessment is collected after the filing of a suit, the City will remit to the lender the net amount of the delinquent installments and contractual interest collected and remit to the Authorized Representative the amount of any administrative fees collected but will retain any statutory penalties, interest, and attorney's fees collected.

**EXHIBIT 1**

**MAP OF CITY OF ABILENE PACE REGION**



**EXHIBIT 2**  
**FORM OWNER CONTRACT**

## FORM PACE OWNER CONTRACT

THIS PROPERTY ASSESSED CLEAN ENERGY (“**PACE**”) OWNER CONTRACT including the attached exhibits (“**Owner Contract**”) is made as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (“**Effective Date**”), by and between the City of Abilene, Texas (“**Local Government**”), and \_\_\_\_\_ (“**Property Owner**”).

### RECITALS

A. The Property Assessed Clean Energy Act (“**PACE Act**”), Texas Local Government Code Chapter 399, authorizes the governing body of a local government to establish a program and designate a region within the local government’s jurisdiction within which an authorized representative of the local government may enter into written contracts with the record owners of privately owned commercial, industrial, and large multifamily residential (5 or more dwelling units) real property to impose assessments on the property to finance the cost of permanent improvements fixed to the property intended to decrease water or energy consumption or demand.

B. Local Government has established a program under the PACE Act pursuant to a resolution dated \_\_\_\_\_, adopted by the City Council (“**PACE Program**”), and has designated Texas Property Assessed Clean Energy Authority, dba Texas PACE Authority as the representative of Local Government (“**Authorized Representative**”) authorized to enter into the written contracts with the owners of such property and the providers of such financing described herein, and has designated the entire territory within the City of Abilene, Texas jurisdiction as a region (**the “Region”**) within which the Authorized Representative and the record owners of such real property may enter into written contracts to impose assessments to repay the financing by owners of qualified improvements on the owners’ property pursuant to the PACE Program.

C. Property Owner is/are the sole legal and record owner of the qualified “real property,” as defined in Section 399.002 of the PACE Act, within the Region located at \_\_\_\_\_, Abilene, Texas \_\_\_\_\_ - \_\_\_\_\_ (the “**Property**”).

D. Pursuant to Application number \_\_\_\_\_, Property Owner has applied to Local Government to participate in the PACE Program by installing or modifying on the Property certain permanent improvements which are intended to decrease water or energy consumption or demand, and which are or will be fixed to the Property as “qualified improvements”, as defined in Section 399.002 of the PACE Act (“**Qualified Improvements**”). The installation or modification of such Qualified Improvements on the Property will be a “qualified project” as defined in Section 399.002 of the PACE Act (the “**Project**”). Property Owner has requested that Local Government enter into this Owner Contract pursuant to the PACE Act and the PACE Program and has requested Local Government to impose an assessment (the “**Assessment**”) on the Property as set forth in the Notice Of Contractual Assessment Lien Pursuant To Property Assessed Clean Energy Act to be filed in the real property records of \_\_\_\_\_, County, Texas (the “**Notice of Contractual Assessment Lien**”), to repay the financing of such Qualified Improvements. A copy of the Notice

of Contractual Assessment Lien is attached hereto as Exhibit A and made a part hereof. The Property, Qualified Improvements and Assessment are more fully described in the Notice of Contractual Assessment Lien.

E. Financing for the Project (“**Financing**”) will be provided to Property Owner by [REDACTED] (“**Lender**”), a qualified lender selected by Property Owner, pursuant to a written contract executed by Lender and Local Government as required by Section 399.006(c) of the PACE Act (the “**Lender Contract**”). The financing will include only those costs and fees for which an assessment may be imposed under Section 399.006(e) of the PACE Act. Local Government has agreed to maintain and continue the Assessment for the benefit of Lender until the Financing, all contractual interest due to Lender (“**Contractual Interest**”), any prepayment penalty, and any penalties, interest, fees, and costs due under or authorized by the PACE Act are paid in full and to release the Assessment upon notice from Lender of such payment, or to foreclose the lien securing the Assessment for the benefit of Lender upon notice from Lender of a default in payment by Property Owner.

F. As required by Section 399.010 of the PACE Act, Property Owner has notified the holder(s) of any mortgage liens on the Property at least thirty (30) days prior to the date of this Owner Contract of Property Owner’s intention to participate in the PACE Program. The written consent of each mortgage holder to the Assessment was obtained on or prior to the date of this Owner Contract and is attached hereto as Exhibit B and made a part hereof.

#### AGREEMENT

The parties agree as follows:

1. Imposition of Assessment. In consideration for the Financing advanced or to be advanced to Property Owner by Lender for the Project under the PACE Program pursuant to the Lender Contract, Property Owner hereby requests and agrees to the imposition by Local Government of the Assessment in the principal amount of \$ [REDACTED], as set forth in the Notice of Contractual Assessment Lien. In the event the actual total of costs and fees for which an assessment may be imposed under the PACE Act is different from the stated amount or any other term requires correction, Local Government, Property Owner, and Lender agree to execute an amended Owner Contract and Lender Contract, and Authorized Representative will record an amended Notice of Contractual Assessment Lien. The Assessment includes the application and administration fees authorized by the PACE Program and Section 399.006(e) of the PACE Act. Property Owner promises and agrees to pay the Assessment, Contractual Interest thereon, any prepayment penalty, and all penalties, interest, fees, and costs due under or authorized by the PACE Act and the financing documents executed between Property Owner and Lender (the “**Financing Documents**”) described in or copies of which are attached as Exhibit C attached hereto and made a part hereof by reference. Property Owner will pay such amount in care of or as directed by Lender, in satisfaction of the Assessment imposed pursuant to this Owner Contract and the PACE Act. Accordingly, Local Government hereby imposes the Assessment on the Property to repay the Financing of the Project, Contractual Interest, any prepayment penalty, and any penalties, interest, fees and costs due under or authorized by the PACE Act and the Financing Documents, in accordance with the requirements of the PACE Program and the provisions of the PACE Act.



2. Maintenance and Enforcement of Assessment. In consideration for Lender's agreement to advance Financing to Property Owner for the Project pursuant to the Financing Documents, Local Government agrees to maintain and continue the Assessment on the Property for the benefit of Lender until the Assessment, Contractual Interest, any prepayment penalty, and any penalties, interest, fees, and costs, due under or authorized by the PACE Act and the Financing Documents are paid in full, and to release the Assessment upon notice from Lender of such payment. Local Government agrees to enforce the assessment lien against the Property at the request of Lender in the event of a default in payment by Property Owner, in accordance with the provisions set forth in paragraph 5. Authorized Representative will deliver an annual notice of assessment to Property Owner by electronic mail each year until the Assessment is released. If requested by Property Owner by marking the box below, Local Government agrees to also deliver an annual notice of assessment to Property Owner by first-class mail in the envelope with the tax bill of the Property each year until the Assessment is released.

☐ Property Owner requests an annual notice of assessment from Local Government.

Any failure of Local Government or Authorized Representative to deliver an annual notice of assessment to Property Owner will not affect the Assessment or Property's Owner's obligations under this Owner Contract.

3. Installments. The Assessment and Contractual Interest thereon are due and payable to Lender in installments ("**Installments**"), according to the payment schedule set forth in the Financing Documents attached hereto as Exhibit C. The Assessment includes (1) an application fee paid by Property Owner to Authorized Representative at closing of the Financing, and (2) a recurring administration fee paid by Property Owner to Authorized Representative until the Assessment is released. The recurring administration fee amount will be collected by Lender and paid to Authorized Representative within thirty (30) days of receipt by Lender, unless otherwise agreed to in writing by Authorized Representative. Notwithstanding the foregoing, in the event of a delinquency in the payment of any Installment, Lender will, upon notice to Authorized Representative, withhold payment of any administration fee due to Authorized Representative in connection with such Installment until the Installment is paid. Any such temporary withholding will not reduce the amount of the administration fees included in the Assessment. The amounts due to Authorized Representative are identified in Exhibit C hereto. When the Assessment, Contractual Interest, any prepayment penalty, and any penalties, interest, fees and costs due under or authorized by the PACE Act and the Financing Documents, have been paid in full, Local Government's rights under this Owner Contract will cease and terminate. Upon notice from Lender that all amounts due have been paid in full, Authorized Representative will execute a release of the Assessment and this Owner Contract and record the release. As required by Section 399.009(a) (8) of the PACE Act, the period during which such Installments are payable does not exceed the useful life of the Project.

4. Assignment of Right to Receive Installments or Require Enforcement of Lien. Lender will have the right, with or without the consent of Property Owner, to assign or transfer the right to receive the Installments or require Local Government to enforce the assessment lien in the event of a default in payment, together with all corresponding obligations, provided that all of the following conditions are met:

(a) The assignment or transfer is made to a qualified lender as defined in the Lender Contract;

(b) Property Owner and Authorized Representative are notified in writing of the assignment or transfer and the address to which payment of the future Installments should be mailed at least 30 days before the next Installment is due according to the payment schedule included in the Financing Documents, and

(c) The assignee or transferee executes a written assumption agreement according to the Financing Documents of all of Lender's rights and obligations under the Lender Contract related to the receipt of the Installments or the enforcement of the assessment lien and provides a copy of such assumption to Property Owner and Authorized Representative within 10 days after execution of the agreement.

Lender may assign or transfer the right to receive the Installments or the right to require enforcement of the assessment lien separately. Upon written notice to Property Owner and Authorized Representative of an assignment or transfer that meets all of these conditions, the assignor will be released of all of the rights and obligations of the Lender under such Lender Contract accruing after the date of the assignment that are specified in the assignment or transfer document, and all of such rights and obligations will be assumed by and transferred to the assignee. Any attempt to assign or transfer the right to receive the Installments or require enforcement of the assessment lien that does not meet all of these conditions is void. Lender will retain all of the rights and obligations of Lender under the Lender Contract until such rights and obligations are assigned or transferred according to this paragraph.

5. Lien Priority and Enforcement. Pursuant to Section 399.014 of the PACE Act:

(a) Delinquent Installments will incur penalties and interest on the principal of the Installment in the same manner and in the same amount as delinquent property taxes, that is, a delinquent Installment incurs a penalty of 6% of the principal amount of the Installment for the first calendar month it is delinquent plus 1% for each additional month or portion of a month the Installment remains unpaid prior to July 1 of the year in which it becomes delinquent. However, an Installment delinquent on July 1 incurs a total penalty of 12% of the principal amount of the delinquent Installment without regard to the number of months it has been delinquent. A delinquent Installment will also accrue interest on the principal of the Installment at the rate of 1% for each month or portion of a month that the Installment remains unpaid. Subject to paragraph 16 below, penalties, interest, fees, and costs payable under this paragraph will be retained by Local Government to compensate it for the cost of enforcing the Assessment. Additional interest at any default rate imposed by Lender pursuant to the Financing Documents, along with any other fees that become due pursuant to the Financing Documents, may be imposed and retained by Lender.

(b) The Assessment and any interest or penalties thereon,

(1) are a first and prior lien against the Property from the date on

which the Notice of Contractual Assessment Lien is recorded in the real property records of [REDACTED] County, Texas as provided by Section 399.013 of the PACE Act, until the Assessment, interest, or penalty is paid; and

(2) such lien has the same priority status as a lien for any other ad valorem tax.

(c) The lien created by the Assessment runs with the land, and according to Section 399.014(b) of the PACE Act, any portion of the Assessment that has not yet become due will not be eliminated by foreclosure of (i) a property tax lien, or (ii) the lien for a delinquent installment of the Assessment. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner's obligations under the Financing Documents will be transferred to the succeeding owner without recourse to Lender, Local Government, or Authorized Representative.

(d) In the event of a default by Property Owner in payment of an Installment called for by the Financing Documents or the filing of a case under the U.S. Bankruptcy Code by or against Property Owner, the lien created by the Assessment will be enforced by Local Government for the benefit of Lender, in the same manner according to Texas Tax Code Secs. 33.41 to 34.23 that a property tax lien against real property may be enforced by a local government, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution.

(e) In a suit to collect a delinquent Installment of the Assessment, Local Government will be entitled to recover costs and expenses, including attorney's fees in the amount of 15% of the total principal amount of the delinquent Installment, penalties, and interest due, in the same manner according to Texas Tax Code Sec. 33.48 as in a suit to collect a delinquent property tax. Lender will be entitled to any additional sums due to it under the Financing Documents in connection with a suit to collect a delinquent Installment of the Assessment.

(f) As provided in Section 399.014 (a-1) of the PACE Act, after the Notice of Contractual Assessment Lien is recorded in the real property records of the county in which the Property is located, the lien created by the Assessment may not be contested on the basis that the improvement is not a "qualified improvement" or the project is not a "qualified project", as such terms are defined in Section 399.002 of the PACE Act.

6. Written Contract Required by PACE Act. This Owner Contract constitutes a written contract for the Assessment between Property Owner and Local Government as required by Section 399.005 of the PACE Act. The Notice of Contractual Assessment Lien will be recorded in the real property records of [REDACTED] County, Texas as public notice of the contractual Assessment, in accordance with the requirements of Section 399.013 of the PACE Act.

7. Qualified Improvements. Property Owner agrees that all improvements purchased, constructed, or installed through the Financing obtained pursuant to this Owner Contract will be permanently affixed to the Property and will transfer with the Property to the transferee in the event of a sale or transfer of the Property. Property Owner agrees to provide to Authorized

Representative within 30 days after the completion of the Project a verification by an independent third party reviewer (“ITPR”) that the project was properly completed and is operating as intended. Property Owner agrees that Lender may retain the final advance of Financing until such verification is submitted or require Property Owner to pay liquidated damages for a failure to do so, according to paragraph 19 below.

8. Water or Energy Savings. For so long as the Assessment encumbers the Property, Property Owner agrees, on or before January 31<sup>st</sup> of each year, to report to Authorized Representative the water or energy savings realized through the Project in accordance with the reporting requirements established by Authorized Representative.

9. Construction and Definitions. This Owner Contract is to be construed in accordance with and with reference to the PACE Program and PACE Act. Terms used herein and not otherwise defined herein have the meanings ascribed to them in the PACE Program and/or the PACE Act.

10. Binding Effect. This Owner Contract is binding upon and inures to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

11. Notices. Unless otherwise specifically provided herein, all notices and other communications required or permitted by this Owner Contract shall be in writing and delivered by first-class mail or by electronic mail, addressed to the other party at the address stated below the signature of such party or at such other address as such party may from time to time designate in writing to the other party, and shall be effective from the date of receipt.

12. Governing Law. This Owner Contract shall in all respects be governed by and construed in accordance with the laws of the State of Texas.

13. Entire Agreement. This Owner Contract constitutes the entire agreement between Local Government and Property Owner with respect to the subject matter hereof and may not be amended or altered in any manner except by a document in writing executed by both parties.

14. Captions. Paragraph and section titles are for convenience of reference only and shall not be of any legal effect.

15. Counterparts. This Owner Contract may be executed in any number of counterparts, and each counterpart may be delivered on paper or by electronic transmission, all of which when taken together will constitute one agreement binding on the parties, notwithstanding that all parties are not signatories to the same counterpart.

16. Interest. Interest and penalties in the event of default, as provided above, are explicitly authorized by Section 399.014(d) of the PACE Act. However, in no event will the total amount of interest on the Assessment, including statutory interest payable to Local Government and Contractual Interest payable to Lender under the Financing Documents, exceed the maximum amount or rate of nonusurious interest that may be contracted for, charged, or collected under Texas law (the “**usury limit**”). If the total amount of interest payable to Local Government and Contractual Interest payable to Lender exceeds the usury limit, the interest payable to Local Government will be reduced and any interest in excess of the usury limit will be credited to the

amount payable to Local Government or refunded. This provision overrides any conflicting provisions in this Owner Contract.

17. Costs. No provision of this Owner Contract will require Local Government to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

18. Further Assurances. Property Owner further covenants and agrees to do, execute and deliver, or cause to be done, executed, and delivered all such further acts for implementing the intention of this Owner Contract as may be reasonably necessary or required.

19. Construction Terms. The Financing Documents executed by Lender and Property Owner must include a requirement that Lender will withhold [REDACTED] % of the Financing until verification that the Project was properly completed and is operating as intended is provided to Authorized Representative by an Independent Third Party Reviewer ("ITPR), or Property Owner will pay liquidated damages to Lender of \$ [REDACTED] per day for every day after 30 days following completion of the Project that such verification of completion is not provided. If verification of completion is not provided by Property Owner within 30 days after completion of the Project, such verification shall be submitted by Lender. If the Lender Contract includes requirements related to the construction of the Project and disbursement of Financing, such requirements are set forth in Exhibit D attached hereto and incorporated herein by reference. Such requirements may include, among other things, (1) the disbursement schedule and (2) any holdback amount to be funded following verification of final project completion.

**PROPERTY OWNER:**

\_\_\_\_\_

By:\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email address: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This PACE Owner Contract pursuant to Property Assessed Clean Energy Act was  
was acknowledged before me on \_\_\_\_\_, \_\_\_\_\_ by  
\_\_\_\_\_, \_\_\_\_\_, on behalf of  
\_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_(print name)

NOTARY PUBLIC, STATE OF \_\_\_\_\_

**LOCAL GOVERNMENT:**

CITY OF ABILENE, TEXAS

By: TEXAS PROPERTY ASSESSED CLEAN ENERGY AUTHORITY  
AUTHORIZED REPRESENTATIVE  
Pursuant to Tex. Local Gov't Code §399.006(b)

By: \_\_\_\_\_

Name: CHARLENE HEYDINGER

Title: PRESIDENT, TEXAS PACE AUTHORITY

Address: PO BOX 200368  
AUSTIN, TX 78720-0368

Email Address: charlene@texaspaceauthority.org

**ACKNOWLEDGEMENT**

STATE OF TEXAS §

COUNTY OF \_\_\_\_\_ §

This PACE Owner Contract pursuant to Property Assessed Clean Energy Act was acknowledged before me on \_\_\_\_\_, 20\_\_\_\_ by Charlene Heydinger, President, Texas Property Assessed Clean Energy Authority, dba Texas PACE Authority, a Texas nonprofit corporation, on behalf of said corporation and as Authorized Representative for the Local Government.

\_\_\_\_\_(print name)

NOTARY PUBLIC, STATE OF TEXAS

**EXHIBIT A**

**NOTICE OF CONTRACTUAL ASSESSMENT LIEN**  
**PURSUANT TO**  
**PROPERTY ASSESSED CLEAN ENERGY ACT**



**EXHIBIT B**  
**MORTGAGE HOLDER(S) CONSENT**

**EXHIBIT C**  
**FINANCING DOCUMENTS**

Assessment Payment Schedule

Assessment Total:  
Payment Frequency:

| Payment Date | Total Payment | Principal Paid | Interest Paid | Administration Fee | Remaining Balance |
|--------------|---------------|----------------|---------------|--------------------|-------------------|
|              |               |                |               |                    |                   |
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Financing Documents

| Document Title | Parties | Date Executed |
|----------------|---------|---------------|
|                |         |               |

**EXHIBIT D**

**CONSTRUCTION TERMS**

**Retainage or Liquidated Damages:**

Lender will retain \_\_\_\_\_% of the Financing until a report of completion by a qualified Independent Third Party Reviewer (“ITPR”) is provided to Authorized Representative.

**OR**

Property Owner will pay liquidated damages to Lender of \$\_\_\_\_\_ per day for every day after 30 days following completion of the Project that such a report of completion is not provided. Lender will then provide the report of completion to Authorized Representative.

**Additional Construction Terms**

| Date | Draw down Amount | Purpose |
|------|------------------|---------|
|      |                  |         |
|      |                  |         |
|      |                  |         |
|      |                  |         |
|      |                  |         |

**EXHIBIT 3**  
**FORM LENDER CONTRACT**

## FORM PACE LENDER CONTRACT

THIS PROPERTY ASSESSED CLEAN ENERGY (“**PACE**”) LENDER CONTRACT including the attached exhibits (“**Lender Contract**”) is made as of the [REDACTED] day of [REDACTED], [REDACTED], (“**Effective Date**”) by and between the City of Abilene, Texas (“**Local Government**”) and [REDACTED] (“**Lender**”).

### RECITALS

A. The Property Assessed Clean Energy Act (“**PACE Act**”), Texas Local Government Code Chapter 399, authorizes the governing body of a local government to establish a program and designate a region within the local government’s jurisdiction within which an authorized representative of the local government may enter into written contracts with the record owners of privately owned commercial, industrial, and large multifamily residential (5 or more dwelling units) real property to impose assessments on the property to finance the cost of permanent improvements fixed to the property intended to decrease water or energy consumption or demand.

B. Local Government has established a program under the PACE Act pursuant to a Resolution dated [REDACTED], adopted by the City Council (“**PACE Program**”), and has designated Texas Property Assessed Clean Energy Authority as the representative of Local Government (“**Authorized Representative**”) authorized to enter into the written contracts with the owners of such property and the providers of such financing described herein, and has designated the entire territory within the City of Abilene, Texas jurisdiction as a region (the “**Region**”) within which the Authorized Representative and the record owners of such real property may enter into written contracts to impose assessments to repay the financing by owners of qualified improvements on the owner’s property pursuant to the PACE Program.

C. Pursuant to Application number [REDACTED], [REDACTED] (“**Property Owner**”), the sole legal and record owner of the following qualified “real property,” as defined in Section 399.002 of the PACE Act, within the Region has/have applied to Local Government to participate in the PACE Program with respect to certain real property located at [REDACTED], Abilene, Texas, [REDACTED] - [REDACTED] (the “**Property**”) by installing or modifying on the Property certain permanent improvements which are intended to decrease water or energy consumption or demand, and which are or will be fixed to the Property as “qualified improvements”, as defined in Section 399.002 of the PACE Act (“**Qualified Improvements**”). The installation or modification of such Qualified Improvements on the Property will be a “qualified project” as defined in Section 399.002 of the PACE Act (the “**Project**”).

D. Property Owner and Local Government have entered into a written contract as required by Section 399.005 of the PACE Act, a copy of which is attached hereto as Exhibit A and made a part hereof (the “**Owner Contract**”), in which Property Owner has requested that Local Government impose an assessment (the “**Assessment**”) on the Property as set forth in the Notice

Of Contractual Assessment Lien Pursuant To Property Assessed Clean Energy Act to be filed in the real property records of [REDACTED] County, Texas (the “**Notice of Contractual Assessment Lien**”), to repay the financing of such Qualified Improvements. A copy of the Notice of Contractual Assessment Lien is attached as Exhibit A to the Owner Contract and made a part hereof. The Property, Qualified Improvements, and Assessment are more fully described in the Notice of Contractual Assessment Lien.

E. Financing for the Project (“**Financing**”) will be provided to Property Owner by Lender in accordance with financing documents which are described in or copies of which are attached as Exhibit B attached hereto and made a part hereof (the “**Financing Documents**”). Such Financing will include only those costs and fees for which an assessment may be imposed under Section 399.006 (e) of the PACE Act. This Lender Contract is entered into between Local Government and Lender as required by Section 399.006(c) of the PACE Act to provide for repayment of the Financing through the Assessment.

F. As required by Section 399.010 of the PACE Act, Property Owner has notified the holder(s) of any mortgage liens on the Property at least thirty (30) days prior to the date of the Owner Contract of Property Owner’s intention to participate in the PACE Program. The written consent of each mortgage lien holder to the Assessment was obtained on or prior to the date of the Owner Contract, as shown by the copy of such consent(s) attached as Exhibit B to the Owner Contract.

## **AGREEMENT**

The parties agree as follows:

1. Maintenance and Enforcement of Assessment. Lender agrees to provide Financing for the Project in the total principal amount of \$ [REDACTED], according to the terms set out in the Financing Documents attached hereto as Exhibit B. In the event the actual total of costs and fees for which an assessment may be imposed under the PACE Act is different from the stated amount or any other term requires correction, Local Government, Property Owner, and Lender agree to execute an amended Owner Contract and Lender Contract, and Authorized Representative will record an amended Notice of Contractual Assessment Lien. In consideration for the Financing provided or to be provided by Lender for the Project, and subject to the terms and conditions of this Lender Contract, Local Government agrees to maintain and continue the Assessment for the benefit of Lender until the Assessment, all contractual interest due to Lender according to the Financing Documents (“**Contractual Interest**”), any prepayment penalty, and any penalties, interest, fees, or costs due under or authorized by the PACE Act and the Financing Documents are paid in full, and to release the Assessment upon notice from Lender of such payment. Local Government will not release, sell, assign or transfer the Assessment or the lien securing it without the prior written consent of Lender. Local Government agrees to enforce the assessment lien against the Property at the request of Lender in the event of a default in payment by Property Owner in accordance with the provisions set forth in paragraph 6. Local Government shall have no obligation to repurchase the Assessment and no liability to Lender should there be a default in the payment thereof or should there be any other loss or expense suffered by Lender or under any other circumstances.

2. Installments. The Assessment and Contractual Interest thereon are due and payable to Lender in installments (“**Installments**”) according to the payment schedule set forth in the Financing Documents attached hereto as Exhibit B. The Assessment includes (1) an application fee paid by Property Owner to Authorized Representative at closing of the Financing and (2) a recurring administration fee paid by Property Owner to Authorized Representative until the Assessment is released. The recurring administration fee amount will be collected by Lender and paid to Authorized Representative within thirty (30) days of receipt by Lender, unless otherwise agreed to in writing by Authorized Representative. Notwithstanding the foregoing, in the event of delinquency in the payment of any Installment, Lender will, upon notice to Authorized Representative, withhold payment of any amounts due to Authorized Representative in connection with such Installment until the Installment is paid. Any such temporary withholding will not reduce the amount of administration fees included in the Assessment. The amounts due to Authorized Representative are identified in Exhibit B hereto. As required by Section 399.009(a)(8) of the PACE Act, the period during which such Installments are payable does not exceed the useful life of the Project.

3. Assignment of Right to Receive Installments or Require Enforcement of Lien. Lender will have the right, with or without the consent of Property Owner, to assign or transfer the right to receive the Installments or require Local Government to enforce the assessment lien in the event of a default in payment, together with the corresponding obligations, provided that all of the following conditions are met:

(a) The assignment or transfer is made to a qualified lender, which may be one of the following:

(1) Any federally insured depository institution such as a bank, savings bank, savings and loan association and federal or state credit union;

(2) Any insurance company authorized to conduct business in one or more states;

(3) Any registered investment company, registered business development company, or a Small Business Administration small business investment company;

(4) Any publicly traded entity; or

(5) Any private entity that:

(i) Has a minimum net worth of \$5 million;

(ii) Has at least three years’ experience in business or industrial lending or commercial real estate lending (including multifamily lending), or has a lending officer that has at least three years’ experience in business or industrial lending or commercial real estate lending;

(iii) Can provide independent certification as to availability of funds; and

(iv) Has the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts

(6) A financially stable entity, whether or not from the list above, with the ability to carry out, either directly or through a servicer, the obligations of this Lender Contract related to the receipt and accounting of the Installments or the enforcement of the assessment lien.

(b) Property Owner and Authorized Representative are notified in writing of the assignment or transfer and the address to which payment of the future Installments should be mailed at least 30 days before the next Installment is due according to the payment schedule included in the Financing Documents; and

(c) The assignee or transferee executes a written assumption agreement according to the Financing Documents of all of Lender's rights and obligations under this Lender Contract related to the receipt of the Installments or enforcement of the assessment lien and provides a copy of such assumption to Property Owner and Authorized Representative within 10 days after execution of the agreement. Lender may assign or transfer the right to receive the Installments or the right to require enforcement of the assessment lien separately. Upon written notice to Property Owner and Authorized Representative of an assignment or transfer that meets all of these conditions, the assignor will be released of all of the rights and obligations of the Lender under this Lender Contract accruing after the date of the assignment that are specified in the assignment or transfer document, and all of such rights and obligations will be assumed by and transferred to the assignee. Any attempt to assign or transfer the right to receive the Installments or to require enforcement of the assessment lien that does not meet all of these conditions is void. Lender will retain all of the rights and obligations of Lender under this Lender Contract until such rights and obligations are assigned or transferred according to this paragraph.

4. Financing Responsibility. Lender assumes full responsibility for

determining the financial ability of the Property Owner to repay the Financing and for advancing the funds as set forth in the Financing Documents and performing Lender's obligations and responsibilities thereunder. In the event the assessment lien on the Property is enforced by foreclosure as provided below, Lender will have no further obligations to Property Owner with respect to the Installments that were the subject of the foreclosure, but Lender will retain the rights to enforcement of the lien for any Installments that are not eliminated by the foreclosure, and the succeeding owner of the Property will be subject to such lien.

5. Lien Priority and Enforcement. As provided in the Owner Contract and Section 399.014 of the PACE Act:



(a) Delinquent Installments will incur penalties and interest on the principal of the Installment in the same manner and in the same amount as delinquent property taxes, that is, a delinquent Installment incurs a penalty of 6% of the principal amount of the Installment for the first calendar month it is delinquent plus 1% for each additional month or portion of a month the Installment remains unpaid prior to July 1 of the year in which it becomes delinquent. However, an Installment delinquent on July 1 incurs a total penalty of 12% of the principal amount of the delinquent Installment without regard to the number of months it has been delinquent. A delinquent Installment will also accrue interest on the principal of the Installment at the rate of 1% for each month or portion of a month that the Installment remains unpaid. Subject to paragraph 16 below, penalties, interest, fees, and costs payable under this paragraph will be retained by Local Government to compensate it for the cost of enforcing the Assessment. Additional interest at any default rate imposed by Lender pursuant to the Financing Documents, along with any other fees and charges that become due pursuant to the Financing Documents may be imposed and retained by Lender.

(b) The Assessment and any interest or penalties thereon,

(1) are a first and prior lien against the Property from the date on which the Notice of Contractual Assessment Lien is recorded in the real property records of [REDACTED] County, Texas, as provided by Section 399.013 of the PACE Act, until the Assessment, interest, or penalty is paid; and

(2) such lien has the same priority status as a lien for any other ad valorem tax.

(c) The lien created by the Assessment runs with the land, and according to Section 399.014(b) of the PACE Act, any portion of the Assessment that has not yet become due will not be eliminated by foreclosure of (i) a property tax lien, or (ii) the lien for a delinquent Installment of the Assessment. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner's obligations under the Financing Documents will be transferred to the succeeding owner without recourse to Lender, Local Government or Authorized Representative

(d) In the event of a default by Property Owner in payment of an Installment called for by the Financing Documents or the filing of a case under the U.S. Bankruptcy Code by or against Property Owner, the lien created by the Assessment will be enforced by Local Government for the benefit of Lender according to paragraph 6(c) below in the same manner according to Texas Tax Code Secs. 33.41 to 34.23 that a property tax lien against real property may be enforced by a local government, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution.

(e) In a suit to collect a delinquent Installment of the Assessment, Local Government will be entitled to recover costs and expenses, including attorney's fees in the amount of 15% of the total principal amount of the delinquent Installment, penalties, and

interest due, in the same manner according to Texas Tax Code Sec. 33.48 as in a suit to collect a delinquent property tax. Lender will be entitled to any additional sums due to it under the Financing Documents in connection with a suit to collect a delinquent Installment of the Assessment.

(f) As provided in Section 399.014(a-1) of the PACE Act, after written notice of the Assessment is recorded in the real property records of the county in which the Property is located, the lien created by the Assessment may not be contested on the basis that the improvement is not a “qualified improvement” or the project is not a “qualified project”, as such terms are defined in Section 399.002 of the PACE Act.

6. Servicing and Enforcement of Assessment.

(a) Servicing. The Installments and other amounts due under the Financing Documents will be billed, collected, received, and disbursed in accordance with the procedures set out in the Financing Documents. Lender or its designee will be responsible for all servicing duties other than those specifically undertaken by Local Government in this Lender Contract. Authorized Representative will deliver an annual notice of assessment to Property Owner by electronic mail each year until the Assessment is released. If requested by Property Owner in the Owner Contract, Local Government agrees to also send an annual notice of assessment to Property Owner by first class mail in the envelope with the tax bill of the Property each year until the Assessment is released. However, any failure of Local Government or Authorized Representative to deliver an annual notice of assessment to Property Owner will not affect the Assessment or Property Owner’s obligations under the Owner Contract.

(b) Remittances. Each of the parties covenants and agrees to promptly remit to the other party any payments incorrectly received by such party with respect to the Assessment after the execution of this Lender Contract.

(c) Default and Enforcement. In the event of a default in payment of any Installment according to the Financing Documents, Lender agrees to take at least the following steps to collect the delinquent Installment:

(1) Mail a written notice of delinquency and demand for payment to the Property Owner by both certified mail, return receipt requested, and first class mail; and

(2) Mail a second notice of delinquency to the Property Owner and the holder of any mortgage lien on the property by both certified mail, return receipt requested, and first-class mail at least 30 days after the date of the first notice if the delinquency is continuing.

The holder of any mortgage lien on the property will have not less than a 30-day right to cure the delinquency by paying the amount of the delinquent installment. If the Property Owner fails to cure the delinquency within 30 days after the mailing of the second notice of delinquency, Lender

or its designee may notify Authorized Representative in writing of a default in payment by Property Owner. Upon receipt of such notice and after doing its own due diligence, including delivering a notice of foreclosure to Freddie Mac not less than 30 days prior to the foreclosure if the mortgage lien is held by Freddie Mac, Authorized Representative will certify the default to Local Government, which will enforce the assessment lien for the benefit of Lender pursuant to Sec. 399.014(c) of the PACE Act, in the same manner as a property tax lien against real property may be enforced, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution. However, if a case under the U.S. Bankruptcy Code is filed by or against Property Owner or if the enforcement of the assessment lien is prevented by the order of a court, Local Government will notify Authorized Representative and will file a proof of claim for the balance of the assessment, accrued interest and penalties, and all costs and expenses, including attorney's fees, as authorized by Section 399.014 of the PACE Act. Authorized Representative will notify Lender of the filing of the proof of claim. Lender will not be required to mail a notice of delinquency to Property Owner or a notice of default to Local Government. Lender will reimburse Local Government for any costs and expenses, including attorney's fees, required to file and present the claim.

(d) Priority. If the assessment lien is enforced by foreclosure or collected through a bankruptcy or similar proceeding, the assessment balance and any interest or penalties on the assessment will have the same priority status as a lien for any other ad valorem tax, pursuant to Sec. 399.014(a)(2) of the PACE Act.

(e) Final Payment and Release. When the Assessment, Contractual Interest, any prepayment penalty, and any penalties, interest, fees, or costs due under or authorized by the PACE Act or the Financing Documents have been paid in full, Local Government's rights under the Owner Contract will cease and terminate. Upon notice from Lender that all amounts due have been paid in full, Authorized Representative will execute a release of the Assessment and the Owner Contract and record the release.

(f) Limitations on Local Government's Actions. Without the prior written consent of Lender, Local Government will not enter into any amendment or modification of or deviation from the Owner Contract. Local Government or Authorized Representative will not institute any legal action with respect to the Owner Contract, the Assessment, or the assessment lien without the prior written request of Lender.

(g) Limitations of Local Government's Obligations. Local Government undertakes to perform only such duties as are specifically set forth in this Lender Contract, and no implied duties on the part of Local Government are to be read into this Lender Contract. Local Government will not be deemed to have a fiduciary or other similar relationship with Lender. Local Government may request written instructions for action from Lender and refrain from taking action until it receives satisfactory written instructions. Local Government will have no liability to any person for following such instructions, regardless of whether they are to act or refrain from acting.

(h) Costs. No provisions of this Lender Contract will require Local Government to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

7. Lender's Warranties and Representations. With respect to this Lender Contract, Lender hereby warrants and represents that on the date on which Lender executes this Lender Contract:

(a) Lender is a qualified lender under the PACE Program, as defined in paragraph 3(a) above, and is fully qualified under the PACE Program to enter into this Lender Contract and the Financing Documents;

(b) Lender has independently and without reliance upon Local Government conducted its own credit evaluation, reviewed such information as it has deemed adequate and appropriate, and made its own analysis of the Owner Contract, the Project, and Property Owner's financial ability to perform the financial obligations set out in the Financing Documents; and

(c) Lender has not relied upon any investigation or analysis conducted by, advice or communication from, or any warranty or representation by Local Government, Authorized Representative, or any agent or employee of Local Government, express or implied, concerning the financial condition of the Property Owner or the tax or economic benefits of an investment in the Assessment.

8. Written Contract Required by the PACE Act. This Lender Contract constitutes a written contract between Local Government and Lender, as required under Section 399.006 (c) of the PACE Act.

9. Construction and Definitions. This Lender Contract is to be construed in accordance with and with reference to the PACE Program and PACE Act. Terms used herein and not otherwise defined herein have the meanings ascribed to them in the PACE Program, and/or the PACE Act.

10. Binding Effect. This Lender Contract is binding upon and inures to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

11. Notices. Unless otherwise specifically provided herein, all notices and other communications required or permitted hereunder shall be in writing and delivered by first-class mail or by electronic mail, addressed to the other party at the address stated below the signature of such party or at such other address as such party may from time to time designate in writing to the other party, and shall be effective from the date of receipt.

12. Governing Law. This Lender Contract shall in all respects be governed by and construed in accordance with the laws of the State of Texas.

13. Entire Agreement. This Lender Contract constitutes the entire agreement between Local Government and Lender with respect to the subject matter hereof and shall not be amended or altered in any manner except by a document in writing executed by both parties.

14. Captions. Paragraph and section titles are for convenience of reference only and shall not be of any legal effect.

15. Counterparts. This Lender Contract may be executed in any number of counterparts, and each counterpart may be delivered on paper or by electronic transmission, all of which when taken together will constitute one agreement binding on the parties, notwithstanding that all parties are not signatories to the same counterpart.

16. Interest. Interest and penalties in the event of default, as provided above, are explicitly authorized by Section 399.014(d) of the PACE Act. However, in no event will the total amount of interest on the Assessment, including statutory interest payable to Local Government and Contractual Interest payable to Lender under the Financing Documents, exceed the maximum amount or rate of nonusurious interest that may be contracted for, charged, or collected under Texas law (the “**usury limit**”). If the total amount of interest payable to Local Government and Contractual Interest payable to Lender exceeds the usury limit, interest payable to Local Government will be reduced and any interest in excess of the usury limit will be credited to the amount payable to Local Government or refunded. This provision overrides any conflicting provisions in this Lender Contract.

17. Certification. Local Government certifies that the PACE Program has been duly adopted and is in full force and effect on the date of this Lender Contract. Property Owner has represented to Lender and Local Government that the Project is a “qualified project” as defined in the PACE Program and Section 399.002 of the PACE Act. The Assessment has been imposed on the Property as a lien in accordance with the PACE Owner Contract and the PACE Act. Local Government has not assigned or transferred any interest in the Assessment or the PACE Owner Contract.

18. Construction Terms. The Financing Documents executed by Lender and Property Owner must include a requirement that Lender will withhold [REDACTED] % of the Financing until verification that the Project was properly completed and is operating as intended is provided to Authorized Representative by an Independent Third Party Reviewer (“ITPR”), or Property Owner will pay liquidated damages to Lender of \$[REDACTED] per day for every day after 30 days following completion of the Project that such verification of completion is not provided. If verification of completion is not provided by Property Owner within 30 days after completion of the Project, such verification shall be submitted by Lender. If this Lender Contract includes any additional requirements related to construction of the Project and disbursement of Financing, such requirements are set forth in Exhibit C attached hereto and incorporated herein by reference. Such requirements may include, among other things, (1) the disbursement schedule and (2) any holdback amount to be funded following verification of final project completion.

**LENDER:**

\_\_\_\_\_

By:\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This PACE Lender Contract pursuant to Property Assessed Clean Energy Act was  
acknowledged before me on \_\_\_\_\_, \_\_\_\_\_ by \_\_\_\_\_,  
\_\_\_\_\_, on behalf of \_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_(print name)

NOTARY PUBLIC, STATE OF \_\_\_\_\_

**LOCAL GOVERNMENT:**

CITY OF ABILENE, TEXAS

By: TEXAS PROPERTY ASSESSED CLEAN ENERGY AUTHORITY,  
AUTHORIZED REPRESENTATIVE  
Pursuant to Tex. Local Gov't Code §399.006(b)

By: \_\_\_\_\_

Name: CHARLENE HEYDINGER

Title: PRESIDENT, TEXAS PACE AUTHORITY

Address: PO BOX 200368  
AUSTIN, TX 78720-0368

Email Address: charlene@texaspaceauthority.org

**ACKNOWLEDGEMENT**

STATE OF TEXAS §

COUNTY OF        §

This PACE Lender Contract pursuant to Property Assessed Clean Energy Act was acknowledged before me on \_\_\_\_\_, 20\_\_ by Charlene Heydinger, President, Texas Property Assessed Clean Energy Authority, dba Texas PACE Authority, a Texas nonprofit corporation, on behalf of said corporation and as Authorized Representative for the Local Government.

\_\_\_\_\_  
\_\_\_\_\_  
(print name)

NOTARY PUBLIC, STATE OF TEXAS

**EXHIBIT A**  
**OWNER CONTRACT**



**EXHIBIT B**  
**FINANCING DOCUMENTS**

Assessment Payment Schedule

Assessment Total:  
Payment Frequency:

| Payment Date | Total Payment | Principal Paid | Interest Paid | Administration Fee | Remaining Balance |
|--------------|---------------|----------------|---------------|--------------------|-------------------|
|              |               |                |               |                    |                   |
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Financing Documents

| Document Title | Parties | Date Executed |
|----------------|---------|---------------|
|                |         |               |

**EXHIBIT C**

**CONSTRUCTION TERMS**

**Retainage or Liquidated Damages:**

**Lender will retain \_\_\_\_\_% of the Financing until a report of completion by a qualified Independent Third Party Reviewer (“ITPR”) is provided to Authorized Representative.**

**OR**

**Property Owner will pay liquidated damages to Lender of \$\_\_\_\_\_ per day for every day after 30 days following completion of the Project that such a report of completion is not provided. Lender will then provide the report of completion to Authorized Representative.**

| <b>Date</b> | <b>Draw down<br/>Amount</b> | <b>Purpose</b> |
|-------------|-----------------------------|----------------|
|             |                             |                |
|             |                             |                |
|             |                             |                |
|             |                             |                |
|             |                             |                |

**EXHIBIT 4**  
**FORM NOTICE OF CONTRACTUAL ASSESSMENT LIEN**  
**PURSUANT TO PROPERTY ASSESSED CLEAN ENERGY ACT**

**FORM NOTICE OF CONTRACTUAL ASSESSMENT LIEN  
PURSUANT TO  
PROPERTY ASSESSED CLEAN ENERGY ACT**

STATE OF TEXAS           §  
                                     §  
COUNTY OF [REDACTED]   §

**RECITALS**

A. The Property Assessed Clean Energy Act (“**PACE Act**”), Texas Local Government Code Chapter 399, authorizes the governing body of a local government to establish a program and designate a region within the local government’s jurisdiction within which an authorized representative of the local government may enter into written contracts with the record owners of privately owned commercial, industrial, and large multifamily residential (5 or more dwelling units) real property to impose assessments on the property to finance the cost of permanent improvements fixed to the property intended to decrease water or energy consumption or demand. Unless otherwise expressly provided herein, all terms used herein have the same meanings ascribed to them in the PACE Act.

B. Abilene, Texas (“**Local Government**”) has established a program under the PACE Act (“**PACE Program**”) pursuant to a resolution dated [REDACTED], adopted by the City Council, and has designated Texas Property Assessed Clean Energy Authority, dba Texas PACE Authority as the representative of Local Government (“**Authorized Representative**”) authorized to enter into and enforce the written contracts with the owners of such property and the providers of such financing described herein, and has designated the entire territory within the City of Abilene, Texas jurisdiction as a region (the “**Region**”) within which the Authorized Representative and the record owners of such real property may enter into written contracts to impose assessments to repay the financing by owners of qualified improvements on the owners’ property pursuant to the PACE Program.

C. [REDACTED] (“**Property Owner**”) is/are the sole legal and record owner of the qualified “real property,” as defined in Section 399.002 of the PACE Act, within the Region located at [REDACTED], Abilene, Texas [REDACTED] - [REDACTED] and more fully described in Exhibit A attached hereto and made a part hereof (the “**Property**”).

D. Property Owner has applied to Local Government to participate in the PACE Program by installing or modifying on the Property certain permanent improvements described in Exhibit B attached hereto and made a part hereof, which are intended to decrease water or energy consumption or demand and which are or will be fixed to the Property as “qualified improvements”, as defined in Section 399.002 of the PACE Act (the “**Qualified Improvements**”). The installation or modification of such Qualified Improvements on the Property will be a “qualified project” as defined in Section 399.002 of the PACE Act (the “**Project**”). Property Owner has entered into a written contract (the “**Owner Contract**”) with Local Government pursuant to the PACE Act and the PACE Program and has requested Local

Government to impose an assessment on the Property to repay the financing of such Qualified Improvements.

E. The financing of such Qualified Improvements will be provided to Property Owner by [REDACTED] (“**Lender**”), a qualified lender selected by Property Owner, pursuant to a written contract executed by Lender and Local Government as required by Section 399.006(c) of the PACE Act (the “**Lender Contract**”). Lender will be responsible for all servicing duties other than those specifically undertaken by Local Government in the Lender Contract.

THEREFORE, Local Government hereby gives notice to the public pursuant to Section 399.013 of the PACE Act that it has imposed an assessment on the Property in the principal amount of \$ [REDACTED] (the “**Assessment**”). The Assessment includes only those costs and fees for which an assessment may be imposed under Section 399.006(e) of the PACE Act. In the event that the actual total of costs and fees for which an assessment may be imposed is different from the amount stated or any other term requires correction, Local Government, Property Owner, and Lender will execute an amended Owner Contract and Lender Contract, and Authorized Representative will record an amended Notice of Contractual Assessment Lien.

The Assessment and contractual interest thereon due to the Lender (the “**Contractual Interest**”) are due and payable in installments (“**Installments**”) in accordance with the terms and payment schedule included in the financing documents executed between Property Owner and Lender that are described in or copies of which are attached hereto as Exhibit C (the “**Financing Documents**”).

Pursuant to Section 399.014 of the PACE Act,

1. The Assessment and any interest or penalties thereon,
  - (i) are a first and prior lien against the Property from the date on which this Notice of Contractual Assessment Lien is recorded in the real property records of [REDACTED] County, Texas, until the Assessment, interest, or penalty is paid; and
  - (ii) such lien has the same priority status as a lien for any other ad valorem tax.
2. The lien created by the Assessment runs with the land, and according to Section 399.014(b) of the PACE Act, any portion of the Assessment that has not yet become due will not be eliminated by foreclosure of: (i) a property tax lien, or (ii) the lien for a delinquent Installment of the Assessment. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner’s obligations under the Financing Documents will be transferred to the succeeding owner without recourse to Local Government, or Authorized Representative.

As provided in Section 399.014(a-1) of the PACE Act, after this Notice of Contractual Assessment Lien is recorded in the real property records of the county in which the Property is located, the lien created by the Assessment may not be contested on the basis that the improvement is not a “qualified improvement” or the project is not a “qualified project”, as such terms are defined in Section 399.002 of the PACE Act.

EXECUTED on \_\_\_\_\_, \_\_\_\_\_.

LOCAL GOVERNMENT:

CITY OF ABILENE, TEXAS

By: TEXAS PROPERTY ASSESSED CLEAN ENERGY AUTHORITY  
AUTHORIZED REPRESENTATIVE  
Pursuant to Tex. Local Gov't Code §399.006(b)

By: \_\_\_\_\_

Name: CHARLENE HEYDINGER

Title: PRESIDENT, TEXAS PACE AUTHORITY

Address: PO BOX 200368  
AUSTIN, TX 78720-0368

E-mail: charlene@texaspaceauthority.org

### ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF \_\_\_\_\_ §

This Notice of Contractual Assessment Lien pursuant to Property Assessed Clean Energy Act was acknowledged before me on \_\_\_\_\_, 20\_\_\_\_ by Charlene Heydinger, President, Texas Property Assessed Clean Energy Authority, dba Texas PACE Authority, a Texas nonprofit corporation, on behalf of said corporation and as Authorized Representative for the Local Government.

\_\_\_\_\_  
\_\_\_\_\_  
(print name)

NOTARY PUBLIC, STATE OF TEXAS

**EXHIBIT A**  
**PROPERTY DESCRIPTION**

**EXHIBIT B**  
**QUALIFIED IMPROVEMENTS**



### Assessment Payment Schedule

Payment Frequency:

[illegible]

## Financing Documents

| Document Title | Parties | Date Executed |
|----------------|---------|---------------|
|                |         |               |

INDEXING INSTRUCTION:

Grantor: \_\_\_\_\_, Property Owner  
Grantees: \_\_\_\_\_, Local Government  
              \_\_\_\_\_, Lender

After recording, return to- Texas PACE Authority  
Charlene Heydinger  
PO Box 200368  
Austin, TX 78720-0368

# TX-PACE FOR LOCAL GOVERNMENT



## WHAT IS THE TEXAS PACE PROGRAM?

Texas Property Assessed Clean Energy (TX-PACE) is a voluntary program that creates jobs, improves the environment, and saves Texas companies money on their utility bills. Local governments across the state are taking advantage of the Texas PACE statute and establishing programs to further provide quality and valuable services to their constituencies, stakeholders, and taxpayers. Local PACE programs have already enabled over \$30 million of new private investment in local building stock in urban and rural Texas in just two years.

The Texas PACE Act, Chapter 399 of the Local Government Code, is a local adoption model. The Texas “PACE in a Box” model was created by over 130 PACE stakeholders to facilitate a consistent, user-friendly approach to TX-PACE design and implementation. The model has been unanimously adopted by every local government establishing a TX-PACE program in Texas.

The model plug and play program contains consumer protection underwriting and technical best practices and model documents. “PACE in a Box” has minimal impact on government staff, adds no additional cost to the general taxpayer or burden to the treasury, and is administered by a nonprofit that does not compete with the private sector. Texas PACE Authority administers the uniform “PACE in a Box” model as a public service on behalf of local governments and is funded through user fees and grants.

This successful “PACE in a Box” model is market-based and flexible, providing the lowest possible administrative cost and highest level of consumer protection, allowing owners to do business with the parties of their choosing.

## HOW DOES TX-PACE WORK?

TX-PACE facilitates the use of private capital to finance water conservation, energy efficiency, resiliency, and distributed generation projects to eligible commercial, industrial, agricultural, nonprofit, and multifamily properties. Owners choose a private sector capital provider and request that the local government place a voluntary senior lien on the property for the total cost of the project. The owner agrees to pay the TX-PACE assessment until it is paid in full, similar to that of a sidewalk or sewer assessment.

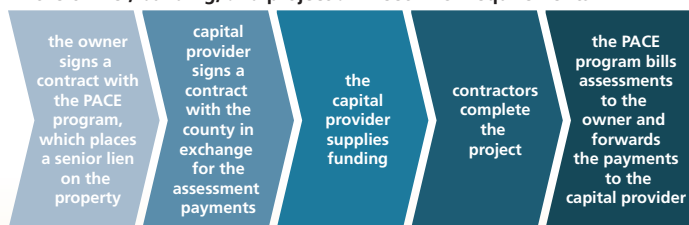
Property owners can lower operating costs and use the savings to pay for eligible projects. Since the assessment is tied to the property and transfers upon sale, TX-PACE makes it easier for owners to invest in facility upgrades and modernization, with little or no upfront capital. The widespread benefits impact the property owner, tenants, environment, and community, resulting in lower operating costs, more local jobs, and a concerted effort to conserve energy and water.

### How It Works

#### A Building Owner:



#### If the owner, building, and project all meet PACE requirements:



## WHAT ARE THE BENEFITS OF PACE?

### *Local Government Benefits:*

Workforce and economic development • No local government obligation • Minimal staff support • Improve building stock • Business retention and expansion • Better air quality • Water and energy conservation

### *Property Owner Benefits:*

Cash flow positive projects • 100% financing • Automatic transfer upon sale • Long-term financing (up to 20 years or more) • Lower energy and water costs • No personal guarantees • Competitive rates and terms • Owner retains all tax incentives • Increase property value • Preserve capital for core business • Healthier and more comfortable facilities • Reduce environmental impacts

### *Service Provider Benefits:*

Increase local hiring • Accelerate project timelines • New market penetration • Best practices • Technology advancement improvements

### *Capital Provider Benefits:*

Steady and stable process • Fully collateralized • Tax assessment lien position • Improve asset value • Mortgage-holder consent • Enhance customer finance position

## LOCAL GOVERNMENT ACTION

The Texas PACE Act establishes a four-step process that can be enacted in as few as two meetings using the PACE in a Box model documents prepared for your local government by Texas PACE Authority.

1. Post a report on how the program will work on your website
2. Adopt a resolution of intent to establish a program that references the report and sets a hearing date
3. Hold a public meeting
4. Adopt a resolution establishing a PACE program

## WHAT PROPERTY TYPES AND IMPROVEMENTS ARE ELIGIBLE?

### *Eligible Property Types:*

- Commercial
- Industrial/Manufacturing
- Multifamily housing (5+ units)
- Hospitality
- Agricultural
- Nonprofit

### *Eligible Improvements:*

Chillers, boilers, and furnaces • HVAC, BMS, BAS, EMS controls • Lighting • Water heating systems • Energy management systems and controls • Roofing • Windows • Doors • Insulation • Elevator modernization • Pool equipment • Cogeneration or combined heat and power • Heat recovery and steam traps • Solar panels • Wind turbines • Water management systems and controls • Irrigation equipment • Rainwater collection systems • Toilets • Faucets • Greywater systems... and more!

## PICK UP THE TX-PACE IN YOUR REGION!

TX-PACE programs are being launched all over the state and are currently available in more than a dozen regions. TX-PACE can help you create jobs, promote economic development, and protect the environment.

Contact Texas PACE Authority to learn how to develop a TX-PACE program for your community.

Visit us online at  
[www.TexasPACEAuthority.org](http://www.TexasPACEAuthority.org)

[admin@texaspaceauthority.org](mailto:admin@texaspaceauthority.org)  
855-738-PACE (7223)  
[www.TexasPACEAuthority.org](http://www.TexasPACEAuthority.org)

Texas PACE Authority administers the uniform “PACE in a Box” model as a public service on behalf of local governments and is funded through user fees and grants.



*The City of Amarillo's PACE program is revitalizing and repurposing a dilapidated 10-story brick office tower built in 1926 along the new Route 66 into a boutique hotel, revitalizing not only the historic building, but also a key section of downtown Amarillo.*



BEFORE



AFTER

### THE PROBLEM:

In 1926 the new Eakle Building on Route 66 became a focal point of downtown Amarillo during its pre-depression building boom. Over the subsequent 90 years, the 10-story brick office tower, renamed the Barfield Building, retained much of its original historic integrity even as it adopted a patina of dilapidation. The last twenty-five years of abandonment inevitably dampened the economic vitality of the surrounding area.

Rehabilitating a historic building can be a costly venture. Property owners are often forced to “value engineer” renovations by cutting energy and water efficiency. Accessing future operating savings rarely justifies the diversion of significant existing capital from the core business or company growth.

### THE PACE SOLUTION:

In 2017, the City of Amarillo established an economic development mechanism to incentivize property owners to upgrade facility infrastructure with little or no capital outlay. The program, TX-PACE, requires no taxpayer dollars, promotes energy and water saving improvements, and enabled the revitalization of the Barfield Building. RAHILL Capital assisted the Barfield Building investor in identifying PACE qualifying measures, developed the PACE project, and identified the source of PACE project capital. “PACE financing is a really nice fit for historic rehabilitation projects like this one. PACE works well with historic tax credits in the capital stack and allows the owner a low-cost alternative to more expensive options like mezzanine debt or equity,” notes Anne Hill, President, RAHILL Capital. “We like being able to help be a part of major urban revitalization projects like what’s happening in downtown Amarillo.”

Twain Financial Partners provided the PACE capital. “Funding the rehabilitation of a historically significant piece of Amarillo’s built environment with an affordable financing product that also encourages energy efficiency is a perfect use for PACE financing.” Andy Meyer, Twain Financial Partners.

### COMMUNITY IMPACT:

“It is fitting that the first PACE project in downtown Amarillo represents a significant part of the city’s history – the Barfield Building,” Amarillo Mayor Ginger Nelson said. “This is another major step in the rebirth of downtown Amarillo. The city’s history is being preserved by this project, while at the same time providing a new and exciting aspect to a growing and progressive downtown area.”

## PROJECT OVERVIEW

### PROJECT FINANCING

Owner’s PACE Consultant:  
RAHILL Capital  
Lender: Twain Financial Partners  
Total Assessment: \$6,447,609  
Term: 20 Years  
Incentives: State Historic Tax Credit  
financing: \$9,050,551

### ANNUAL IMPACT

Total anticipated annual electric energy savings: 1,716,251 kWh (73%)  
Total anticipated annual natural gas savings: 3,180 mmBTU (79%)  
Total anticipated water savings: 4,170,000 gals (40%)  
Clean air improvements:  
- Annual avoided CO<sub>2</sub>: 1062 tonnes  
- Annual avoided NO<sub>x</sub>: .47 tonnes  
- Annual avoided SO<sub>x</sub>: 1.5 tonnes

### BUILDING

Building Size: 73,307 square feet  
Built: 1926

### IMPROVEMENTS

HVAC, LED Lighting, building envelope efficiency improvements, water efficiency, and domestic hot water heating

### PACE IN TEXAS

Texas PACE answers the question, “How are we going to pay for it?” and is transforming how developers, owners, and contractors look at projects, proving that there is a clear path forward for energy efficiency, distributed generation, water use reduction, and resiliency projects in existing buildings.

### FOR MORE INFORMATION CONTACT

Texas PACE Authority  
admin@texaspaceauthority.org  
1-855-738-PACE (7223)  
www.texaspaceauthority.org

## HOW DOES TX-PACE WORK?

Texas Property Assessed Clean Energy (TX-PACE) is an innovative financing program that offers commercial, industrial, and large multifamily property owners an opportunity to participate in a voluntary program to obtain up to 100% financing for water conservation, energy-efficiency, and distributed generation retrofits. TX-PACE has great potential to directly affect a business' bottom line; a project's savings in utility costs offsets the cost of installing the project. In most instances, this will result in an immediate positive cash flow.

## CITY OF AMARILLO

The City of Amarillo's PACE program provides a market-based, flexible TX-PACE program that enables property owners to do business with the parties of their choosing at the lowest possible cost. The program includes a high level of consumer protection to ensure that PACE projects deliver the anticipated savings and is based on the Texas PACE in a Box model program created by over 130 stakeholders.

[www.texaspaceauthority.org/amarillo](http://www.texaspaceauthority.org/amarillo)

## TEXAS PACE AUTHORITY

The City of Amarillo's PACE program is administered by Texas PACE Authority (TPA), a nonprofit organization that administers Texas' PACE statute by taking a market-based approach to energy finance and economic development. TPA works with all parties – property owners, contractors, and lenders to bring energy and water improvements that are both economically sound and environmentally friendly.

[www.texaspaceauthority.org](http://www.texaspaceauthority.org)

## RAHILL CAPITAL

RAHILL Capital partners with building owners and developers to help them secure C-PACE financing to close the gap in the capital stack and improve their ROI.

[www.rahillcapital.com](http://www.rahillcapital.com)

## TWAIN FINANCIAL PARTNERS

Twain Financial Partners is a leading C-PACE capital provider and investment management firm with over \$4 billion in assets under management. The firm works with a wide variety of investment types, specializing in tax credit, PACE financing, structured debt, and real estate transactions.

[www.twainfinancial.com](http://www.twainfinancial.com)







Dallas' first PACE project is now the largest in Texas. \$23.9 million in PACE financing enabled the inclusion of energy and water-saving measures in the redevelopment capital stack of the historic Butler Brothers Building.

### THE PROBLEM:

Originally constructed in 1910, the nine-story, 600,000 square-foot historic mercantile warehouse, known as the Butler Brothers Building, had long been an empty eyesore across from City Hall. The abandoned building, purchased by Alterra International, a Dallas-based global real estate development company, had deteriorated, with walls covered in graffiti and warping hardwoods soaked from rain leaking into the building. However, redeveloping a historic building could be a costly, complicated venture. Nathan Whigham, VP Business Development at CleanFund, explains one of the common hurdles with redevelopment projects, "A typical real estate capital stack falls short of the funds necessary to cover the additional up-front cost of more expensive energy and water-saving equipment that lowers the property's operating costs." Accessing future operating savings rarely justifies the diversion of significant existing sources of capital from the core business or company growth.

### THE PACE SOLUTION:

The utilization of the TX-PACE program to finance energy and water conservation measures has renewed the Butler Brothers Building and demonstrated that there is a low-cost, long-term replacement to expensive equity partner financing.

Alterra International, a Dallas-based global real estate development company, acquired the historic facility in 2011 with the goal of redeveloping the former warehouse and adding to the revitalization underway at the eastern end of downtown. "The TX-PACE financing allowed us to increase the building's energy-efficiency, attracting more interest and appealing to residents and tenants that look for high-efficiency facilities with low maintenance costs, said Mike Sarimsakci, President of Alterra International. "Additionally, we are able to satisfy the sustainability preference of hotel guests, building greater retention and loyalty."

Apartment residents now relish the restored original hardwoods, the exposed brick and concrete columns, and the layers of charm that have been brought back to life.

"PACE loans pair incredibly well with historic buildings that are typically energy inefficient and require additional capital in order to renovate the property to modern energy efficiency standards," Phill Geheb with Munsch Hardt stated. "I am beginning to see greater interest in the utilization of this program for historic and nonhistoric renovation projects because of its flexibility, relative low-cost and non-recourse nature."

### COMMUNITY IMPACT:

This project will contribute to the creation of over 100 jobs in the Dallas area, reduce annual electricity use by more than 6.6 million kilowatt hours, remove over 3,500 metric tons of CO<sub>2</sub>e each year, and save almost 700,000 gallons of water per year.

"It is great to see Dallas' first PACE deal make it across the finish line. Hopefully this financial model will serve as an example for the other PACE transactions in the Dallas pipeline," said Robin Bentley, Interim Director of the City's Office of Economic Development.

The redevelopment into 238 apartments, a 270-room dual-branded Fairfield Inn/TownePlace Suites by Marriott, and retail and office space is expected to spur additional revitalization in the area.

## PROJECT OVERVIEW

### PROJECT FINANCING

Lender: CleanFund Commercial  
PACE Capital, Inc.  
Total Assessment: \$23.9 million  
Incentives:  
- Historic Tax Credits: \$21 million  
Term: 20 years  
Lender Consent Granted

### IMPACT

- Approximately 6,600,000 kWh in electricity savings annually
- Almost 700,000 gallons of annual water savings
- Approximate annual energy use reduction of 40%

### BUILDING

Size: 600,000 Square Feet  
Built: 1910

### IMPROVEMENTS

HVAC, lighting, insulation, roofing, glazing, exterior waterproofing and plaster, plumbing fixtures, and irrigation systems

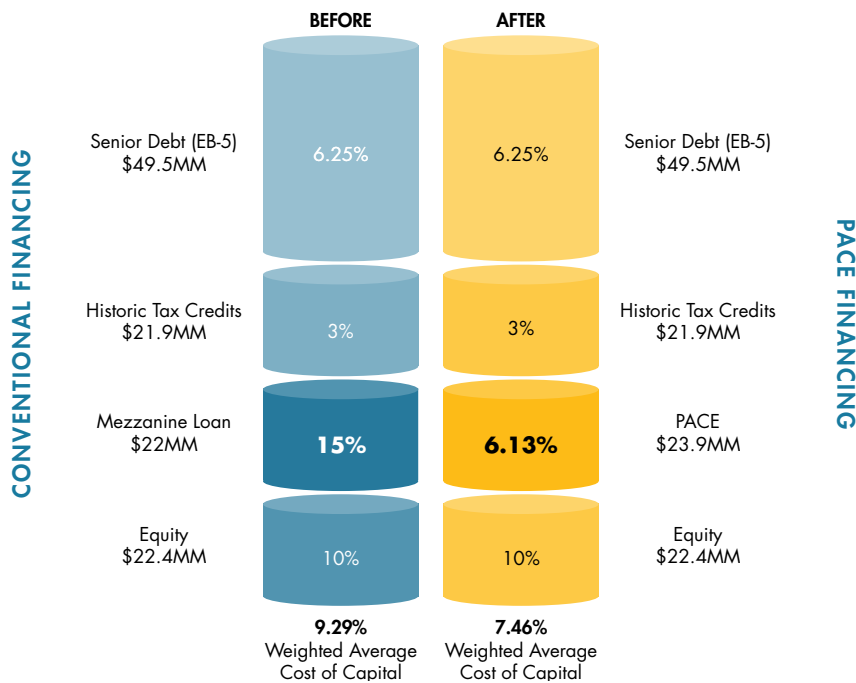
## PACE IN TEXAS

Texas PACE answers the question, "How are we going to pay for it?" and is transforming how developers, owners, and contractors look at projects, proving that there is a clear path forward for energy efficiency, distributed generation, water use reduction, and resiliency projects in existing buildings.

## FOR MORE INFORMATION CONTACT

Texas PACE Authority  
admin@texaspaceauthority.org  
1-855-738-PACE (7223)  
www.texaspaceauthority.org

## CAPITAL STACK COMPARISON



### CITY OF DALLAS

The City's TX-PACE program is based on the Texas PACE in a Box model program created by over 130 stakeholders. The City of Dallas provides a market-based, flexible TX-PACE program that enables property owners to do business with the parties of their choosing at the lowest possible administrative cost. The program includes a high level of consumer protection to ensure that the projects will deliver the anticipated savings.

[dallas.texaspaceauthority.org](http://dallas.texaspaceauthority.org)



### TEXAS PACE AUTHORITY

The nonprofit organization, Texas PACE Authority, administers the uniform "PACE in a Box" model on behalf of the City of Dallas. This model approach ensures local governments can establish an effective program quickly and economically, providing a tool for building owners to invest in more efficient infrastructure.

[www.texaspaceauthority.org](http://www.texaspaceauthority.org)



### CLEANFUND COMMERCIAL PACE CAPITAL

CleanFund Commercial PACE Capital is the leading direct provider of long-term financing for energy efficiency, water conservation, renewable energy and seismic improvements to commercial, multifamily and other nonresidential properties in the U.S. With significant expertise in commercial real estate, finance, renewable energy and PACE policy, CleanFund offers PACEDirect™ and SolarPACE™ financing programs, which enable property owners to upgrade their properties with no up-front cost, increasing property cash flows and value.

[www.CleanFund.com](http://www.CleanFund.com)



## HOW DOES TX-PACE WORK?

Texas Property Assessed Clean Energy (TX-PACE) is an innovative financing program that offers commercial, industrial, and large multi-family property owners a voluntary program to obtain up to 100% financing for water conservation, energy-efficiency, resiliency, and distributed generation retrofits. TX-PACE has great potential to directly affect a business' bottom line; a project's savings in utility costs offsets the cost of installing the project. In most instances, this will result in an immediate positive cash flow.

## FOUR TIME AWARD WINNING PROJECT

### 2018 Best Public-Private Partnership

D CEO Commercial Real Estate Awards  
[bit.ly/2mkvLVX](http://bit.ly/2mkvLVX)

**Dallas Business Journal**

### Most Creative Financing

Best Real Estate Deals of 2017  
[bit.ly/2KYxDxp](http://bit.ly/2KYxDxp)



### 2018 Sustainability Leadership Award

CoreNet Black White & Blue Awards of Excellence  
[bwnorthtexas.com](http://bwnorthtexas.com)



INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

### Excellence in Economic Development

The International Economic Development Council





*Rural, locally funded PACE: The Elgin General Store Solar PV project, Bastrop County's 1st PACE project, included a grant from the USDA and utility incentives, and is the first TX-PACE project to be financed by a local bank.*



### THE PROBLEM:

Historic Elgin, Texas is treasured for its sausage and its Hogeye Festival (the best little pig gig in Texas). Like many small Texas towns, Elgin is blessed with new and historic buildings that require significant investment to maintain and small businesses without the capital to maintain them.

Explosive population growth across Texas over the last decade both creates opportunity and stresses communities and businesses to improve infrastructure and reduce power and water demands so that these resources can be freed up for incoming businesses and people. For many local businesses in small towns, the ability to lower operating expense can mean the difference between success and cash flow crisis. The problem is how to find a source of capital to make the improvements without draining company cash flow.

Successful entrepreneur and owner of Elgin General Store, David Glass, had already updated the store's lighting. "Energy savings and electrical outages are a big problem when you're in the retail business. I need reliable power to operate my sales terminals as well as credit card processing," noted Glass.

### THE PACE SOLUTION:

Bastrop County's first PACE project demonstrates that small town businesses do have access to capital to address deferred maintenance without a cash flow crunch. When he learned about the ability to use the TX-PACE program to finance solar PV on the roof of his general store without draining capital, Mr. Glass became an advocate for the Bastrop County PACE program.

A local community bank became the first bank in Texas to finance a PACE project. "Frontier Bank worked hand in hand with Texas PACE Authority to fund our first project. We are incredibly proud of David Glass for leveraging this program to bring sustainable energy to Bastrop County," notes Patrick Johnson, Frontier's president and CEO. "We thank him for getting us involved, and we look forward to finding additional opportunities to use this program in Bastrop, Travis, Hays, and Williamson counties."

PACE financing complements other rural economic development incentives important to so many historic towns in Texas. Elgin General Store also benefited from a Texas USDA REAP grant and Oncor's solar incentives.

## PROJECT OVERVIEW

### PROJECT FINANCING

Lender: Frontier Bank of Texas

Total Assessment: \$120,000

Term: 10 Years

Incentives:

- USDA Rural Energy for America Program (REAP) Grant - \$30,781
- Oncor Electric Grant/Rebate - \$38,186

Lender consent granted by:  
Frontier Bank of Texas

### IMPACT

Total anticipated annual electric energy savings: 91,081 kWh

Anticipated electric utility use reduction: 26%

Clean air improvements:

- Annual avoided CO<sub>2</sub>: 48.96 tonnes
- Annual avoided NO<sub>x</sub>: .03 tonnes
- Annual avoided SO<sub>x</sub>: .08 tonnes

### BUILDING DETAILS

Building Size: 15,776 square feet

Built: 2004 with 2007 addition

### IMPROVEMENTS

Solar PV

### PACE IN TEXAS

Texas PACE answers the question, "How are we going to pay for it?" and is transforming how developers, owners, and contractors look at projects, proving that there is a clear path forward for energy efficiency, distributed generation, water use reduction, and resiliency projects in existing buildings.

### FOR MORE INFORMATION CONTACT

**Texas PACE Authority**  
admin@texaspaceauthority.org  
1-855-738-PACE (7223)  
www.texaspaceauthority.org

## COMMUNITY IMPACT:

“Frontier Bank’s involvement in Bastrop County’s first PACE project demonstrates our belief in the value of local PACE financing for small businesses throughout Texas. When our community bank engages in this cutting edge work, we help our customers lower their operating costs and address deferred maintenance expenses.”

— Senator Kirk Watson, Texas Senate, D-14

Located along U.S. Route 290 between Austin and Houston, Elgin General Store demonstrates to all passersby how the TX-PACE program helps rural businesses upgrade property and lower operating expenses. As Bastrop County Judge Paul Pape noted when the Commissioners Court adopted the program, “If you are interested in the Bastrop County PACE program or you know someone that might be, contact my office or Texas PACE Authority. This program can assist many businesses in Bastrop County and benefit all of us with clean air and water conservation.”

## HOW DOES TX-PACE WORK?

Texas Property Assessed Clean Energy (TX-PACE) is an innovative financing program that offers commercial, industrial, and large multifamily property owners an opportunity to participate in a voluntary program to obtain up to 100% financing for water conservation, energy-efficiency, and distributed generation retrofits. TX-PACE has great potential to directly affect a business’ bottom line; a project’s savings in utility costs offsets the cost of installing the project. In most instances, this will result in an immediate positive cash flow.

## BASTROP COUNTY

Bastrop County’s PACE program provides a market-based, flexible TX-PACE program that enables property owners to do business with the parties of their choosing at the lowest possible cost. The program includes a high level of consumer protection to ensure that PACE projects deliver the anticipated savings and is based on the Texas PACE in a Box model program created by over 130 stakeholders.

[www.texaspaceauthority.org/bastrop-county](http://www.texaspaceauthority.org/bastrop-county)

## TEXAS PACE AUTHORITY

The Bastrop County PACE program is administered by Texas PACE Authority (TPA), a nonprofit organization that administers Texas’ PACE statute by taking a market-based approach to energy finance and economic development. TPA works with all parties – property owners, contractors, and lenders to bring energy and water improvements that are both economically sound and environmentally friendly.

[www.texaspaceauthority.org](http://www.texaspaceauthority.org)

## ELGIN GENERAL STORE

Since 2005, Elgin Country Store, owned and operated by the Glass family, provides farm & ranch supplies; feeds, hardware and equipment for Elgin and the surrounding communities.

[www.elgin-generalstore.com](http://www.elgin-generalstore.com)

## FRONTIER BANK OF TEXAS

Frontier Bank of Texas started in 2007 to serve Bastrop County by focusing on community involvement and personalized banking services embodied in “Know you by your first name banking.”

[www.frontierbankoftexas.com](http://www.frontierbankoftexas.com)



ELGIN GENERAL STORE WITH COMPLETED TX-PACE PROJECT



TEXAS  PACE  
AUTHORITY



# **Texas Property Assessed Clean Energy (PACE)**



## What is Texas Property Assessed Clean Energy (PACE)?

- Economic development tool- property assessment
- 100% long-term, low cost financing
- Voluntary program facilitating the use of private capital:
  - Energy efficiency
  - Water conservation
  - Distributed generation
- On commercial, industrial, and multi-family (5+ units) properties

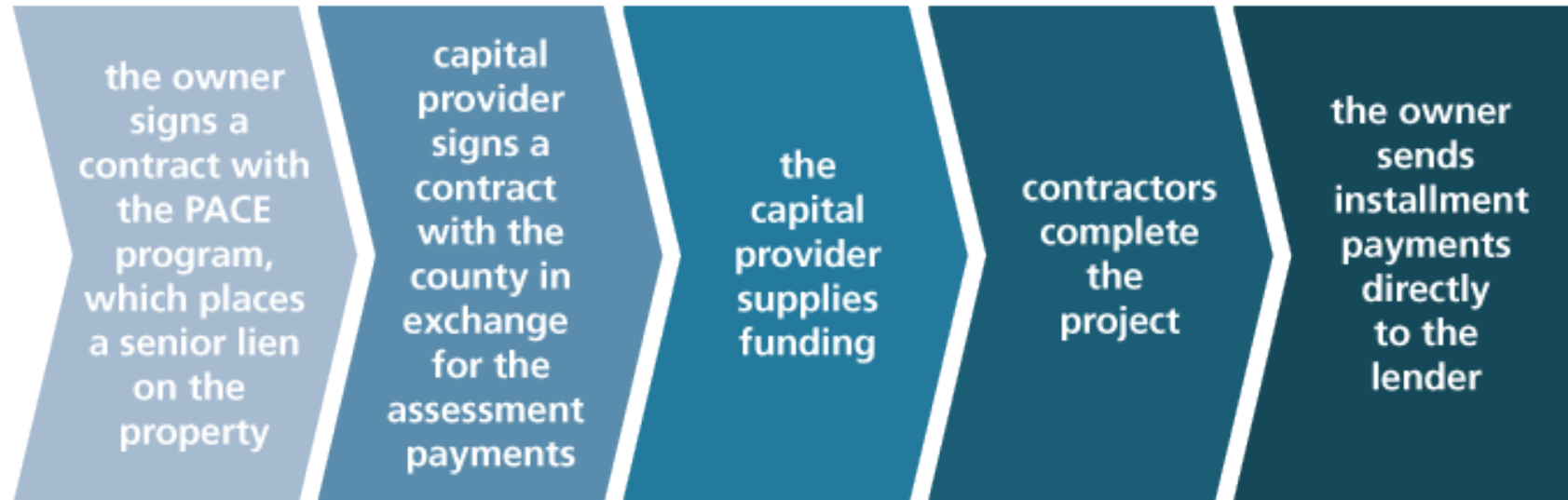


# How It Works

## A Building Owner:



## If the owner, building, and project all meet PACE requirements:



## Growing PACE



### COUNTIES

|                   |                  |                   |
|-------------------|------------------|-------------------|
| Aransas County    | Bastrop County   | Bell County       |
| Brazos County     | Cameron County   | Comal County      |
| El Paso County    | Fisher County    | Fort Bend County  |
| Galveston County  | Hays County      | Hidalgo County    |
| Jefferson County  | Medina County    | McLennan County   |
| Midland County    | Navarro County   | Nueces County     |
| Tarrant County    | Tom Green County | Travis County     |
| Washington County | Willacy County   | Williamson County |

### CITIES

|                       |                 |                        |
|-----------------------|-----------------|------------------------|
| City of Amarillo      | City of Borger  | City of Cameron        |
| City of Corinth       | City of Dallas  | City of Farmers Branch |
| City of Fredricksburg | City of Hondo   | City of Houston        |
| Jacinto City          | Johnson City    | City of Panhandle      |
| City of Princeton     | Town of Prosper | City of Rockdale       |

- + \$105 million of investment to date
- + 55% of state population covered





## PACE in a Box

“PACE in a Box” is a toolkit of recommendations and templates for counties and municipalities to:

- Create uniform, user friendly, scalable, and sustainable PACE programs
- Administered by a nonprofit (through a professional services agreement) in a transparent manner, focused on gov’t tasks; free market with decision/power in hands of property owner



# Local Government Risk Avoidance

- Financial
  - No tax dollars (user fee)
  - No risk to treasury
  - No risk to public servants – HB 2654
  - Limited impact on public servant workload
- Fiduciary
  - Build strong local stakeholder support
  - Best practices/consumer protection
  - Government doesn't compete w/private sector
- Government costs covered if foreclosure





## Free Market Flexibility

- No mandates, market distortions, or financial incentives that siphon funds away from local government
- Risk stays with property (not transferred to the Gov't or lender)
- Property owner selects lender, contractor and project, negotiates interest rates and other terms
- Private capital (Gov't does not need to fund projects through bonds)
- Thorough Underwriting and Technical Standards requirements



## PACE is a WIN-WIN-WIN

- ✓ Property Owners – lower utility bills, energy independence, energy efficiency, property value increase
- ✓ Contractors – source of increase in business, more local hiring, best practices, keeping up with technology advancements
- ✓ Lenders – new loans, steady & stable process, fully collateralized, Tax Assessment lien position, improved asset value
- ✓ State of Texas – reduced peak demand, improved grid loading distributed generation as resilient power source, improved air quality, better water conservation
- ✓ Communities – increased economic development and jobs, improved building infrastructure, more appealing building stock



## Resources:

- **State Energy Conservation Office:**

<https://comptroller.texas.gov/programs/seco/funding/pace.php>

- **Energy and Emissions Tool:**

<https://pace.harcresearch.org>

- **Texas PACE Authority:**

[www.TexasPACEAuthority.org](http://www.TexasPACEAuthority.org)

- **Keeping PACE in Texas:**

[www.KeepingPACEinTexas.org](http://www.KeepingPACEinTexas.org)

- **PACE Nation:**

[www.PACENation.us](http://www.PACENation.us)



**TEXAS** ★ **PACE**  
**AUTHORITY**



**QUESTIONS?**





**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Robert Hanna, City Manager

**FROM:** Cheryl Sawyers, Planning Services Manager

**SUBJECT:** 16. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action to execute a Professional Services Contract with the Texas Property Assessed Clean Energy Authority to administer the Texas Property Assessed Clean Energy Act (PACE Act), and serve as the Authorized Representative for the program (Cheryl Sawyers)

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**GENERAL INFORMATION**

Executing a professional services contract with the Texas Property Assessed Clean Energy Authority to administer the Texas PACE Act

**SPECIAL CONSIDERATIONS**

**FUNDING/FISCAL IMPACT**

**STAFF RECOMMENDATION**

Staff recommends approval of the item

**BOARD OR COMMISSION RECOMMENDATION**

N/A

**ATTACHMENTS:**

1. 2020 Resolution Approve Professional Services Agmt for PACE program
2. TPA Professional Services Agreement (2)
3. PACE Council Presentation Update

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS,  
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES  
AGREEMENT WITH TEXAS PROPERTY ASSESSED CLEAN ENERGY AUTHORITY  
TO ADMINISTER THE CITY OF ABILENE'S TEXAS PROPERTY ASSESSED CLEAN  
ENERGY (PACE) PROGRAM**

**WHEREAS**, the City of Abilene has established its Property Assessed Clean Energy (PACE) program pursuant to the Property Assessed Clean Energy Act ("PACE Act"), Texas Local Government Code Chapter 399; and

**WHEREAS**, the City of Abilene desires to engage the services of Texas Property Assessed Clean Energy (PACE) Authority, dba Texas PACE Authority, to serve as its qualified consultant and authorized representative to administer the City's PACE program, pursuant to Texas Local Government Code Section 399.006(b).

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

Part 1: That the City Manager is authorized to execute a Professional Services Agreement with Texas Property Assessed Clean Energy (PACE) Authority dba Texas PACE Authority to serve as the City's qualified consultant and authorized representative to administer the City's PACE program.

Part 2: That this resolution takes effect immediately upon passage.

**ADOPTED this 12<sup>th</sup> day of March, 2020.**

ATTEST:

\_\_\_\_\_  
Shawna Atkinson, City Secretary

\_\_\_\_\_  
Anthony Williams, Mayor

APPROVED:

\_\_\_\_\_  
Stanley Smith, City Attorney

**PROFESSIONAL SERVICES AGREEMENT  
BY AND BETWEEN THE CITY OF ABILENE, TEXAS AND  
TEXAS PROPERTY ASSESSED CLEAN ENERGY AUTHORITY**

**THIS AGREEMENT** is made and entered by and between **Abilene, Texas**, hereinafter referred to as "**Local Government**", and **TEXAS PROPERTY ASSESSED CLEAN ENERGY (PACE) AUTHORITY (dba Texas PACE Authority)**, a Texas non-profit business association, hereinafter referred to as "**Services Provider**" to be effective from and after the date as provided herein.

**W I T N E S S E T H:**

**WHEREAS**, the City Council of **Local Government** desires to engage the services of a qualified consultant to administer a Texas Property Assessed Clean Energy program for **Local Government** pursuant to the Property Assessed Clean Energy Act ("**PACE Act**"), Texas Local Government Code Chapter 399, and serve as Authorized Representative pursuant to Tex. Local Gov't Code §399.006(b), hereinafter referred to as the "**Program**"; and

**WHEREAS**, **Services Provider** desires to render such services for **Local Government** upon the terms and conditions provided herein –

**NOW, THEREFORE**, for and in consideration of the covenants contained herein, and for the mutual benefits to be obtained hereby, the parties hereto agree as follows:

**I. ENGAGEMENT**

**Local Government** hereby agrees to retain **Services Provider** to serve as administrator of **Local Government's Program** and **Services Provider** agrees to perform such services in accordance with the terms and conditions of this Agreement.

**II. SCOPE OF SERVICES**

The parties agree that **Services Provider** shall perform such services as are further described in **Exhibit "A"** hereto (collectively "**Scope of Services**"). The parties understand and agree that deviations or modifications in the **Scope of Services** may be authorized from time to time by **Local Government** but said authorization must be made in writing.

**III. TERM OF AGREEMENT**

The initial term of this Agreement shall commence upon the complete execution of the Agreement by **Local Government** and **Services Provider**. Notwithstanding the termination of this Agreement, **Services Provider** shall be permitted to continue



administration of any third-party agreements under the **Program** commenced prior to termination of this Agreement, and to recover any compensation due **Services Provider** for services performed in accordance with Section IV of this Agreement.

#### **IV. COMPENSATION AND EXPENSES**

**Services Provider** shall be paid for performance of the **Scope of Services** set forth in Exhibit "A", in accordance with the compensation schedule set forth in Exhibit "B" hereto. **Services Provider** is entitled to payment in accordance with Exhibit "B"; however, **Local Government** shall have no obligation to pay **Services Provider** for performance of the **Scope of Services**. All payments to **Services Provider** shall be made by participants in the **Program** in accordance with the PACE Act

#### **V. INSURANCE**

**Services Provider** agrees to meet all insurance requirements, and to require all consultants who perform work for **Services Provider** to meet all insurance requirements, as set forth in **Exhibit "C"** to this Agreement.

#### **VI. INDEMNIFICATION**

**SERVICES PROVIDER AGREES TO INDEMNIFY AND HOLD LOCAL GOVERNMENT AND ITS RESPECTIVE OFFICERS, AGENTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, FINES, PENALTIES, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM OR VIOLATIONS FOR WHICH RECOVERY OF DAMAGES, FINES, OR PENALTIES IS SOUGHT FROM LOCAL GOVERNMENT ARISING OUT OF OR OCCASIONED BY SERVICES PROVIDER 'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT, VIOLATIONS OF LAW BY SERVICES PROVIDER, OR BY ANY NEGLIGENT, GROSSLY NEGLIGENT, INTENTIONAL, OR STRICTLY LIABLE ACT OR OMISSION OF THE SERVICES PROVIDER, ITS OFFICERS, AGENTS, EMPLOYEES, INVITEES, SUBCONTRACTORS, OR SUB-SUBCONTRACTORS AND THEIR RESPECTIVE OFFICERS, AGENTS, OR REPRESENTATIVES, OR ANY OTHER PERSONS OR ENTITIES FOR WHICH THE SERVICES PROVIDER IS LEGALLY RESPONSIBLE IN THE PERFORMANCE OF THIS AGREEMENT. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY TO THE EXTENT RESULTING FROM THE NEGLIGENCE OF LOCAL GOVERNMENT, AND ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS. LOCAL GOVERNMENT DOES NOT WAIVE ANY GOVERNMENTAL IMMUNITY OR OTHER DEFENSES AVAILABLE TO IT UNDER TEXAS OR FEDERAL LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.**

#### **VII. INDEPENDENT CONTRACTOR**

**Services Provider** covenants and agrees that it is an independent contractor and not an officer, agent, servant or employee of **Local Government**; that it shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing same, and shall be responsible for the acts and omissions of its officers, agents, employees, contractors, subcontractors and consultants; that the doctrine of respondeat superior shall not apply as between **Local Government** and **Services Provider**, its officers, agents, employees, contractors, subcontractors and consultants, and nothing herein shall be construed as creating a partnership or joint enterprise between **Local Government** and **Services Provider**.

#### **VIII. ASSIGNMENT AND SUBLETTING**

**Services Provider** agrees that this Agreement shall not be assigned without the prior written consent of **Local Government**, except to an Affiliate of **Services Provider**. Affiliate shall mean (1) any corporation or other entity controlling, controlled by, or under common control with (directly or indirectly) **Services Provider**, including, without limitation, any parent corporation controlling **Services Provider** or any subsidiary that **Services Provider** controls; (2) the surviving corporation resulting from the merger or consolidation of **Services Provider**; or (3) any person or entity which acquires all of the assets of **Services Provider** as a going concern. **Services Provider** shall be permitted to enter into subcontracts for performance of portions of the **Scope of Services**; however, **Services Provider** shall not subcontract the entirety of the **Scope of Services** to a single subcontractor without **Local Government's** consent. **Services Provider** further agrees that the assignment or subletting of any portion or feature of the work or materials required in the performance of this Agreement shall not relieve the **Services Provider** from its full obligations to **Local Government** as provided by this Agreement.

#### **IX. AUDITS AND RECORDS**

**Services Provider** agrees that **Local Government** or its duly authorized representatives shall, until the expiration of three (3) years after termination under this Agreement, have access to and the right to examine and photocopy any and all books, documents, papers and records of **Services Provider** which are directly pertinent to the services to be performed under this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. **Services Provider** agrees that **Local Government** shall have access during normal working hours to all necessary **Services Provider's** facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. **Local Government** shall give **Services Provider** reasonable advance notice of intended audits.

#### **X. CONTRACT TERMINATION**

The parties agree that **Local Government** and **Services Provider** shall have the right to terminate this Agreement with cause upon thirty (30) days written notice to **Services Provider**. In the event of such termination, **Services Provider** shall deliver to **Local Government** all finished or unfinished documents, data, studies, surveys, drawings, maps, models, reports, photographs or other items prepared by **Services Provider** in connection with this Agreement. In the event of termination by **Local Government**, **Services Provider** shall be compensated in accordance with Section III of this Agreement with respect to any third party agreements under administration by **Services Provider** at the time of termination.

#### **XI. COMPLETE AGREEMENT**

This Agreement, including the Exhibits lettered "A" through "C", constitute the entire agreement by and between the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral understandings. This Agreement may only be amended, supplemented, modified or canceled by a duly executed written instrument.

#### **XII. AMENDMENTS (Added)**

Amendments to this agreement may be made at any time upon agreement by **Local Government** and **Services Provider**.

#### **XIII. MAILING OF NOTICES**

Unless instructed otherwise in writing, **Services Provider** agrees that all notices or communications to **Local Government** permitted or required under this Agreement shall be addressed to **Local Government** at the following address:

Abilene, Texas  
Attn: City Manager  
555 Walnut Street  
Suite 203  
Abilene, TX 79601

**Local Government** agrees that all notices or communications to **Services Provider** permitted or required under this Agreement shall be addressed to **Services Provider** at the following address:

Texas Property Assessed Clean Energy Authority  
Attn: Charlene Heydinger  
PO Box 200368  
Austin TX 78720-0368

All notices or communications required to be given in writing by one party or the other shall be considered as having been given to the addressee on the date such notice or communication is posted by the sending party.

#### **XIV. AUTHORITY TO SIGN**

The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto.

#### **XV. MISCELLANEOUS**

A. This is a contract for the purchase of personal or professional services and is therefore exempt from any competitive bidding requirements of **Local Government**.

B. Paragraph Headings:

The paragraph headings contained herein are for convenience only and are not intended to define or limit the scope of any provision in this Agreement.

C. Agreement Interpretation:

This is a negotiated Agreement, should any part be in dispute, the parties agree that the terms of the Agreement shall not be construed more favorably for either party.

D. Venue/Governing Law:

The parties agree that the laws of the State of Texas shall govern this Agreement, and that it is performable in Travis County Texas. Exclusive venue shall lie in Travis County, Texas.

E. Successors and Assigns:

**Local Government** and **Services Provider** and their partners, successors, subcontractors, executors, legal representatives, and administrators are hereby bound to the terms and conditions of this Agreement.

F. Severability:

In the event a term, condition, or provision of this Agreement is determined to be void, unenforceable, or unlawful by a court of competent jurisdiction, then that term, condition, or provision, shall be deleted and the remainder of the Agreement shall remain in full force and effect.

G. Effective Date:

This Agreement shall be effective from and after the date of execution by the last signatory hereto as evidenced below.

**SIGNED** on the date indicated below.

**TEXAS PROPERTY ASSESSED  
CLEAN ENERGY AUTHORITY**

DATE: \_\_\_\_\_

BY:  
Name: Charlene Heydinger  
Title: president

**CITY OF ABILENE, TEXAS**

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_  
\_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_  
Attorney

## **Exhibit “A”**

### **Scope of Services**

The **Services Provider** will perform the following services in the administration of the **Program**:

#### **Community Outreach**

Maintain a website and database;

Respond to inquiries from property owners, vendors, contractors, consultants, and the general public;

Publish the Technical Standards Manual on the **Program** website;

List interested, qualified lenders on the **Program** website or link to another neutral non-profit directory of lenders to enable property owners to identify potential sources of private third-party financing;

Arrange for training of contractors and independent third-party reviewers on how to apply for PACE financing and comply with the PACE-in-a-Box Technical Standards Manual; and

Establish quality assurance measures.

Maintain uniform documents. Periodic updates to the standard form documents will be necessary as the program evolves, incorporating best practices and standardizing the PACE documents across various PACE programs. The Authorized Representative will be tasked with maintaining the form documents and making technical and conforming updates as necessary so long as the changes are consistent with the resolution to establish the PACE program and the Texas PACE Act.

#### **Application and Approval Process**

Publish a Project Application Form based on PACE-in-a-Box model application form on the **Program** website;

Review submitted Application forms for administrative completeness and notify the applicants of any missing information;

Maintain the confidentiality of confidential owner information;

Maintain the PACE application process, including:

- Draft and distribute the PACE application, as well as accept and review the property owner's completed application;
- If the project meets eligibility requirements, provide written indication that the project meets PACE standards at this stage (subject to verification of all requirements at closing).



- Inform the property owner of his or her responsibilities in the process, including hiring a third-party reviewer, obtaining a lender, determining final project scope and completing and submitting a closing verification package.
- Conduct a Pre-Closing Verification, which will confirm the statutorily required eligibility requirements of the owner including that the property owner:
  - Is the legal property owner of the benefited property;
  - Is current on mortgage and tax payments;
  - Is not insolvent or the subject of bankruptcy proceedings;
  - Holds a title to the property to be subject to a PACE assessment that is not in dispute; and
  - Has consent of any pre-existing mortgagee to the proposed PACE assessment through a written contract.

Require independent third-party verification of expected energy or water savings resulting from a project (provided by engineer or consultant retained by applicant), according to the PACE-in-a-Box Technical Standards Manual. This review will include a:

- Site visit,
- Report stating the savings (energy, demand, and/or water) and expected project life are reasonable and in compliance with PACE in a Box program guidelines; and
- Letter from the ITPR certifying that he/she has no financial interest in the project and is an independent reviewer.

Require independent third-party verification, according to the PACE-in-a-Box Technical Services Manual, that the period of an assessment does not exceed the expected life of the improvements or thoroughly review waiver application and justification (provided by engineer or consultant retained by applicant);

Require lender to confirm in writing its determination, based on underwriting factors established by the lender, that the owner has demonstrated the financial ability to repay the financial obligations to be repaid through assessment.

Require the owner to notify the holder of any mortgage lien on the property of the owner's intention to participate in the **Program** and obtain the lienholder's written consent prior to the imposition of the PACE assessment;

Review and finalize the terms of every Owner Contract and Lender Contract prior to execution; The Contract must contain:

- Amount of the assessment;
- The legal description of the property;
- The name of the property owner; and
- A reference to the statutory assessment lien provided under the PACE Act.

Collect and retain owner application fees as compensation for administrative services;

Perform closing verification reviews and schedule assessment transaction closings when all requirements are met. Such closing verification must include:

- The report conducted by a qualified independent third-party reviewer of water or energy baseline conditions and the projected water or energy savings attributable to the project;
- Such financial information about the owner and the property as the lender chosen by the owner deems necessary to determine that the owner has demonstrated the financial ability to fulfill the financial obligations to be paid through assessments; and
- All other information required by the **Services Provider**.

Coordinate and take part in assessment transaction closings.

Execute contracts under the **Program** as authorized on behalf of **Local Government**.

Arrange for recordation of a Notice of Contractual Assessment Lien for each approved project in the Official Public Records of the county where the project is located; The Notice must contain:

- Amount of the assessment;
- The legal description of the property;
- The name of the property owner; and
- A reference to the statutory assessment lien provided under the PACE Act.

Require independent post-closing third-party verification (by engineer or consultant retained by Applicant) that each project was properly completed and is operating as intended; and

Collect and retain administration fees collected by lenders from owners that receive PACE financing.

### Management and Reporting

Manage communications with lenders regarding assessment servicing, payment, and default;

Upon notification by a lender of an owner's default in payment of an assessment and the lender's compliance with the requirements of the Lender Contract on collection after default, notify the **Local Government** to enforce the assessment lien in accordance with law and the agreements between the parties;

Receive and store owner reports on energy and water savings;

Maintain the form contracts and make technical and conforming updates as necessary so long as the changes are consistent with the resolution to establish the PACE program and the statute.

At the request of property owners, prepare annual notices of assessment to be issued by **Local Government** to the owners, stating the total amount of the payments due on each

assessment in the coming calendar year according to the owner contract and the financing documents;

Determine the amounts of the application and administration fees to be paid by owners;

Produce annual report on Texas PACE financing usage and the resulting energy and water savings enabled through PACE Assessments.

**Exhibit "B"**  
Compensation and Fees

**Service Provider** shall determine the amounts of the uniform application and administration fees to be paid by property Owners participating in the **Program**. Such fees will not exceed the fees below:

- An application fee of the greater of:
  - \$2,000.00; or
  - Amounting to
    - 1% of the total project cost of the first \$5 million
    - plus 0.5% of the marginal amount above \$5 million and \$20 million, and
    - 0.25% of the marginal amount above \$20 millionto be paid as follows:
  - \$500.00 per project at the time of application submittal;
  - the balance of the full remaining application fee at closing; and
- A recurring administration fee of 0.08% of the outstanding principal balance, which amount shall be collected by lender and paid to the **Services Provider** as provided in the Owner Contract and the financing documents. This fee can also be capitalized and paid at closing. If paid under a negotiated regular schedule to the lender by the property owner, the lender shall pay this fee to **Services Provider** at the time of each payment by the property owner in accordance with the financing documents.
- No amounts shall be due by **Local Government** to **Services Provider**.

**Exhibit "C"**  
Insurance Requirements

| <b>COVERAGE</b>      | <b>LIMIT OF LIABILITY</b>                                                                                           |
|----------------------|---------------------------------------------------------------------------------------------------------------------|
| Employer's Liability | \$500,000 per occurrence                                                                                            |
| General Liability    | Bodily Injury and Property Damage,<br>Combined Limits of \$500,000 each<br>Occurrence, and \$1,000,000<br>aggregate |

# Texas Property Assessed Clean Energy (PACE)



## What is Texas Property Assessed Clean Energy (PACE)?

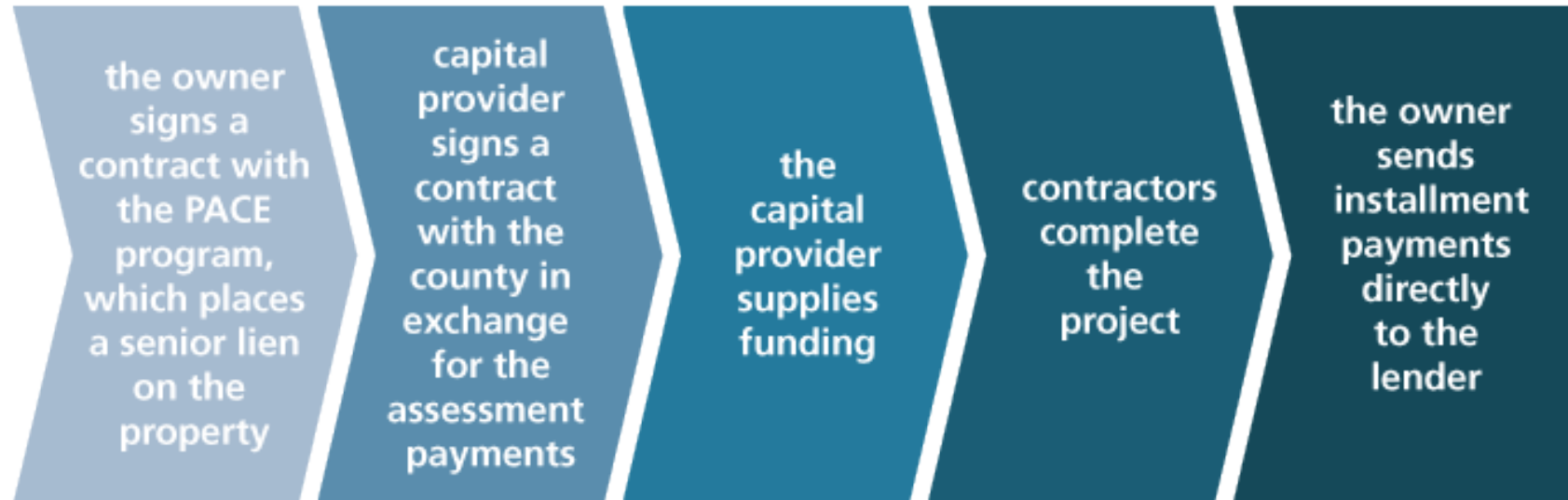
- Economic development tool- property assessment
- 100% long-term, low cost financing
- Voluntary program facilitating the use of private capital:
  - Energy efficiency
  - Water conservation
  - Distributed generation
- On commercial, industrial, and multi-family (5+ units) properties

# How It Works

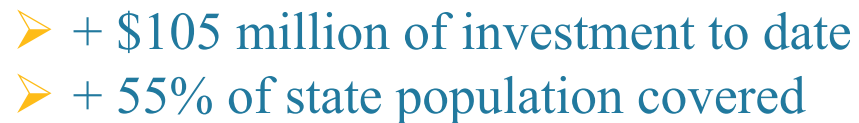
## A Building Owner:



## If the owner, building, and project all meet PACE requirements:







|                   |                  |                   |
|-------------------|------------------|-------------------|
| Aransas County    | Bastrop County   | Bell County       |
| Brazos County     | Cameron County   | Comal County      |
| El Paso County    | Fisher County    | Fort Bend County  |
| Galveston County  | Hays County      | Hidalgo County    |
| Jefferson County  | Medina County    | McLennan County   |
| Midland County    | Navarro County   | Nueces County     |
| Tarrant County    | Tom Green County | Travis County     |
| Washington County | Willacy County   | Williamson County |

|                       |                 |                        |
|-----------------------|-----------------|------------------------|
| City of Amarillo      | City of Borger  | City of Cameron        |
| City of Corinth       | City of Dallas  | City of Farmers Branch |
| City of Fredricksburg | City of Hondo   | City of Houston        |
| Jacinto City          | Johnson City    | City of Panhandle      |
| City of Princeton     | Town of Prosper | City of Rockdale       |

## PACE in a Box

“PACE in a Box” is a toolkit of recommendations and templates for counties and municipalities to:

- Create uniform, user friendly, scalable, and sustainable PACE programs
- Administered by a nonprofit (through a professional services agreement) in a transparent manner, focused on gov’t tasks; free market with decision/power in hands of property owner



## Local Government Risk Avoidance

- Financial
  - No tax dollars (user fee)
  - No risk to treasury
  - No risk to public servants – HB 2654
  - Limited impact on public servant workload
- Fiduciary
  - Build strong local stakeholder support
  - Best practices/consumer protection
  - Government doesn't compete w/private sector
- Government costs covered if foreclosure



## Free Market Flexibility

- No mandates, market distortions, or financial incentives that siphon funds away from local government
- Risk stays with property (not transferred to the Gov't or lender)
- Property owner selects lender, contractor and project, negotiates interest rates and other terms
- Private capital (Gov't does not need to fund projects through bonds)
- Thorough Underwriting and Technical Standards requirements



## PACE is a WIN-WIN-WIN

- ✓ Property Owners – lower utility bills, energy independence, energy efficiency, property value increase
- ✓ Contractors – source of increase in business, more local hiring, best practices, keeping up with technology advancements
- ✓ Lenders – new loans, steady & stable process, fully collateralized, Tax Assessment lien position, improved asset value
- ✓ State of Texas – reduced peak demand, improved grid loading distributed generation as resilient power source, improved air quality, better water conservation
- ✓ Communities – increased economic development and jobs, improved building infrastructure, more appealing building stock



## Resources:

- **State Energy Conservation Office:**  
<https://comptroller.texas.gov/programs/seco/funding/pace.php>
- **Energy and Emissions Tool:**  
<https://pace.harcresearch.org>
- **Texas PACE Authority:**  
[www.TexasPACEAuthority.org](http://www.TexasPACEAuthority.org)
- **Keeping PACE in Texas:**  
[www.KeepingPACEinTexas.org](http://www.KeepingPACEinTexas.org)
- **PACE Nation:**  
[www.PACENation.us](http://www.PACENation.us)



**TEXAS** ★ **PACE**  
**AUTHORITY**



**QUESTIONS?**



**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO: Robert Hanna, City Manager**

**FROM: Mike Rains, Finance Director**

**SUBJECT: 17. Ordinance (Final Reading): Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Authorizing the Issuance of City of Abilene, Texas General Obligation Refunding Bonds, Taxable Series 2020; Establishing Procedures and Delegating Authority for the Sale and Delivery of the Bonds; Providing An Effective Date; and Enacting Other Provisions Relating to the Subject (Mike Rains)**

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**GENERAL INFORMATION**

This ordinance will allow the City to refund portions of the 2010 General Obligation Refunding, 2013 General Obligation Refunding, 2015 Certificates of Obligation, and 2015 General Obligation Refunding & Improvement Bonds under a taxable issuance.

The ordinance also delegates authority to the City Manager, Assistant City Manager, or Director of Finance to act on behalf of the City in selling and delivering the bonds under certain "parameters". The "parameters" include principal amount not exceeding \$85,000,000; a net present value savings of not less than 5%; true interest cost not exceeding 3.25%; final maturity no later than February 15, 2043. The delegation will expire within six months.

**SPECIAL CONSIDERATIONS**

Section 18, City of Abilene Charter, only requires one reading for ordinances issuing bonds.

**FUNDING/FISCAL IMPACT**

The refunding will result in savings from our current debt service and will be repaid from annual



ad valorem taxes and excess revenues of the Water Utilities Fund for the portion applicable to Water Utilities.

**STAFF RECOMMENDATION**

Staff recommends approval.

**BOARD OR COMMISSION RECOMMENDATION**

**ATTACHMENTS:**

1. Ordinance Authorizing Issuance of 2020 GO Taxable Refunding Bonds
2. Powerpoint - Ordinance Authorizing Issuance of 2020 General Obligation Refunding Bonds

**ORDINANCE \_\_\_\_\_**

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF ABILENE, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2020; ESTABLISHING PROCEDURES AND DELEGATING AUTHORITY FOR THE SALE AND DELIVERY OF THE BONDS; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT**

---

|                                     |          |
|-------------------------------------|----------|
| <b>THE STATE OF TEXAS</b>           | <b>§</b> |
| <b>COUNTIES OF TAYLOR AND JONES</b> | <b>§</b> |
| <b>CITY OF ABILENE</b>              | <b>§</b> |

WHEREAS, there are presently the outstanding obligations of the City of Abilene, Texas (the “Issuer”) described in Schedule I attached hereto, collectively, the “Eligible Refunded Obligations”;

WHEREAS, the Issuer now desires to refund all or part of the Eligible Refunded Obligations, and those Eligible Refunded Obligations designated by the Pricing Officer in the Pricing Certificate, each as defined below, to be refunded are herein referred to as the “Refunded Obligations”;

WHEREAS, Chapter 1207, Texas Government Code, authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, together with any other available funds or resources, directly with a paying agent for the Refunded Obligations or a trust company or commercial bank that does not act as a depository for the Issuer and is named in these proceedings, and such deposit, if made before the payment dates of the Refunded Obligations, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations;

WHEREAS, Chapter 1207, Texas Government Code, further authorizes the Issuer to enter into an escrow agreement with such paying agent for the Refunded Obligations or trust company or commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent or trust company or commercial bank may agree;

WHEREAS, the Escrow Agreement, hereinafter authorized constitutes an escrow agreement of the kind authorized and permitted by said Chapter 1207;

WHEREAS, this City Council hereby finds and determines that it is a public purpose and in the best interests of the Issuer to refund the Refunded Obligations in order to achieve a present value debt service savings, with such savings, among other information and terms, to be included in a pricing certificate (the “Pricing Certificate”) to be executed by the Pricing Officer (hereinafter designated), all in accordance with the provisions of Section 1207.007, Texas Government Code;

WHEREAS, this City Council hereby further finds and determines that the manner in which the refunding is being executed, in that the pricing and terms of the bonds hereinafter authorized are to be determined at a future date pursuant to the provisions of this Ordinance, does not make it practicable to determine the amount of debt service loss or debt service savings that will result from the refunding of the Refunded Obligations;

WHEREAS, all the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the Bonds hereinafter authorized;

WHEREAS, the Bonds hereinafter authorized are to be issued, sold and delivered pursuant to the general laws of the State of Texas, including Chapter 1207, Texas Government Code; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code; Now, Therefore

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

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS.

(a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The bonds of the Issuer are hereby authorized to be issued and delivered in the aggregate principal amount hereinafter provided for the public purpose of providing funds to refund a portion of the Issuer's outstanding indebtedness and to pay costs of issuance of the Bonds.

(c) Each bond issued pursuant to this Ordinance shall be designated: "CITY OF ABILENE, TEXAS, GENERAL OBLIGATION REFUNDING BOND, TAXABLE SERIES 2020," and initially there shall be issued, sold, and delivered hereunder fully registered Bonds, without interest coupons, payable to the respective registered owners thereof (with the initial bonds being made payable to the initial purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"). The Bonds shall be in the respective denominations and principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts, and shall bear interest to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

Section 2. DELEGATION TO PRICING OFFICER.

(a) As authorized by Chapter 1207, Texas Government Code, as amended, the Director of Finance, the City Manager and/or the Assistant City Manager of the Issuer (each a "Pricing Officer") are each hereby authorized to act on behalf of the Issuer in selling and delivering the Bonds, determining which of the Eligible Refunded Obligations shall be refunded and carrying out the other procedures specified in this Ordinance, including, determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Obligations, including without limitation establishing the redemption dates for and effecting the redemption of the Refunded Obligations and obtaining municipal bond insurance for all or any portion of the Bonds and providing for the terms and provisions thereof applicable to the Bonds (including the execution of any commitment agreements, membership agreements in mutual insurance

companies, and other similar agreements), all of which shall be specified in the Pricing Certificate; provided that:

- (i) the aggregate principal amount of the Bonds authorized pursuant to this Ordinance shall not exceed \$85,000,000.00;
- (ii) the refunding of the Refunded Obligations must produce a net present value debt service savings of not less than 5%;
- (iii) the true interest cost of the Bonds shall not exceed 3.25%;
- (iv) the final maturity of the Bonds shall not be later than February 15, 2043; and
- (v) the delegation made hereby shall expire if not exercised by the Pricing Officer within 6 months of the date of adoption of the Ordinance.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a) hereof, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The Bonds shall be sold with and subject to such terms as set forth in the Pricing Certificate.

(c) The Pricing Officer shall select the Eligible Refunded Obligations to be refunded in accordance with the limitations set forth above.

(d) The Pricing Officer shall determine whether the Bonds will be sold by private placement or negotiated or competitive sale.

### Section 3. CHARACTERISTICS OF THE BONDS.

(a) Appointment of Paying Agent/Registrar. The selection and appointment of the paying agent/registrar for the Bonds (the "Paying Agent/Registrar") shall be as provided in the Pricing Certificate. The Mayor or the Pricing Officer is authorized and directed to execute and deliver in the name and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar in substantially the form presented at this meeting.

(b) Registration, Transfer, Conversion and Exchange. The Issuer shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three (3) days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the

Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(c) Authentication. Except as provided in subsection (j) of this section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(d) Payment of Principal and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(e) Payment to Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance.

(f) Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution or other entity to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(g) Substitute Paying Agent/Registrar. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than one hundred-twenty (120) days written notice to the Paying Agent/Registrar, to be effective not later than sixty (60) days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar.

(h) Book-Entry Only System. The Bonds issued in exchange for the Bonds initially issued to the purchaser or purchasers specified herein shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof and the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsections (j) and (k) of this Section, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(i) Blanket Letter of Representations. The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Bonds. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict.

(j) Bonds Registered in the Name of Cede & Co. With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Upon

delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(k) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

(l) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Issuer to DTC.

(m) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Ordinance. The Bonds initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Bond, in the FORM OF BOND set forth in this Ordinance.

(n) Cancellation of Initial Bonds. On the closing date, one initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor and City Secretary of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such purchaser or its designee. Upon payment for such initial Bond, the Paying Agent/Registrar shall cancel such initial Bond and deliver to DTC on behalf of such purchaser one registered definitive Bond for each year of maturity of such Bonds, in the aggregate principal amount of all of the Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 4. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bonds initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance, and with the Bonds to be completed with information set forth in the Pricing Certificate.

(a) Form of Bond.

|        |                                                                                                                                  |                                 |
|--------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| NO. R- | UNITED STATES OF AMERICA<br>STATE OF TEXAS<br>CITY OF ABILENE, TEXAS<br>GENERAL OBLIGATION REFUNDING BOND<br>TAXABLE SERIES 2020 | PRINCIPAL<br>AMOUNT<br>\$ _____ |
|--------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------|

|                      |                      |                      |                  |
|----------------------|----------------------|----------------------|------------------|
| <u>INTEREST RATE</u> | <u>DELIVERY DATE</u> | <u>MATURITY DATE</u> | <u>CUSIP NO.</u> |
| _____                | _____                | _____                | _____            |

REGISTERED OWNER:

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

ON THE MATURITY DATE specified above, the City of Abilene, in Taylor and Jones Counties, Texas, (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the Interest Rate per annum specified above. Interest is payable on \_\_\_\_\_, \_\_\_\_\_ and semiannually on each \_\_\_\_\_ and \_\_\_\_\_ thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest



payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the \_\_\_\_\_ business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for payment or redemption at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for any payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated \_\_\_\_\_, \_\_\_\_\_, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$\_\_\_\_\_ for the public purposes of refunding certain outstanding obligations of the Issuer set forth in the Pricing Certificate; and to pay the costs incurred in connection with the issuance of the Bonds.

ON \_\_\_\_\_, or on any date thereafter, the Bonds of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

THE BONDS scheduled to mature on \_\_\_\_\_ in the years \_\_\_\_ and \_\_\_\_ (the "Term Bonds") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and

sinking fund for the Bonds, on the dates and in the respective principal amounts, set forth in the following schedule:

| Term Bond                        |                         | Term Bond                        |                         |
|----------------------------------|-------------------------|----------------------------------|-------------------------|
| Maturity: _____, _____           |                         | Maturity: _____, _____           |                         |
| <u>Mandatory Redemption Date</u> | <u>Principal Amount</u> | <u>Mandatory Redemption Date</u> | <u>Principal Amount</u> |
| _____, ____                      | \$ _____                | _____, ____                      | \$ _____                |
| _____, ____                      | _____                   | _____, ____                      | _____                   |
| _____, ____                      | _____                   | _____, ____                      | _____                   |
| _____, ____ (maturity)           | _____                   | _____, ____ (maturity)           | _____                   |

The principal amount of Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of the same maturity which, at least fifty (50) days prior to a mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE BONDS, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

AT LEAST THIRTY (30) DAYS prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least thirty (30) days prior to the date fixed for any such redemption, to the registered owner of each Bond to be redeemed at its address as it appeared on the business day prior to the mailing of such redemption notice; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not

be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Ordinance.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within forty-five (45) days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law.

THE ISSUER HAS RESERVED THE RIGHT to amend the Bond Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the Mayor's absence, the Mayor Pro Tem of the Issuer) and countersigned with the manual or facsimile signature of the City Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

\_\_\_\_\_  
(signature)  
City Secretary

\_\_\_\_\_  
(signature)  
Mayor

(SEAL)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE  
(To be executed if this Bond is not accompanied by an executed  
Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated:\_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_  
Paying Agent/Registrar

By: \_\_\_\_\_  
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT  
(Please print or type clearly)

For value received, the undersigned hereby sells, assigns and transfers unto: \_\_\_\_\_

Transferee's Social Security or Taxpayer Identification Number: \_\_\_\_\_

Transferee's name and address, including zip code: \_\_\_\_\_

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Bond and that this Bond has been registered this day by me.

Witness my signature and seal this \_\_\_\_\_.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) Initial Bond Insertions.

(i) The initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

- A. immediately under the name of the Bond, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. \_\_\_\_" shall be deleted.
- B. the first paragraph shall be deleted and the following will be inserted:

“THE CITY OF ABILENE, TEXAS, in Taylor and Jones Counties, Texas (the “Issuer”), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the “Registered Owner”), on \_\_\_\_\_ in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

| <u>Years</u> | <u>Principal Installments</u> | <u>Interest Rates</u> |
|--------------|-------------------------------|-----------------------|
|--------------|-------------------------------|-----------------------|

(Information from Pricing Certificate to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from \_\_\_\_\_ at the respective Interest Rate per annum specified above. Interest is payable on \_\_\_\_\_, and semiannually on each \_\_\_\_\_ and \_\_\_\_\_ thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.”

C. The Initial Bond shall be numbered “T-1.”

#### Section 5. INTEREST AND SINKING FUND.

(a) A special “Interest and Sinking Fund” is hereby created and shall be established and maintained by the Issuer as a separate fund or account and the funds therein shall be deposited into and held in an account at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Bonds. All amounts received from the sale of the Bonds as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund and all ad valorem taxes levied and collected for and on account of said Bonds shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Bonds are outstanding and unpaid, the governing body of said Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Bonds as such principal matures (but never less than 2% of the original amount of said Bonds as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Issuer, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said Issuer, for each year while any of said Bonds are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. Notwithstanding the requirements of this Section, if lawfully available moneys of the Issuer are on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then

the amount of taxes that otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the lawfully available funds then on deposit in the Interest and Sinking Fund.

(b) Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

#### Section 6. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in Subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in Subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect

to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term “Defeasance Securities” means (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; and (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

#### Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Bond of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Bond, the registered owner applying for a replacement Bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Bond shall be found at any time, or be enforceable by



anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Section 1206.022, Texas Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 3(b) of this Ordinance for Bonds issued in conversion and exchange for other Bonds.

**Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.**

(a) The Mayor of the Issuer and each of the Pricing Officers is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. In addition, if bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

(b) The obligation of the initial purchaser to accept delivery of the Bonds is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Bonds to the initial purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed.

**Section 9. RESERVED.**

**Section 10. SALE OF BONDS AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.**

(a) The Bonds shall be sold and delivered subject to the provisions of Section 1 and Section 2 and pursuant to the terms and provisions of a purchase agreement or purchase letter (the "Purchase Agreement") which the Pricing Officer is hereby authorized to execute and deliver and in which the purchaser or purchasers (the "Underwriters") of the Bonds shall be designated. The Bonds shall initially be registered in the name of the purchaser thereof as set forth in the Pricing Certificate.

(b) The Mayor, City Secretary or the Pricing Officer are further authorized and directed to execute and deliver for and on behalf of the Issuer copies of a Preliminary Official Statement and Official Statement, if prepared in connection with the offering of the Bonds by the Underwriters, in final form as may be

required by the Underwriters, and such final Official Statement in the form and content as approved by the Pricing Officer or as manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Underwriters. The form and substance of the Preliminary Official Statement for the Bonds and any addenda, supplement or amendment thereto, all as approved by the Pricing Officer, are hereby deemed to be approved in all respects by the City Council, and the Preliminary Official Statement is hereby deemed final as of its date (except for the omission of pricing and related information) within the meaning and for the purpose of paragraph (b)(1) of the Rule (hereinafter defined).

(c) The Pricing Officer is authorized, in connection with effecting the sale of the Bonds, to obtain from a municipal bond insurance company so designated in the Pricing Certificate (the “Insurer”) a municipal bond insurance policy (the “Insurance Policy”) in support of the Bonds. To that end, should the Pricing Officer exercise such authority and commit the Issuer to obtain a municipal bond insurance policy, for so long as the Insurance Policy is in effect, the requirements of the Insurer relating to the issuance of the Insurance Policy as set forth in the Pricing Certificate are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of the Insurance Policy by the Insurer.

(d) The Mayor and Mayor Pro Tem, the City Secretary and the Pricing Officers of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Issuer such documents, certificates and other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bonds, the sale of the Bonds and the Official Statement. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

#### Section 11. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six (6) months after the end of each fiscal year ending in or after 2020, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 10 of this Ordinance, being the information described in the Pricing Certificate. The Issuer will additionally provide audited financial statements when and if available, and in any event, within twelve (12) months after the end of

each fiscal year ending in or after 2020. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the Issuer will file unaudited financial statements within such twelve (12) month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in Appendix B to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten (10) business days after the occurrence of the event) of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor trustee or change in the name of the trustee, if material;
15. Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the Issuer, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the Issuer, any of which reflect financial difficulties.

As used in clause 12 above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets of the Issuer, or if jurisdiction has been assumed by leaving the existing City Council and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer. For the purposes of the above describe event notices 15 and 16, the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

(ii) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON

ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 12. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Bonds aggregating in principal amount 51% of the aggregate principal amount of then outstanding Bonds that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in

aggregate principal amount of the then outstanding Bonds, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Bonds so as to:

- (1) Make any change in the maturity of any of the outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Bonds;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Bonds a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of such consent, and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of such consent by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

For the purposes of establishing ownership of the Bonds, the Issuer shall rely solely upon the registration of the ownership of such Bonds on the registration books kept by the Paying Agent/Registrar.

### Section 13. DEFAULT AND REMEDIES.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

- (i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the registered owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Registered Owner to the Issuer.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Bonds then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Issuer or the City Council.

Section 14. APPROVAL OF ESCROW AGREEMENT AND TRANSFER OF FUNDS. In furtherance of authority granted by Section 1207.007(b), Texas Government Code, the Mayor or the Pricing Officer are further authorized to enter into and execute on behalf of the Issuer with the escrow agent selected and appointed in the Pricing Certificate, an escrow or similar agreement, in the form and substance as shall be approved by the Pricing Officer, which agreement will provide for the payment in full of the Refunded Obligations. In addition, the Mayor or the Pricing Officer is authorized to purchase such securities, to execute such subscriptions for the purchase of the Escrowed Securities (as defined in the agreement), if any, and to authorize such contributions for the escrow fund as provided in the agreement.

## Section 15. REDEMPTION OF REFUNDED OBLIGATIONS.

(a) Subject to execution and delivery of the Purchase Agreement with the Underwriters, the Issuer hereby directs that the Refunded Obligations be called for redemption on the dates and at such prices as set forth in the Pricing Certificate. The Pricing Officer is hereby authorized and directed to issue or cause to be issued Notice of Redemption of the Refunded Obligations, completed with information from the Pricing Certificate, to the paying agents for the Refunded Obligations.

(b) In addition, the paying agents for the Refunded Obligations are hereby directed to provide the appropriate notices of redemption and defeasance as specified by the ordinances authorizing the issuance of Refunded Obligations and are hereby directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on their redemption dates. The Refunded Obligations shall be presented for redemption at the paying agents therefor, and shall not bear interest after the date fixed for redemption.

(c) If the redemption of the Refunded Obligations results in the partial refunding of any maturity of the Refunded Obligations, the Pricing Officer shall direct the paying agent/registrar for the Refunded Obligations to designate at random and by lot which of the Refunded Obligations will be payable from and secured solely from ad valorem taxes of the Issuer pursuant to the ordinance of the Issuer authorizing the issuance of such Refunded Obligations (the "Refunded Bond Ordinance"). The paying agent/registrar shall notify by first-class mail all registered owners of all affected bonds of such maturities that: (i) a portion of such bonds have been refunded and are secured until final maturity solely with cash and investments maintained by the Escrow Agent in the Escrow Fund, (ii) the principal amount of all affected bonds of such maturities registered in the name of such registered owner that have been refunded and are payable solely from cash and investments in the Escrow Fund and the remaining principal amount of all affected bonds of such maturities registered in the name of such registered owner, if any, have not been refunded and are payable and secured solely from ad valorem taxes of the Issuer described in the Refunded Obligation Ordinance, (iii) the registered owner is required to submit his or her Refunded Obligations to the paying agent/registrar, for the purposes of re-registering such registered owner's bonds and assigning new CUSIP numbers in order to distinguish the source of payment for the principal and interest on such bonds, and (iv) payment of principal of and interest on such bonds may, in some circumstances, be delayed until such bonds have been re-registered and new CUSIP numbers have been assigned as required by (iii) above.

(d) The source of funds for payment of the principal of and interest on the Refunded Obligations on their respective maturity or redemption dates shall be from the funds deposited with the Escrow Agent pursuant to the Escrow Agreement approved in Section 14 of this Ordinance.

Section 16. APPROPRIATION. To pay the debt service coming due on the Bonds, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 17. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.



Section 18. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

*(Execution Page Follows)*

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS,  
this March 12, 2020.

ATTEST:

\_\_\_\_\_  
Mayor, City of Abilene, Texas

\_\_\_\_\_  
City Secretary, City of Abilene, Texas

[CITY SEAL]

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney, City of Abilene, Texas

## **Schedule I**

### **Schedule of Eligible Refunded Obligations**

City of Abilene, Texas General Obligation Refunding Bonds, Series 2010

City of Abilene, Texas General Obligation Refunding Bonds, Series 2013

City of Abilene, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2015

City of Abilene, Texas General Obligation Refunding and Improvement Bonds, Series 2015

**An Ordinance Authorizing the Issuance of City of Abilene, Texas, General Obligation Refunding Bonds, Taxable Series 2020; Establishing Procedures and Delegating Authority for the Sale and Delivery of the Bonds; Providing an Effective Date; and Enacting Other Provisions Relating to the Subject**



# **An Ordinance Authorizing the Issuance of City of Abilene, Texas, General Obligation Refunding Bonds, Taxable Series 2020; Establishing Procedures and Delegating Authority for the Sale and Delivery of the Bonds; Providing an Effective Date; and Enacting Other Provisions Relating to the Subject**

- This ordinance authorizes the issuance and delegation of authority for sale of general obligation refunding bonds to advance refund portions of the 2010 & 2013 General Obligation Refunding Series, 2015 Certificates of Obligation and 2015 General Obligation Refunding & Improvement Series.
- The issuance will be a taxable bond issuance (non-taxable advance refundings are now prohibited), however, with the current interest rate environment a taxable bond advance refunding will provide sufficient savings to justify the issuance.
- The ordinance will also delegate authority for the City Manager, Assistant City Manager or Director of Finance to act on behalf of the City to sell the bonds under the following parameters:
  - Principal amount will not exceed \$85,000,000
  - Must have a 5% net present value debt service savings
  - True interest cost cannot exceed 3.25%
  - Final maturity of the bonds shall not be later than February 15, 2043
  - Delegation authority will expire within 6 months





**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Robert Hanna, City Manager

**FROM:** Mike Warrix, Director

**SUBJECT:** **18. Ordinance (Final Reading) Z-2020-04: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a Request from Bryan Pope to Rezone Property from Heavy Commercial (HC) to Heavy Industrial (HI) District Located at 1401 Cherry Street on Southeast Corner of Dimmitt and Cherry Streets (Mike Warrix)**

---

**GENERAL INFORMATION**

The applicant is requesting to rezone from Heavy Commercial (HC) to Heavy Industrial (HI) in order to utilize the location for processing, fabrication, and storage of rebar for a wide range of construction services.

**SPECIAL CONSIDERATIONS**

**FUNDING/FISCAL IMPACT**

**STAFF RECOMMENDATION**

Staff recommends approval

**BOARD OR COMMISSION RECOMMENDATION**

The Planning and Zoning Commission heard this request on February 4, 2020 and voted 7-0 to

recommend approval to Council.

**ATTACHMENTS:**

1. Ordinance\_cover
2. Z-2020-04 Council Ord Exhibit
3. Z-2020-04 Staff Report
4. Z-2020-04 Presentation

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING THE, "LAND DEVELOPMENT CODE" OF THE ABILENE CITY CODE, BY CHANGING THE ZONING DISTRICT BOUNDARIES AFFECTING CERTAIN PROPERTIES; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

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

PART 1: That Chapter 2 (Zoning Regulations) of the Land Development Code of the City of Abilene, is hereby amended by changing the zoning district boundaries as set out in Exhibit A, attached hereto and made a part of this ordinance for all purposes.

PART 2: That any person, firm or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than Five Hundred Dollars (\$500.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.

PART 3: That the Planning Director be, and is hereby authorized and directed to change the official Zoning Map of the City of Abilene to correctly reflect the amendments thereto.

PASSED ON FIRST READING the 27<sup>th</sup> day of February, 2020.

A notice of the time and place, where and when said ordinance would be given a public hearing and considered for final passage, was published in the Abilene Reporter-News, a daily newspaper of general circulation in the City of Abilene, said publication being on the 18<sup>th</sup> day of January, 2020, the same being more than fifteen (15) days prior to a public hearing held in the Council Chamber of the City Hall in Abilene, Texas, at 8:30 a.m. on the 12<sup>th</sup> day of March, 2020, to permit the public to be heard prior to final consideration of this ordinance. Said ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

PASSED ON FINAL READING THIS 12<sup>th</sup> day of March, 2020.

ATTEST:

\_\_\_\_\_  
CITY SECRETARY

\_\_\_\_\_  
MAYOR

APPROVED:

\_\_\_\_\_  
CITY ATTORNEY



ORDINANCE NO. \_\_\_\_\_

EXHIBIT A

Rezone one tract of land from a Heavy Commercial (HC) to a Heavy Industrial (HI) District.

Legal description being the north 180 feet of the west 140 feet of Lot 9 in J. McAllister Stevenson's Subdivision of Outlot Nos. 2 and 3 and North 140 feet of Outlot No. 4 in Block 209 of Abilene's Original Townsite and being the north 180 feet of the west 140 feet of Lot 9 in J. McAllister Stevenson's Subdivision of Outlot Nos. 2 and 3 and North 140 feet of Outlot No. 4 in Block 209 of Abilene's Original Townsite and located at 1401 Cherry Street on southeast corner of Dimmitt and Cherry Streets.



-END-

Located at 1401 Cherry Street on southeast corner of Dimmitt and Cherry Streets.

# ZONING CASE Z-2020-04

## STAFF REPORT

---



**REQUEST:** Rezoning

**APPLICANT:**

Owner: Bryan Pope

**HEARING DATES:**

P & Z Commission: February 4, 2020

City Council 1<sup>st</sup> Reading: February 27, 2020

City Council 2<sup>nd</sup> Reading: March 12, 2020

**LOCATION:**

- 1401 Cherry St.

Legal description(s):

- North 180 feet of the west 140 feet of Lot 9 in J. McAllister Stevenson's Subdivision of Outlot Nos. 2 and 3 and North 140 feet of Outlot No. 4 in Block 209 of Abilene's Original Townsite

**PROPOSAL AND REQUESTED ACTION:**

The applicant is requesting to rezone from Heavy Commercial (HC) to Heavy Industrial (HI) in order to utilize the location for processing, fabrication, and storage of rebar for a wide range of construction services.

**APPLICATION REVIEW:**

Pursuant to Section 1.4.1.4, Criteria for Approval, of the City of Abilene Land Development Code, in making a determination regarding a requested zoning change, the Planning and Zoning Commission and the City Council may consider the following factors:

**(1) Whether the proposed zoning map amendment implements the policies of the adopted Comprehensive Plan, including the land use classification of the property on the Future Land Use and Development Plan map, as amended.**

The Future Land Use and Development Plan Map of the Comprehensive Plan designates this general area as a mixture of commercial uses along S. Treadway near S. 14<sup>th</sup> Street. The proposed rezoning would promote commercial activity on a previously vacant tract of land, thereby facilitating the Comprehensive Plan's objective of infill and development within older established areas of Abilene.

**(2) Whether the uses permitted by the proposed change in zoning district classification and the standards applicable to such uses will be appropriate in the immediate area of the land to be reclassified.**

The commercial uses permitted by the proposed zone change would be appropriate in the immediate area. The potential uses permitted with this zone change will not appear out of place as the subject property is located in close proximity to other Heavy Industrial (HI)

zoning districts which provide existing commercial uses that are industrial in nature.

Prior to the previous zone change to Heavy Commercial (HC) in November of 2019, the subject lot was zoned Heavy Industrial (HI) since at least 1974. The lots to the north and west are currently zoned Heavy Industrial (HI) and the lots to the south and east are currently zoned Heavy Commercial (HC).

| Zoning |    | Existing Land Use          |
|--------|----|----------------------------|
| North  | HI | Heavy Equipment Rental     |
| South  | HC | Automotive Repair Services |
| East   | HC | Vacant Warehouse           |
| West   | HI | Vacant Land                |

**(3) Whether the proposed change is in accord with any existing or proposed plans for providing public schools, streets, water supply, sanitary sewers, and other public services and utilities to the area.**

The subject property currently has access to existing utilities and public amenities. No additional development of said infrastructure will be required for the development of this subject property.

**(4) Any other factors which will substantially affect the public health, safety, morals, or general welfare.**

It is the opinion of the staff that there are no other factors which will substantially affect the public health, safety, morals, or general welfare of the City of Abilene.

**STAFF COMMENTS:**

According to the Future Land Use and Development Plan Map of the Comprehensive Plan, this location is designated to provide a mixture of commercial uses. Recently the subject property, along with six other lots in the immediate area were rezoned to Heavy Commercial (HC) zoning, the proposed use for the subject property during this time was to be utilized as an automobile storage yard, a use which is permitted in Heavy Commercial (HC) zoning. Since being rezoned, a potential tenant has shown interest in utilizing the lot for fabrication, processing and storage of rebar. Most of the activities associated with processing rebar must take place outdoors, a land use such as this requires Heavy Industrial (HI) zoning, which necessitates rezoning the property back to its original Heavy Industrial (HI) zoning. This area of Abilene is generally industrial in nature and as a result the proposed use would be compatible. The change in zoning will further the Comprehensive Plan's objective of infill and development of a lot which is believed to have been vacant since being annexed in 1911. Lastly, the subject lot is located within the Neighborhood Empowerment Zone (78-2018), a zone designed to promote redevelopment in "economically distressed" areas.

**STAFF RECOMMENDATION:**

Staff recommends approval of the request. The rezoning request was reviewed pursuant Section 1.4.1.4 (Criteria for Approval) of the Land Development Code.

## PLANNING AND ZONING COMMISSION RECOMMENDATION:

The Planning & Zoning Commission recommended approval by a vote of seven (7) to zero (0) on February 4, 2020.

## NOTIFICATION:

The Planning Services Division sent, with a certificate of mailing, public notices to the applicant and property owners within a 200-foot radius.

| Owner                   | Situs               | Response |
|-------------------------|---------------------|----------|
| ABILENE AG FORD         | 1358 S TREADAWAY BL |          |
| ABILENE AUTO GLASS INC  | 1428 CHERRY ST      |          |
| ABILENE NEW HOLLAND LTD | 1396 CHERRY ST      |          |
| ARMSTRONG JEROLD R      | 1442 S TREADAWAY BL |          |
| ARMSTRONG JEROLD R      | 1402 S TREADAWAY BL |          |
| CLARK JOHN MICHAEL      | 1433 CHERRY ST      |          |
| FERGUSON BYRD DENA      | 1410 CHERRY ST      |          |
| GAMEZ RAYMOND GOMEZ     | 1412 CHERRY ST      |          |
| POPE BRYAN              | 1401 CHERRY ST      | In Favor |
| POPE BRYAN              | 534 S 14TH ST       | In Favor |
| POPE BRYAN EDMOND       | 1450 S TREADAWAY BL | In Favor |
| SKINNYS INC             | 1458 S TREADAWAY BL |          |
| VALLEY CREEK HOMES LLC  | 1402 CHERRY ST      |          |

## ATTACHMENTS:

- Application
- PowerPoint





# Development Application

## Planning

- ☐ Conditional Use      ☐ Easement Release      ☐ Rezoning      ☐ Other  
☐ PDD      ☐ Street Name Change      ☐ Thoroughfare Abandonment      ☐ PDD Amendment  
 Other: \_\_\_\_\_

Project Name: A-1 Building Supply  
 Address: 1401 Cherry St No. of lots: 1 Acreage: .5785  
 Legal Description: N180 W 1/2 LT 9 209 OT ABL 2+3 + N 140 OF 4  
 Subdivision Name: South Treadaway Block: \_\_\_\_\_ Lot: \_\_\_\_\_  
 Current Zoning: HC Proposed Zoning (if applicable): HI

## OWNER AND AUTHORIZATION

Owner Name: Bryan Pope  
 Address: 1450 S. Treadaway Blvd  
 City, State, Zip: Abilene, TX 79602 Fax: \_\_\_\_\_  
 Phone: 325-721-5880 Email: Bryan.Pope38@yahoo.com

I am the property owner, and I certify that the information included in this application is true to the best of my knowledge. (Name) \_\_\_\_\_ will act as my agent before the Planning and Zoning Commission.

Agent Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_

north 180 feet of west 140 feet of  
Lot 9 in J. McAllister Stevenson's  
Subdivision of Outlot Nos. 2 and 3 and North 140  
feet of Outlot No. 4, in Block 209 of Abilene's  
Original Town \*

I hereby certify that I am the owner of the property and further certify that the information provided on this development application is true and correct. I hereby designate the aforementioned agent to act on my behalf for submittal, processing, representation, and/or presentation of this development application. The designated agent shall be the principal contact person for responding to all requests for information and for resolving all issues of concern relative to this application.

Signature Owner: [Signature] Date: 12-27-19

## FOR OFFICE USE ONLY

Received: \_\_\_\_\_ Fee: \$ \_\_\_\_\_ Receipt No.: \_\_\_\_\_  
 Case No.: Z-2020-04 Reviewed By: \_\_\_\_\_

\* as said subdivision is shown on Pages 111-114 in  
 Volume 2 of Plat Records for Taylor County,  
 Texas



POPE BRYAN  
117 BELLA VISTA LN  
TUSCOLA, TX 79562-3674

### **NOTICE OF PUBLIC HEARING**

**RE: Rezoning Number Z-2020-04**

**02/04/2020**

The Planning and Zoning Commission will hold a public hearing on **Tuesday, February 4, 2020 at 1:30 PM**, in **City Council Chambers, 2nd Floor**, City Hall, N. 5<sup>th</sup> and Walnut Streets, to recommend approval or denial to City Council on a request from Bryan Pope, to rezone **1401 Cherry St. Abilene, TX from Heavy Commercial (HC) to Heavy Industrial (HI)** in order to utilize the location for processing, fabrication and storage of rebar for a wide range of construction services. Legal description being North 180 feet of the west 140 feet of Lot 9 in J. McAllister Stevenson's Subdivision of Outlot Nos. 2 and 3 and North 140 feet of Outlot No. 4 in Block 209 of Abilene's Original Townsite.

This hearing is open to any interested person. Opinions, objections and/or comments relative to this matter may be expressed in writing or in person at the hearing. At the bottom of this letter is a form that you may cut off, fill out, and mail. Comments are also accepted by email as listed below. All responses must be signed.

The attached map shows the area of the request. Only that area which is bounded by the cross-hatched line on the map is being considered for Thoroughfare Closure. The solid boundary line around the subject area is only a notification area. If approved by the Planning and Zoning Commission or if denied and appealed to Abilene's City Council within the specified ten-day period, this case will be heard by City Council for 2<sup>nd</sup> and Final Reading with a public hearing on **March 12, 2020, at 8:30 AM** in Council Chambers on the second floor of City Hall, 555 Walnut Street.

If you have any questions, please contact Jared Smith, Planner II at (325) 676-6490 or [jared.smith@abilenetx.gov](mailto:jared.smith@abilenetx.gov)

---

For the PLANNING & ZONING COMMISSION

Please call (325) 676-6237 if you have any questions about this notice.

**CASE #: Z 2020-04**

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Name: POPE BRYAN  
Address: 534 S 14TH ST

Mailing To: Planning and Development Services  
P.O. Box 60, Abilene TX 79604-0060

Email: [planning@abilenetx.gov](mailto:planning@abilenetx.gov)

I am in favor ☒  
Additional Comments:

I am opposed ☐

Signature: \_\_\_\_\_

**CASE #: Z 2020-04**

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Name: POPE BRYAN  
Address: 1401 CHERRY ST

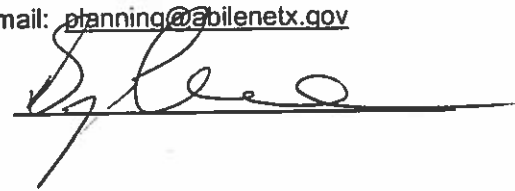
Mailing To: Planning and Development Services  
P.O. Box 60, Abilene TX 79604-0060

Email: [planning@abilenetx.gov](mailto:planning@abilenetx.gov)

I am in favor ☒  
Additional Comments:

I am opposed ☐

Signature: \_\_\_\_\_







POPE BRYAN EDMOND  
117 BELLA VISTA LN  
TUSCOLA, TX 79562-3674

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---

For the PLANNING & ZONING COMMISSION  
Please call (325) 676-6237 if you have any questions about this notice.

**CASE #: Z 2020-04**

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below. You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Mailing To: Planning and Development Services  
P.O. Box 80, Abilene TX 79604-0060

Name: POPE BRYAN EDMOND  
Address: 1450 S TREADAWAY BL

Email: [planning@abilenetx.gov](mailto:planning@abilenetx.gov)

I am in favor ☒  
Additional Comments:

I am opposed ☐

Signature: 

## REZONING REQUEST

**Case:** Z-2020-04

**Owner:** Bryan Pope

**Agent:** CJ Chaney, Caldwell Banker

**Request:** Rezone from Heavy Commercial (HC) to Heavy Industrial (HI) zoning.

**Notification:** 3 in Favor, 0 Opposed

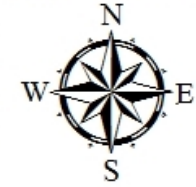
**Planning & Zoning Recommendation:** Approval



# Z-2020-04 AERIAL LOCATION MAP



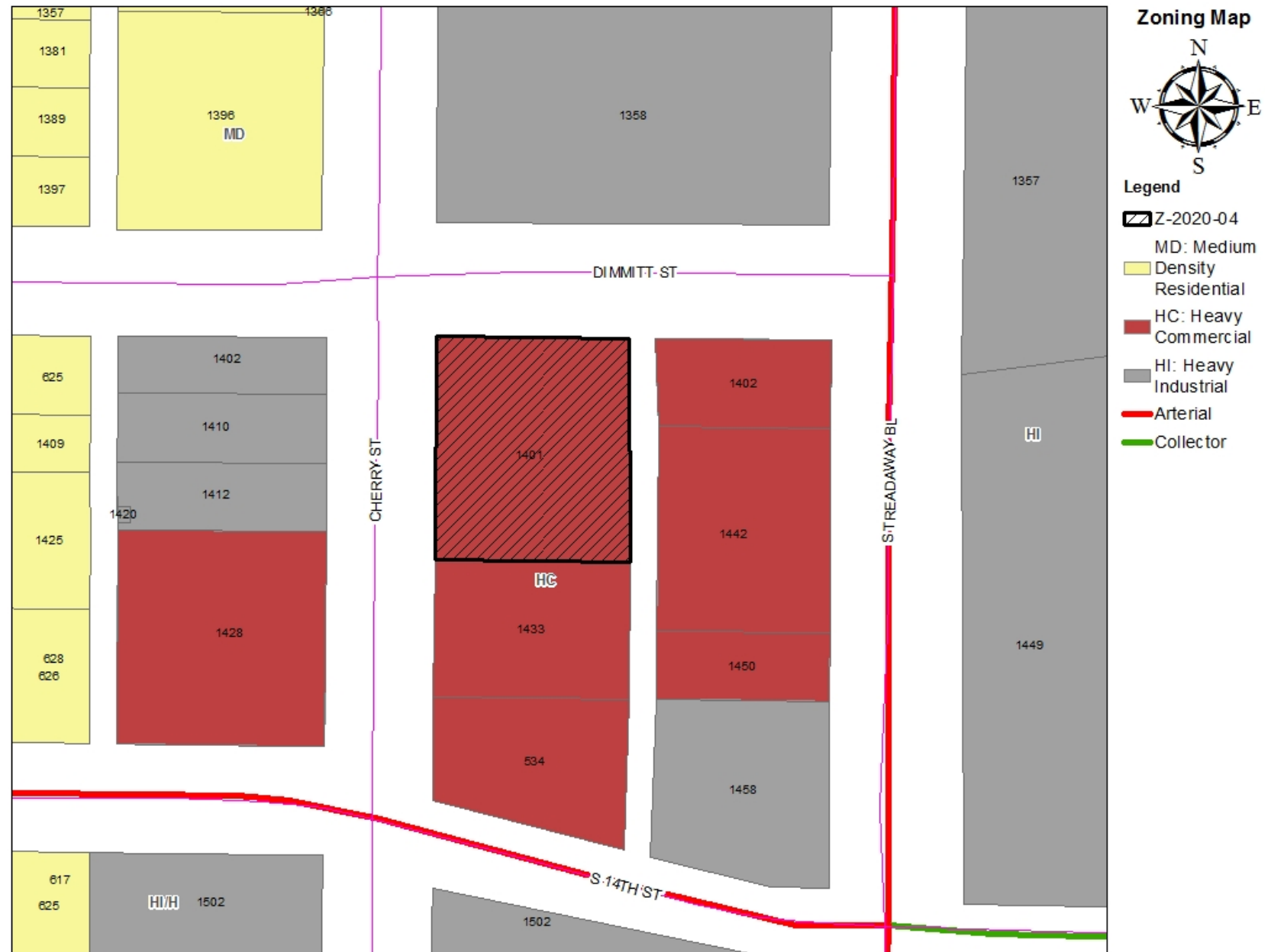
Location Map



Legend

 Z-2020-04

# Z-2020-04 ZONING MAP





# Existing Uses in HC Zoning

## **RESIDENTIAL USES:**

|                                              |                                                                  |
|----------------------------------------------|------------------------------------------------------------------|
| C                                            | Hotel/Motel                                                      |
| <b><u>ACCESSORY AND INCIDENTAL USES:</u></b> |                                                                  |
| P                                            | Accessory Structure (Also see Division 4 of this article)        |
| P                                            | Antenna, Non-Commercial/Amateur                                  |
| P                                            | ATM's, Self-Serve Kiosks, and Similar Facilities                 |
| P                                            | Drive-Through Facility                                           |
| TP                                           | Field Office or Construction Office (temporary)                  |
| P                                            | Freight Container                                                |
| P                                            | Fuel Sales                                                       |
| TP                                           | Itinerant Business                                               |
| P                                            | Manufacturing (incidental)                                       |
| C                                            | Mobile Home (permanent security residence)                       |
| TP                                           | Mobile Home (temporary security residence)                       |
| P                                            | Mobile Home or Temporary Building (office for sales and service) |
| P                                            | Recycling Collection Point                                       |
| C                                            | Travel Trailers (accessory to hospitals)                         |
| P/SE                                         | Wind Energy Conversion Systems                                   |

## **CULTURAL AND RECREATIONAL USES:**

|   |                                                  |
|---|--------------------------------------------------|
| C | Adult Entertainment Enterprise                   |
| P | Civic, Social, and Fraternal Organization        |
| P | Cultural Facilities                              |
| P | Drive-in Theater                                 |
| C | Motorized Racing                                 |
| P | Recreation – Outdoors (active)                   |
| P | Recreation – Outdoors (passive)                  |
| P | Recreation and Commercial Entertainment - Indoor |

## **GOVERNMENT, HEALTH, SAFETY AND WELFARE USES:**

|   |                                            |
|---|--------------------------------------------|
| P | Ambulance Service                          |
| C | Correction, Detention, or Penal Facilities |
| P | Fire/Police Station                        |
| P | Homeless/Emergency Shelter                 |
| P | Hospital                                   |
| P | Medical/Dental Laboratory                  |
| P | Military and Armed Forces Reserve Center   |
| P | Post Office                                |
| P | Rehabilitation Facility                    |
| C | Sanitary Landfill                          |
| P | Social Service Facility                    |

## **EDUCATIONAL AND RELIGIOUS USES:**

|   |                                      |
|---|--------------------------------------|
| P | Arts School                          |
| C | Cemetery, Crematorium, and Mausoleum |
| P | Church or Place of Worship           |
| P | Educational and Scientific Research  |
| P | School: Public/Private               |
| P | Trade/Business School                |

## **LEGEND**

|    |                                                                                                                                        |
|----|----------------------------------------------------------------------------------------------------------------------------------------|
| P  | Permitted as a Right-of-Use (may be subject to compliance with conditions described within Section 2.4.3 of the Land Development Code) |
| C  | Permitted as a Conditional Use Permit, Requiring Approval by City Council                                                              |
| TP | Permitted by Temporary Permit Only, Requiring Approval by Board of Adjustment                                                          |

## **SERVICE**

|     |                                                                        |
|-----|------------------------------------------------------------------------|
| P/C | Automobile Wash                                                        |
| P   | Contractor Services                                                    |
| P   | Funeral Home/ Mortuary/Morgue                                          |
| P   | Kennel (With Outdoor Pens)                                             |
| P   | Kennel (Without Outdoor Pens)                                          |
| P   | Laundry, Dry Cleaning, Dyeing, and Linen Service (no retail customers) |
| P   | Laundry/Dry Cleaning Services & Facilities                             |
| P   | Office (general, professional, financial)                              |
| P   | Printing, Copying, Reproduction, Publishing                            |
| P   | Recycling Collection and Processing Center                             |
| P   | Repair and Maintenance Services - Automobile/Small Truck (major)       |
| P   | Repair and Maintenance Services - Automobile/Small Truck (minor)       |
| P   | Repair and Maintenance Services (indoor)                               |
| P   | Repair and Maintenance Services (outdoors)                             |
| P   | Repair and Maintenance Services (truck and other large vehicles)       |
| P   | Scales (public)                                                        |
| P   | Storage - Self-Service Units                                           |
| P   | Tattoo Parlor                                                          |
| P   | Taxidermist                                                            |
| P   | Veterinary Service (all size animals)                                  |
| P   | Veterinary Service (small animals)                                     |
| P   | Wrecker/Towing                                                         |

## **TRADE – RETAIL USES**

|   |                                                                               |
|---|-------------------------------------------------------------------------------|
| P | Aircraft and Accessories                                                      |
| P | ATM's, Self-Serve Kiosks, and Similar Facilities                              |
| P | Fuel Sales                                                                    |
| P | Head Shop                                                                     |
| P | Liquor Store (Off Premises Consumption) ( <i>Defined under Liquor Store</i> ) |
| P | Liquor Store (On Premises Consumption) ( <i>Defined under Liquor Store</i> )  |
| P | Restaurant, Fast Food                                                         |
| P | Restaurant, Standard                                                          |
| P | Retail Sales/Rental (automobile/small truck)                                  |
| P | Retail Sales/Rental (indoor)                                                  |
| P | Retail Sales/Rental (outdoors, non-vehicle)                                   |
| P | Retail Sales/Rental (trucks and other large vehicles and equipment)           |

## **TRADE – WHOLESALE USES**

|   |                                    |
|---|------------------------------------|
| P | Liquor, Wholesale/Distribution     |
| P | Wholesaling and Storage (indoor)   |
| C | Wholesaling and Storage (outdoors) |

## **TRANSPORTATION, COMMUNICATION AND UTILITIES:**

|   |                                                                                   |
|---|-----------------------------------------------------------------------------------|
| P | Airport, Heliport and Flying Field Terminals - Commercial (passenger and freight) |
| C | Antenna Tower - Commercial                                                        |
| P | Automobile Parking Lot or Structure - Commercial                                  |
| P | Broadcast Studio                                                                  |
| P | Passenger Ground Transportation Terminal                                          |
| P | Pressure Control Station                                                          |
| P | Public Utility Facility                                                           |
| C | Utility Generation, Production, Treatment                                         |

## **RESOURCE PRODUCTION AND EXTRACTION USES:**

|   |                       |
|---|-----------------------|
| P | Petroleum or Gas Well |
| C | Manufacturing (light) |
| P | Urban Garden          |

## Z-2020-04 VIEWS OF SUBJECT PROPERTY



Southern views of Subject Property



## FINDINGS AND RECOMMENDATIONS

- Consistent with the *Comprehensive Plan* and *Future Land Use and Development Plan Map*
- Staff Recommendation of **Approval**, the rezoning request was reviewed pursuant to section 1.4.1.4 (Criteria for Approval) of the Land Development Code.
- Planning & Zoning Recommendation: **Approval**



# Z-2020-04 NOTIFICATION AREA MAP





# Questions?





**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO: Robert Hanna, City Manager**

**FROM: Mike Warrix, Director**

**SUBJECT: 19. Ordinance (Final Reading) Z-2020-05: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a Request from KPLB LLC, Agent Jacob & Martin Engineering, to Rezone Property from Residential Medium-Density (MD) to Residential Single-Family Patio Home (PH) District Located at 1826 Colony Hill Road Approximately 500 to 800 Feet East from its Intersection with Maple Street *(Mike Warrix)***

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**GENERAL INFORMATION**

The applicant is requesting to rezone from Residential Medium-Density (MD) District to Residential Single-Family Patio Home (PH) District since Abilene's Land Development Code prohibits the development of Residential Single-Family Patio Home (PH) in Medium-Density (MD) zoning. The applicant's intent is to develop this vacant tract of land to address Abilene's growing demand for smaller residential single-family units in the Wylie Independent School District.

**SPECIAL CONSIDERATIONS**

The opposition to this request exceeds 20 percent. As a result, approval will require a super-majority vote of Council.

**FUNDING/FISCAL IMPACT**

**STAFF RECOMMENDATION**

Staff recommends approval

## **BOARD OR COMMISSION RECOMMENDATION**

The Planning and Zoning Commission heard this request on February 4, 2020 and voted 7-0 to recommend approval to Council.

## **ATTACHMENTS:**

1. Ordinance\_cover
2. Z-2020-05 Council Ord Exhibit
3. Z-2020-05 Council Staff Report
4. Z-2020-05 Council Presentation

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING THE, "LAND DEVELOPMENT CODE" OF THE ABILENE CITY CODE, BY CHANGING THE ZONING DISTRICT BOUNDARIES AFFECTING CERTAIN PROPERTIES; CALLING A PUBLIC HEARING; PROVIDING A PENALTY AND AN EFFECTIVE DATE.

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

PART 1: That Chapter 2 (Zoning Regulations) of the Land Development Code of the City of Abilene, is hereby amended by changing the zoning district boundaries as set out in Exhibit A, attached hereto and made a part of this ordinance for all purposes.

PART 2: That any person, firm or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than Five Hundred Dollars (\$500.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.

PART 3: That the Planning Director be, and is hereby authorized and directed to change the official Zoning Map of the City of Abilene to correctly reflect the amendments thereto.

PASSED ON FIRST READING the 27<sup>th</sup> day of February, 2020.

A notice of the time and place, where and when said ordinance would be given a public hearing and considered for final passage, was published in the Abilene Reporter-News, a daily newspaper of general circulation in the City of Abilene, said publication being on the 18<sup>th</sup> day of January, 2020, the same being more than fifteen (15) days prior to a public hearing held in the Council Chamber of the City Hall in Abilene, Texas, at 8:30 a.m. on the 12<sup>th</sup> day of March, 2020, to permit the public to be heard prior to final consideration of this ordinance. Said ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

PASSED ON FINAL READING THIS 12<sup>th</sup> day of March, 2020.

ATTEST:

\_\_\_\_\_  
CITY SECRETARY

\_\_\_\_\_  
MAYOR

APPROVED:

\_\_\_\_\_  
CITY ATTORNEY



# ZONING CASE Z-2020-05

## STAFF REPORT

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**REQUEST:** Rezoning to PH District, from existing MD zone.

**APPLICANT:**

Owner: Kyle Paul Construction

Agent: Jacob & Martin Engineering

**HEARING DATES:**

P & Z Commission: February 4, 2020

City Council 1<sup>st</sup> Reading: February 27, 2020

City Council 2<sup>nd</sup> Reading: March 12, 2020

**LOCATION:**

- 1826 Colony Hill Road
- Legal description(s): 5.85 acres of vacant land out of Southwest quarter of Lunatic Asylum Lands Section 8

**PROPOSAL AND REQUESTED ACTION:**

The applicant is requesting to rezone from Residential Medium-Density (MD) to Residential Single-Family Patio Home (PH) since Abilene's Land Development Code prohibits the patio home development in Medium-Density (MD) zoning. The owner's intent is to develop the area to address the growing demand for smaller residential single-family units.

**APPLICATION REVIEW:**

Pursuant to Section 1.4.1.4, Criteria for Approval, of the City of Abilene Land Development Code, in making a determination regarding a requested zoning change, the Planning and Zoning Commission and the City Council may consider the following factors:

- (1) Whether the proposed zoning map amendment implements the policies of the adopted Comprehensive Plan, including the land use classification of the property on the Future Land Use and Development Plan map, as amended;**

When the Future Land Use and Development Plan Map of the Comprehensive Plan was developed in 2004, this subject property had not yet been annexed to the City limits of Abilene. Therefore, the Future Land Use and Development Plan provides no real guidance in regard to the zoning of the subject property. However, the City's Thoroughfare Plan identifies both Colony Hill Road and Maple Street to be future "Arterial" streets which are intended to carry major traffic between large areas of the city. Proposed PH zoning of the subject property may offer an effective transition in the intensity of urban use and carrying-capacity characteristic of arterial streets by separating anticipated retail development to the West and lower density residential development to the East.

- (2) Whether the uses permitted by the proposed change in zoning district classification and the standards applicable to such uses will be appropriate in the immediate area of the land to be reclassified.**

The Patio Home (PH) zoning classification is designed to accommodate the development of detached single-family dwellings on lots smaller than those in even the most compact RS-6 single family housing districts. The Medium Density (MD) zoning classification, however, is intended to accommodate the development of duplex, triplex, and quadraplexes which could increase overall subdivision density. Furthermore, Patio Home zoning typically allows densities of 7 ½ units per acre whereas Medium

Density Zoning allows density of 9 units per acre. Where these zoning districts differ, however, is that Medium-Density zoning does not permit the construction of Patio homes due to land subdivision characteristics peculiar to patio home development. If land is subdivided into lots small enough for Patio homes, then the public must be assured that Patio homes will actually be built on those lots.

|       | Zoning | Existing Land Use                        |
|-------|--------|------------------------------------------|
| North | AO     | Single Family Residential Large Lots     |
| South | AO     | Wylie ISD East Elementary                |
| East  | RS-6   | Single Family Residential Vacant Acreage |
| West  | AO     | Single Family Residential Large Lot      |

**(3) Whether the proposed change is in accord with any existing or proposed plans for providing public schools, streets, water supply, sanitary sewers, and other public services and utilities to the area.**

The subject property has access to existing water mains and sewer mains. Therefore, water and sewer capacity should not be a limiting factor to the development of these properties. The patio home (PH) zoning will decrease the number of units allowed on the property and therefore create less traffic to the elementary school to the south.

**STAFF COMMENTS:**

The subject property was annexed in 2009 and zoned Agricultural Open Space (AO) classification. In January of 2016, a request to rezone the subject property to Residential Medium-Density (MD) was approved by the Planning and Zoning Commission and City Council. Since approval, a plan and/or subdivision plat was never provided for the planning staff to review. Staff finds that the intended development of this vacant tract of land for Patio Homes (PH) is more appropriate for the size of this tract of land.

**STAFF RECOMMENDATION:**

Staff recommends approval of the request. The rezoning request complies with Section 1.4.1.4 (Criteria for Approval).

**PLANNING AND ZONING COMMISSION RECOMMENDATION:**

On February 4, 2020, the Planning and Zoning Commission recommended approval by a vote of seven (7) to zero (0).

**NOTIFICATION:** The Planning Services Division sent, with a certificate of mailing, public notices to the applicant and to all owners of property within a 200-foot radius of the subject property.

| Owner                             | Situs                 | Response |
|-----------------------------------|-----------------------|----------|
| JOHNSTON TYLER                    | 7302 MOUNTAIN VIEW RD |          |
| KPLB LLC                          | 1826 COLONY HILL RD   |          |
| LIVELY LEVI & MINDY               | 7081 MAPLE ST         |          |
| MC LEOD PROPERTY DEV LLC          |                       |          |
| MC LEOD PROPERTY DEV LLC          |                       |          |
| MC LEOD PROPERTY DEV LLC          | 7089 MAPLE ST         |          |
| MC LEOD PROPERTY DEV LLC          |                       |          |
| NEWQUIST DENNIS M & AMY A         | 7201 MAPLE ST         | Opposed  |
| WEEKS ROBERT MCKAY                | 7101 MAPLE ST         |          |
| WYLIE INDEPENDENT SCHOOL DISTRICT | 7401 MAPLE ST         |          |

**ATTACHMENTS:** 1) Application 2) PowerPoint





# Development Application

## Planning

☐ Conditional Use      ☐ Easement Release      ☒ Rezoning      ☐ Other  
☐ PDD      ☐ Street Name Change      ☐ Thoroughfare Abandonment      ☐ PDD Amendment  
Other: \_\_\_\_\_

Project Name: Colony Hill Road Development  
Address: 1826 Colony Hill Road No. of lots: \_\_\_\_\_ Acreage: 5.85  
Legal Description: A0806 SUR 8 L A L SW/4, ACRES 5.85  
Subdivision Name: Colony Hill Road Development Block: \_\_\_\_\_ Lot: \_\_\_\_\_  
Current Zoning: MD Proposed Zoning (if applicable): PH

## OWNER AND AUTHORIZATION

Owner Name: KPLB, LLC  
Address: 3409 S. 14TH Street, Suite 204  
City, State, Zip: Abilene, TX 79605 Fax: \_\_\_\_\_  
Phone: 325-260-6935 Email: \_\_\_\_\_

*I am the property owner, and I certify that the information included in this application is true to the best of my knowledge. (Name) Jacob & Martin will act as my agent before the Planning and Zoning Commission.*

Agent Name: Jacob & Martin  
Address: 3465 Curry Lane  
City, State, Zip: Abilene, TX 79606 Fax: 325-691-5134  
Phone: 325-695-1070 Email: cfarrow@jacobmartin.com

I hereby certify that I am the owner of the property and further certify that the information provided on this development application is true and correct. I hereby designate the aforementioned agent to act on my behalf for submittal, processing, representation, and/or presentation of this development application. The designated agent shall be the principal contact person for responding to all requests for information and for resolving all issues of concern relative to this application.

Signature Owner: Kyle Paul Date: 1/6/2020

## FOR OFFICE USE ONLY

Received: 1-6-20 Fee: \$ \$1,500 Receipt No.: \_\_\_\_\_  
Case No.: 2-2020-05 Reviewed By: [Signature]



1. Please (if necessary) provide background information for the zoning request and explain why you feel it is appropriate.

development on the north side of Colony Hill Road across from the new Wylie East Elementary

School. KPLB, LLC has seen the success and need for PH in the Abilene area, and would like to

bring them to this area to give a diverse type of home. Despite similar lot densities, the current

zoning of MD does not allow for patio home construction.



# Development Application

## RECOMMENDATIONS

The Planning & Zoning Commission (P&Z) and the City Council look to the Planning & Development Services staff to make a recommendation for the approval or disapproval of this application. We will make every effort to notify you (FAX or E-mail) of our recommendation at least one (1) week in advance of the scheduled meeting of the P&Z Commission. In the case of a rezoning, and when the public interest requires it, we may recommend a rezoning to a Planned Development District (PDD) or a classification other than the classification requested. We will notify you of our decision to propose a PDD as soon as possible after the application is filed to give you time to prepare a site plan.

## PUBLIC NOTIFICATION

The public is entitled to examine this application and participate in the decision-making process. In most cases, we are required to notify all property owners within two hundred feet (200') of the boundaries of your property. To ensure the fullest possible consideration, we may also notify neighborhood groups, organizations or individuals that have a special interest in a particular issue. Except for matters that the Planning & Development Services staff have expressly agreed not to disclose (and provided the law allows us to hold the matter in confidence), then all information that we deem relevant to the review and processing of this application may become public knowledge.

## PLEASE READ BEFORE SIGNING

The undersigned has read the above application and hereby certifies that the information contained therein is complete, true and correct; and does hereby request that said application be submitted to the Planning & Zoning Commission at the earliest available meeting.

I understand and acknowledge that it is my responsibility to furnish an accurate and precise legal description of the property, and only the property, that is subject of this application, and that failure to furnish such information prior to the application deadline date will delay the processing of this application. I also understand that the City must notify affected property owners of this application. In the event that I fail to submit in a timely manner any information that the City deems necessary to transmit this application to the Planning & Zoning Commission or City Council, then in lieu of dismissal I hereby request that this application be temporarily withdrawn from further consideration until such information is submitted, and I agree to pay a resubmission fee of \$120 to reimburse the City for the expense of re-notifying affected property owners. I have been informed of the tentative date and time that the Planning & Zoning Commission and City Council will hear this application, and I understand that hearings may be continued from time to time at the discretion of the Commission or Council to allow for full consideration or when the public interest requires a continuation.

SIGNED: Kyle Paul DATE: 1/6/2020



Watts, Nick &lt;nick.watts@abilenetx.gov&gt;

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**[Planning] case Z-2020-05**

1 message

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**Dennis Newquist** <jxh5284@gmail.com>  
To: Planning@abilenetx.gov

Mon, Feb 3, 2020 at 9:28 AM

I am opposed to any zoning that adds unnecessarily to the population congestion in that area. An RS-8 District is more appropriate for this area. This would be more in character with existing homesteads thus preserving property values in adjacent neighborhoods.

Infrastructure in that particular area is also lacking. Colony Hill road cannot safely support the amount of traffic that it has now. It is a dangerous stretch of roadway and adding more traffic isn't going to make it better.

Dennis and Amy Newquist  
7201 Maple St

--

You received this message because you are subscribed to the Google Groups "Planning Services" group.  
To unsubscribe from this group and stop receiving emails from it, send an email to [planning+unsubscribe@abilenetx.gov](mailto:planning+unsubscribe@abilenetx.gov).  
To view this discussion on the web visit <https://groups.google.com/a/abilenetx.gov/d/msgid/planning/CAOm7SOHu%2B%3Dye22Pss1vaw0nY1XCtB5sc0GTMX3VHkk%3DdDjc-oA%40mail.gmail.com>.

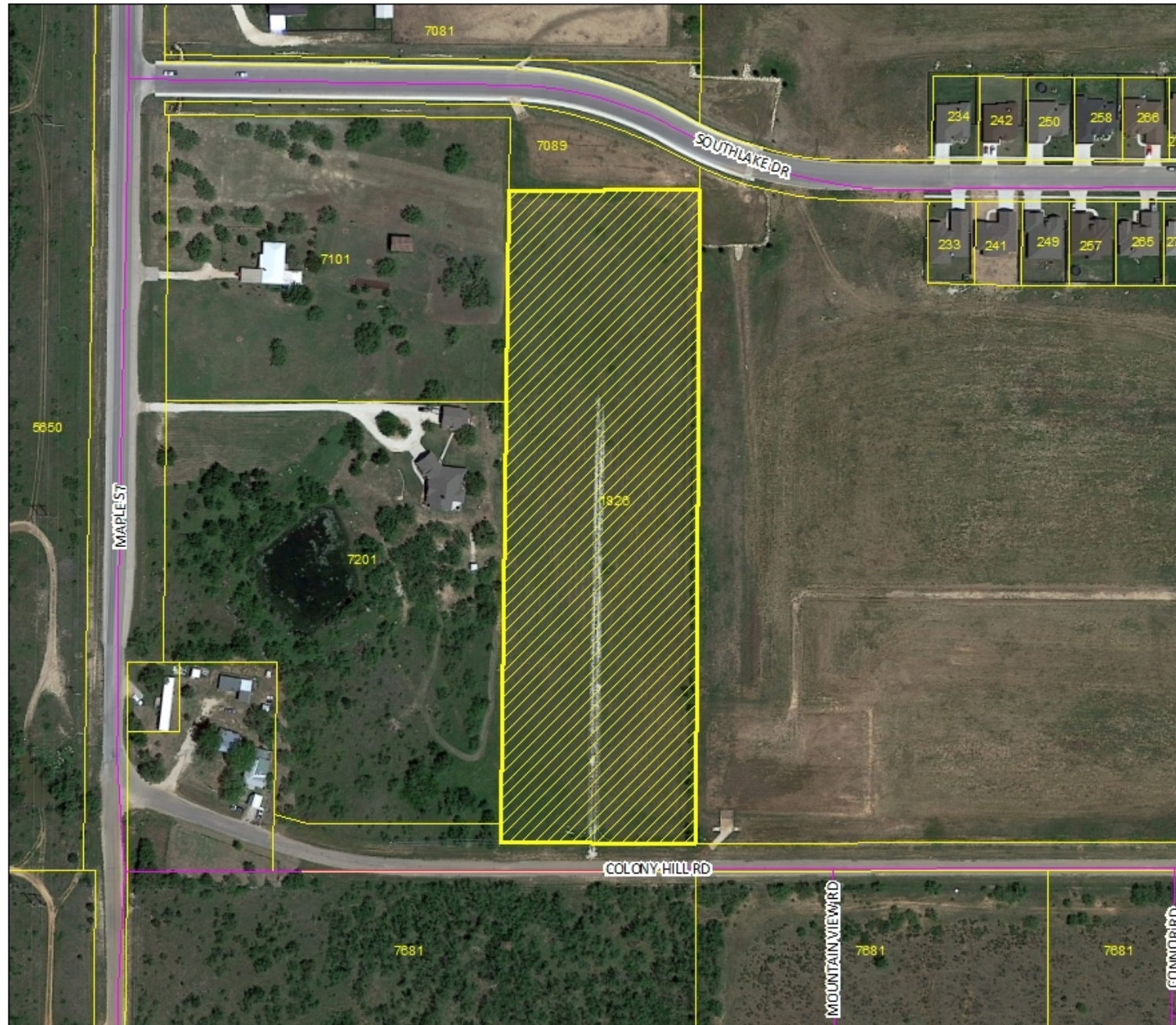
## REZONING REQUEST

**Case:** Z-2020-05  
**Owner:** Kyle Paul Construction  
**Agent:** Jacob & Martin Engineering  
**Request:** Rezone from MD to PH  
**Location:** 1826 Colony Hill Rd.  
**Notification:** 0 in Favor, 1 Opposed  
**Planning & Zoning Recommendation:** Approval

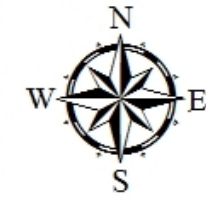




# Z-2020-05 AERIAL LOCATION MAP



Location Map



Legend

 Z-2020-05

# Z-2020-05 ZONING MAP



# Existing Uses in PH Zoning

## RESIDENTIAL USES:

- C Bed & Breakfast
- P Dwelling – Industrialized Housing Unit
- P Dwelling – Patio Home
- P Dwelling – Single-Family Detached

## ACCESSORY AND INCIDENTAL USES:

- P Accessory Structure (Also see Division 4 of this article)
- P Antenna, Non-Commercial/Amateur
- P/C Day Care Operation – Home-Based
- TP Field Office or Construction Office (temporary)
- P Garage Sale
- P Home Occupation
- P Recreation Building, Multipurpose
- P Recreation Equipment, Mobile (storage & parking)
- TP Subdivision Sales Office (temporary)
- P Swimming Pool, Private (accessory to residential use)
- P Tennis Court, Private (accessory to residential use)
- P/SE Wind Energy Conversion Systems

## CULTURAL AND RECREATIONAL USES:

- C Recreation – Outdoors (active)
- P Recreation – Outdoors (passive)

## GOVERNMENT, HEALTH, SAFETY AND WELFARE USES:

- P Community Home
- P Fire/Police Station

## EDUCATIONAL AND RELIGIOUS USES:

- P Church or Place of Worship
- P School: Public/Private

## TRANSPORTATION, COMMUNICATION AND UTILITIES:

- P Public Utility Facility

## RESOURCE PRODUCTION AND EXTRACTION USES:

- P Petroleum or Gas Well
- P Urban Garden

## LEGEND

- P Permitted as a Right-of-Use (may be subject to compliance with conditions described within Section 2.4.3 of the Land Development Code)
- C Permitted as a Conditional Use Permit, Requiring Approval by City Council
- TP Permitted by Temporary Permit Only, Requiring Approval by Board of Adjustment



Subject Property Facing North



Vacant land to the East



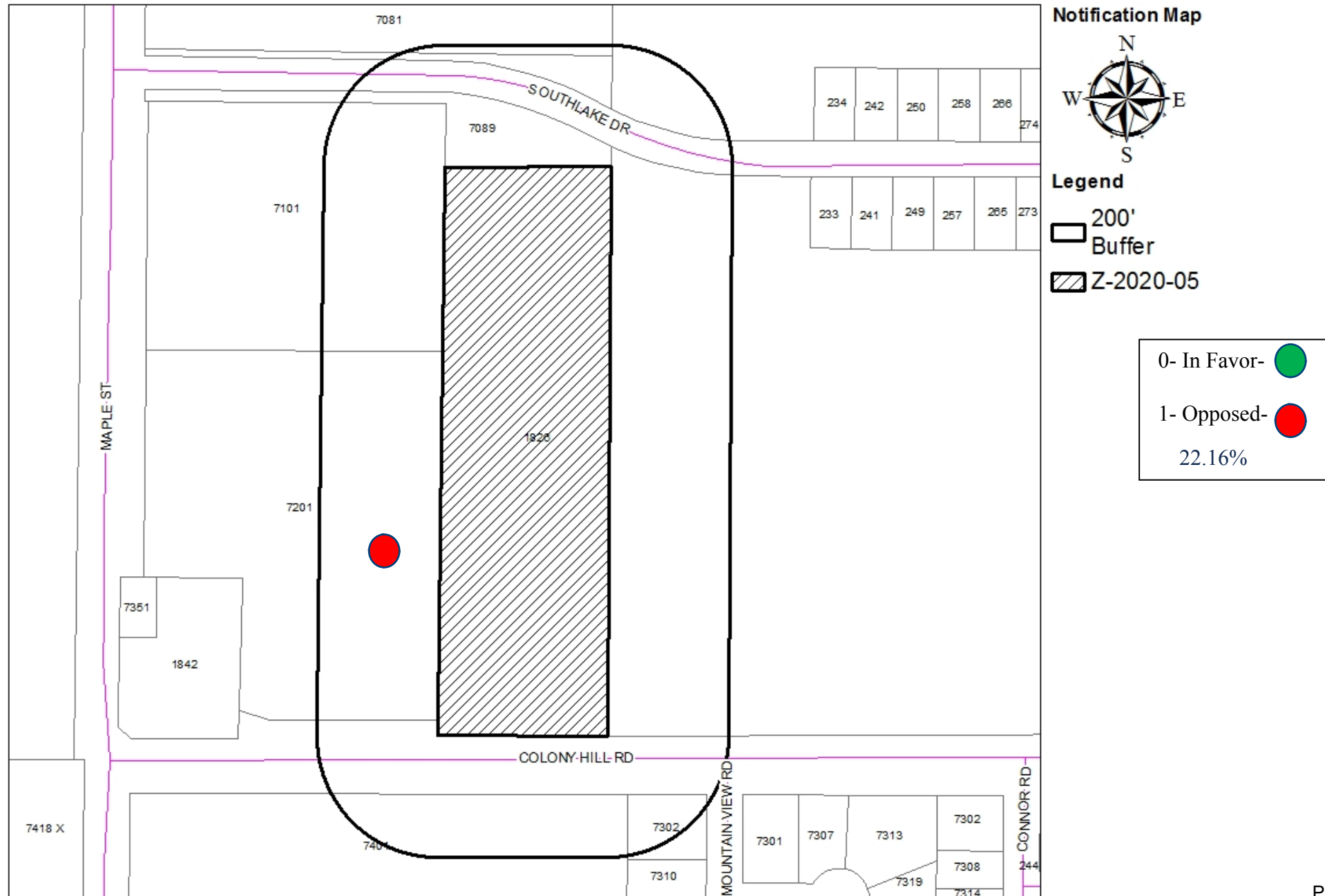
Subject Property Eagle View



Wylie ISD East Elementary



# Z-2020-05 NOTIFICATION AREA MAP



- Consistent with *Comprehensive Plan* and *Future Land Use and Development Plan Map*
- Consistent with General Land Use and Zoning Character of Immediate Area (Section 2.3.2.6)
- Reviewed Pursuant to Section 1.4.1.4 of Land Development Code (Criteria for Approval)
- Staff Recommendation: **Approval**
- Planning & Zoning Recommendation: **Approval**
- Opposition over 20% will require a super-majority vote for approval by Council

# Questions?



**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Robert Hanna, City Manager

**FROM:** Mike Warrix, Director

**SUBJECT:** **20. Ordinance (Final Reading) TC-2020-02:** Receive a Report, Hold a Discussion and Public Hearing, and Take Action on a request from Homer Hillis, agent Riley Griffith of Enprotec/Hibbs & Todd, to abandon an unimproved west margin (0.0469 acre) of right-of-way available for Lytle Acres Drive and adjacent to vacant building site at 1208 Lytle Acres Drive occupying Block D of Lytle Lake Gardens *(Mike Warrix)*

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**GENERAL INFORMATION**

Abandon the unimproved west margin (0.0469 acre) of right-of-way available for Lytle Acres Drive, adjacent to vacant building site at 1208 Lytle Acres Drive.

**SPECIAL CONSIDERATIONS**

**FUNDING/FISCAL IMPACT**

**STAFF RECOMMENDATION**

Staff recommends approval

**BOARD OR COMMISSION RECOMMENDATION**

The Planning and Zoning Commission heard this request on February 4, 2020 and voted 7-0 to recommend approval to Council.

**ATTACHMENTS:**

1. TC-2020-02 authorizing ordinance
2. TC-2020-02 staff report
3. TC-2020-02 PZ Presentation

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE PROVIDING FOR ABANDONMENT OF CERTAIN PORTION OF PUBLIC RIGHT-OF-WAY FOR LYTLE ACRES DRIVE FORMERLY MCGOWAN DRIVE, PROVIDING FOR TERMS AND CONDITIONS OF SUCH ABANDONMENT, AND CALLING A PUBLIC HEARING.

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

PART 1: That the following described portion of public right-of-way for Lytle Acres Drive, as described on Exhibit "A" attached hereto and made part of this ordinance for all purposes, be and the same is hereby abandoned, vacated and closed insofar as the right, title or easement of the City of Abilene is concerned, subject to the underlying property owner(s) graphically resubdividing (by replat,) the subject portion of public right-of-way into the adjoining properties.

PART 2: That said portion of public right-of-way is not needed for public purposes, and it is in the public interest to abandon the above described portion of public right-of-way.

PART 3: That the abandonment provided for herein shall extend only to the public right, title and easement in and to the tract of land specifically described in Part 1 of this ordinance, and shall be construed only to that interest the governing body of the City of Abilene may legally and lawfully abandon.

PASSED ON FIRST READING THE 27th day of February, A.D. 2020.

A notice of the time and place, where and when said ordinance would be given a public hearing and considered for final passage, was published in the Abilene Reporter-News, a daily newspaper of general circulation in the City of Abilene, said publication being on the 17th day of January, 2020, the same being more than fifteen (15) days prior to a public hearing to be held in the Council Chamber of City Hall in Abilene, Texas, at 8:30 a.m. on the 12th day of March, 2020, to permit the public to be heard prior to final consideration of this ordinance.

PASSED ON FINAL READING THIS 12th day of March, 2020.

ATTEST:

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CITY SECRETARY

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MAYOR

APPROVED:

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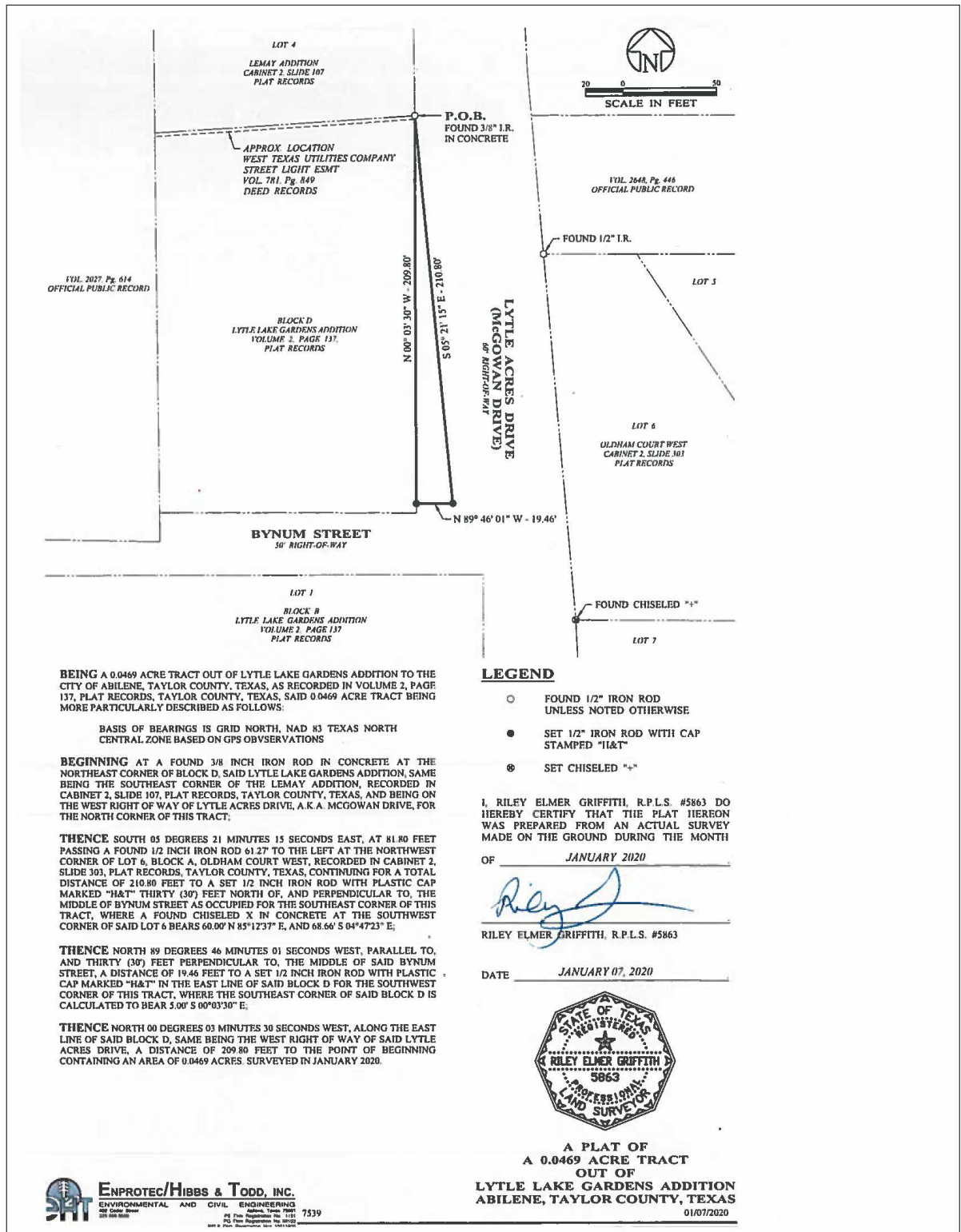
CITY ATTORNEY



ORDINANCE NO. \_\_\_\_\_

EXHIBIT "A"

The City of Abilene hereby abandons the following 0.0469-acre segment of right-of-way for Lytle Acres Drive (formerly McGowan Drive):



-END-

## TC-2020-02

### STAFF REPORT

---

**REQUEST:** Abandon the unimproved west margin (0.0469 acre) of right-of-way available for Lytle Acres Drive, adjacent to vacant building site at 1208 Lytle Acres Drive.

**APPLICANT:** Homer Hillis, represented by Riley Griffith of Enprotec/Hibbs & Todd

#### HEARING DATES:

P & Z Commission: February 4, 2020

City Council 1<sup>st</sup> Reading: February 27, 2020

City Council 2<sup>nd</sup> Reading: March 12, 2020

#### BACKGROUND AND REQUESTED ACTION:

Lytle Acres Drive extends for a distance of 0.4 mile between East South 11<sup>th</sup> Street (on the north) and Berry Lane (on the south) in east central Abilene. Except at its intersection with East South 11<sup>th</sup> Street, all land along Lytle Acres Drive remains in a Residential Single-Family (RS-6) zoning district.

A triangular-shaped segment on the west margin of right-of-way for Lytle Acres Drive is proposed to be formally and officially abandoned for use by the public. If abandoned, ownership of the triangular-shaped segment (comprising 0.0469 acre) will revert to the adjoining private property.

The proposed abandonment of right-of-way lies adjacent to an approximately 0.7-acre tract of vacant land planned to be re-subdivided into as many as three new single-family home sites.

When the subdivision plat creating this 0.7-acre tract was initially filed for record in 1948, an awkwardly-shaped street right-of-way was dedicated in front of that tract. This tract is identified as “Block D” on the subdivision plat of Lytle Lake Gardens Addition, and the street right-of-way in front of that tract (originally labeled as McGowen Drive) has since been renamed Lytle Acres Drive. See the subdivision plat of Lytle Lake Gardens Addition which accompanies this report.

The awkwardly-shaped street right-of-way (in front of Block D) exceeds the ordinary 60-foot-width typical of many residential streets in Abilene. Subsequent subdivision and re-subdivision of land along Lytle Acres Drive has left a consistent 60-foot-wide right-of-way for Lytle Acres Drive except in front of the approximately 0.7-acre tract at 1208 Lytle Acres Drive. At this location, right-of-way for Lytle Acres Drive exceeds the ordinary 60-foot width, by as much as 19½ feet.

The owner of vacant land at 1208 Lytle Acres Drive seeks to abandon the triangular-shaped segment on the west margin of this right-of-way, directly in front of that vacant land. This marginal right-of-way ranges in width from 0 feet (at the triangle’s apex) up to 19.46 feet near the southeast corner of this tract at 1208 Lytle Acres Drive.

#### REQUEST ANALYSIS:

If this triangular segment of right-of-way is abandoned, then the new west line of remaining right-of-way will lie at least 10 feet west from and parallel to pavement on Lytle Acres Drive. This is consistent with residential streets elsewhere in Abilene.

The proposed abandonment is not intersected by existing utility mains, nor is this right-of-way required for any future utility placement. Plans for proposed abandonment were shared with the City of Abilene's Development Review Committee (DRC) whose members include representatives from locally franchised utility services as well as the City's Water Utilities Department. There were no objections from members of the DRC.

### **STAFF RECOMMENDATION:**

City staff recommends approving the requested abandonment, subject to approval and subsequent recording of a replat showing how the right-of-way (authorized to be abandoned) will be integrated with one or more adjacent new lot(s). Abandoning this right-of-way will help promote re-subdivision and redevelopment of adjoining property, with as many as three new single-family home sites in an attractive wooded setting.

### **PLANNING AND ZONING COMMISSION RECOMMENDATION:**

The Planning & Zoning Commission recommended approval by a vote of seven (7) to zero (0) on Tuesday, February 4 of 2020.

### **NOTIFICATION:**

The Planning Services Division sent written notice of this request (with certificate of mailing) to all owners of property within a 200-foot radius of this subject property:

| Owner                                | Situs               | Response |
|--------------------------------------|---------------------|----------|
| BRIGGS KENNETH                       | 1318 LYTLE ACRES DR |          |
| COLLIS EVELYN E                      | 602 OLDHAM CT W     |          |
| ELGIN SUSAN                          | 1208 LYTLE ACRES DR |          |
| FUTRELLE ERIC & LISA                 | 1149 LYTLE ACRES DR |          |
| FUTRELLE ERIC & LISA                 | 1157 LYTLE ACRES DR |          |
| GARTMAN DON & LOUISE                 | 550 BYNUM ST        |          |
| HADLOCK FREDRICK JACKSON &           | 1209 LYTLE ACRES DR | In Favor |
| HINES BRET ROBERT &                  | 634 OLDHAM CT W     |          |
| LE MAY LINDA M                       | 1158 LYTLE ACRES DR |          |
| LE MAY LINDA M                       | 1202 LYTLE ACRES DR |          |
| LEMAY PEARL LF EST                   | 1142 LYTLE ACRES DR |          |
| LEWIS CHARLES A                      | 1302 LYTLE ACRES DR |          |
| MULLEN ROSA JANE KUYKENDALL          | 1341 GRIGGS ST      |          |
| TEAGUE EDDIE & TINA ANN              | 1309 GRIGGS ST      |          |
| TOLLETT CHRISTOPHER ROY & ALANA JEAN | 601 OLDHAM CT W     |          |

### **ATTACHMENTS:**

- Power Point





# Development Application

## Planning

☐ Conditional Use

☐ Easement Release

☐ Rezoning

☐ Other

☐ PDD

☐ Street Name Change

☒ Thoroughfare Abandonment

☐ PDD Amendment

Other: \_\_\_\_\_

Project Name: Lytle Acres Drive partial ROW abandonment

Address: 1208 Lytle Acres Drive

No. of lots: \_\_\_\_\_ Acreage: 0.0469 ac.

Legal Description: Lytle Acres Drive in front of Block D

Subdivision Name: Lytle Lake Gardens Addition

Block: D

Lot: \_\_\_\_\_

Current Zoning: \_\_\_\_\_ Proposed Zoning (if applicable): \_\_\_\_\_

## OWNER AND AUTHORIZATION

Owner Name: Homer Hillis

Address: 1242 Canterbury Drive

City, State, Zip: Abilene, Texas 79602

Fax: \_\_\_\_\_

Phone: 829-0340

Email: \_\_\_\_\_

*I am the property owner, and I certify that the information included in this application is true to the best of my knowledge. (Name) Riley Griffith will act as my agent before the Planning and Zoning Commission.*

Agent Name: eHT

Attn: Riley Griffith

Address: 402 Cedar Street

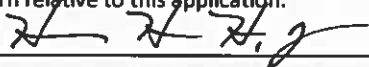
City, State, Zip: Abilene, Texas 79601

Fax: \_\_\_\_\_

Phone: 698-5560

Email: riley.griffith@e-ht.com

I hereby certify that I am the owner of the property and further certify that the information provided on this development application is true and correct. I hereby designate the aforementioned agent to act on my behalf for submittal, processing, representation, and/or presentation of this development application. The designated agent shall be the principal contact person for responding to all requests for information and for resolving all issues of concern relative to this application.

Signature Owner: 

Date: 01/07/20

## FOR OFFICE USE ONLY

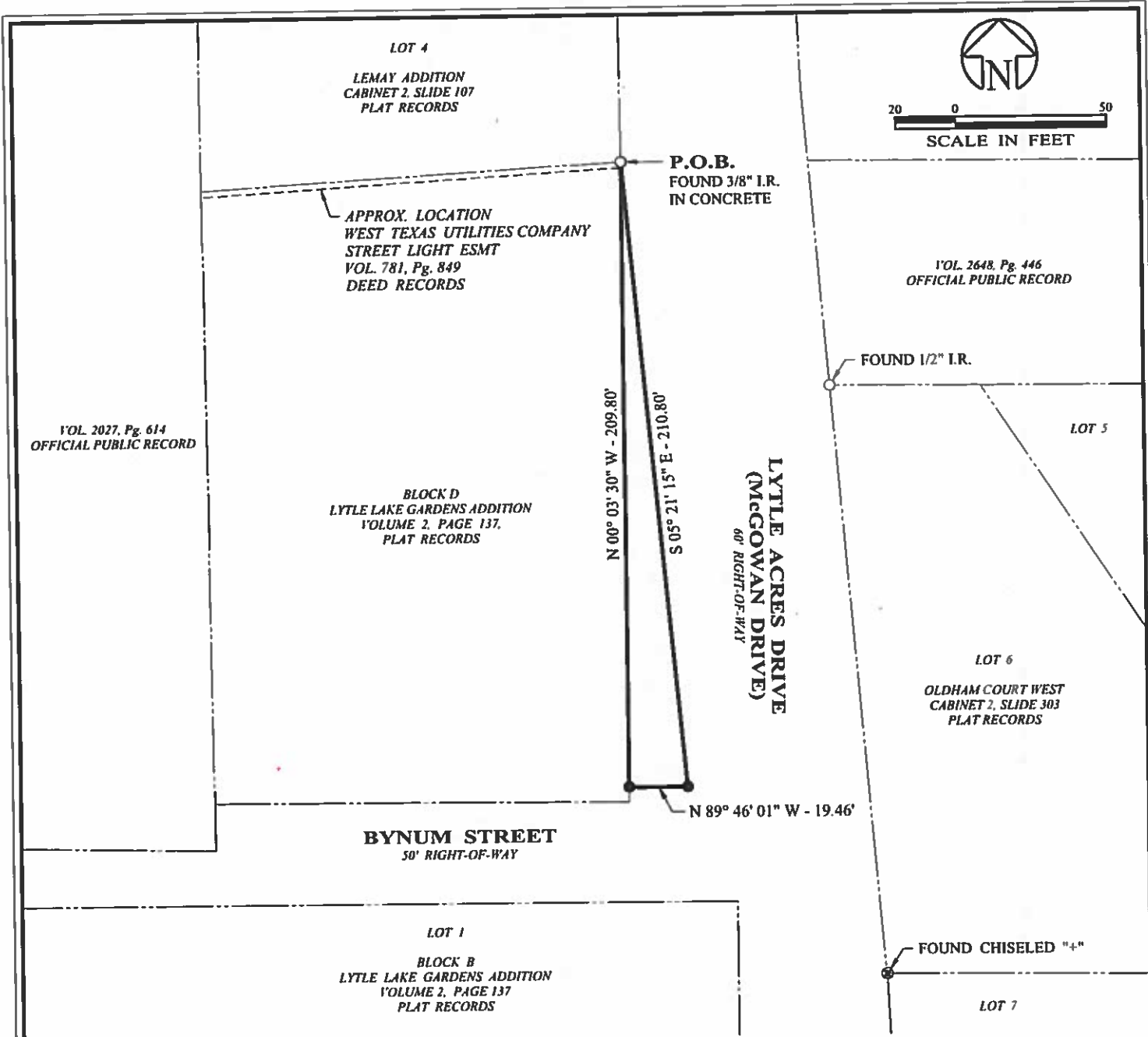
Received: \_\_\_\_\_

Fee: \$ \_\_\_\_\_

Receipt No.: \_\_\_\_\_

Case No.: \_\_\_\_\_

Reviewed By: \_\_\_\_\_



BEING A 0.0469 ACRE TRACT OUT OF LYTLE LAKE GARDENS ADDITION TO THE CITY OF ABILENE, TAYLOR COUNTY, TEXAS, AS RECORDED IN VOLUME 2, PAGE 137, PLAT RECORDS, TAYLOR COUNTY, TEXAS, SAID 0.0469 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS IS GRID NORTH, NAD 83 TEXAS NORTH CENTRAL ZONE BASED ON GPS OBSERVATIONS

BEGINNING AT A FOUND 3/8 INCH IRON ROD IN CONCRETE AT THE NORTHEAST CORNER OF BLOCK D, SAID LYTLE LAKE GARDENS ADDITION, SAME BEING THE SOUTHEAST CORNER OF THE LEMAY ADDITION, RECORDED IN CABINET 2, SLIDE 107, PLAT RECORDS, TAYLOR COUNTY, TEXAS, AND BEING ON THE WEST RIGHT OF WAY OF LYTLE ACRES DRIVE, A.K.A. MCGOWAN DRIVE, FOR THE NORTH CORNER OF THIS TRACT;

THENCE SOUTH 05 DEGREES 21 MINUTES 15 SECONDS EAST, AT 81.80 FEET PASSING A FOUND 1/2 INCH IRON ROD 61.27' TO THE LEFT AT THE NORTHWEST CORNER OF LOT 6, BLOCK A, OLDHAM COURT WEST, RECORDED IN CABINET 2, SLIDE 303, PLAT RECORDS, TAYLOR COUNTY, TEXAS, CONTINUING FOR A TOTAL DISTANCE OF 210.80 FEET TO A SET 1/2 INCH IRON ROD WITH PLASTIC CAP MARKED "H&T" THIRTY (30') FEET NORTH OF, AND PERPENDICULAR TO, THE MIDDLE OF BYNUM STREET AS OCCUPIED FOR THE SOUTHEAST CORNER OF THIS TRACT, WHERE A FOUND CHISELED X IN CONCRETE AT THE SOUTHWEST CORNER OF SAID LOT 6 BEARS 60.00' N 85°12'37" E, AND 68.66' S 04°47'23" E;

THENCE NORTH 89 DEGREES 46 MINUTES 01 SECONDS WEST, PARALLEL TO, AND THIRTY (30') FEET PERPENDICULAR TO, THE MIDDLE OF SAID BYNUM STREET, A DISTANCE OF 19.46 FEET TO A SET 1/2 INCH IRON ROD WITH PLASTIC CAP MARKED "H&T" IN THE EAST LINE OF SAID BLOCK D FOR THE SOUTHWEST CORNER OF THIS TRACT, WHERE THE SOUTHEAST CORNER OF SAID BLOCK D IS CALCULATED TO BEAR 5.00' S 00°03'30" E;

THENCE NORTH 00 DEGREES 03 MINUTES 30 SECONDS WEST, ALONG THE EAST LINE OF SAID BLOCK D, SAME BEING THE WEST RIGHT OF WAY OF SAID LYTLE ACRES DRIVE, A DISTANCE OF 209.80 FEET TO THE POINT OF BEGINNING CONTAINING AN AREA OF 0.0469 ACRES. SURVEYED IN JANUARY 2020.

### LEGEND

- FOUND 1/2" IRON ROD UNLESS NOTED OTHERWISE
- SET 1/2" IRON ROD WITH CAP STAMPED "H&T"
- ⊗ SET CHISELED "+"

I, RILEY ELMER GRIFFITH, R.P.L.S. #5863 DO HEREBY CERTIFY THAT THE PLAT HEREON WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND DURING THE MONTH

OF JANUARY 2020

*Riley Elmer Griffith*

RILEY ELMER GRIFFITH, R.P.L.S. #5863

DATE JANUARY 07, 2020



A PLAT OF  
A 0.0469 ACRE TRACT  
OUT OF  
LYTLE LAKE GARDENS ADDITION  
ABILENE, TAYLOR COUNTY, TEXAS

01/07/2020

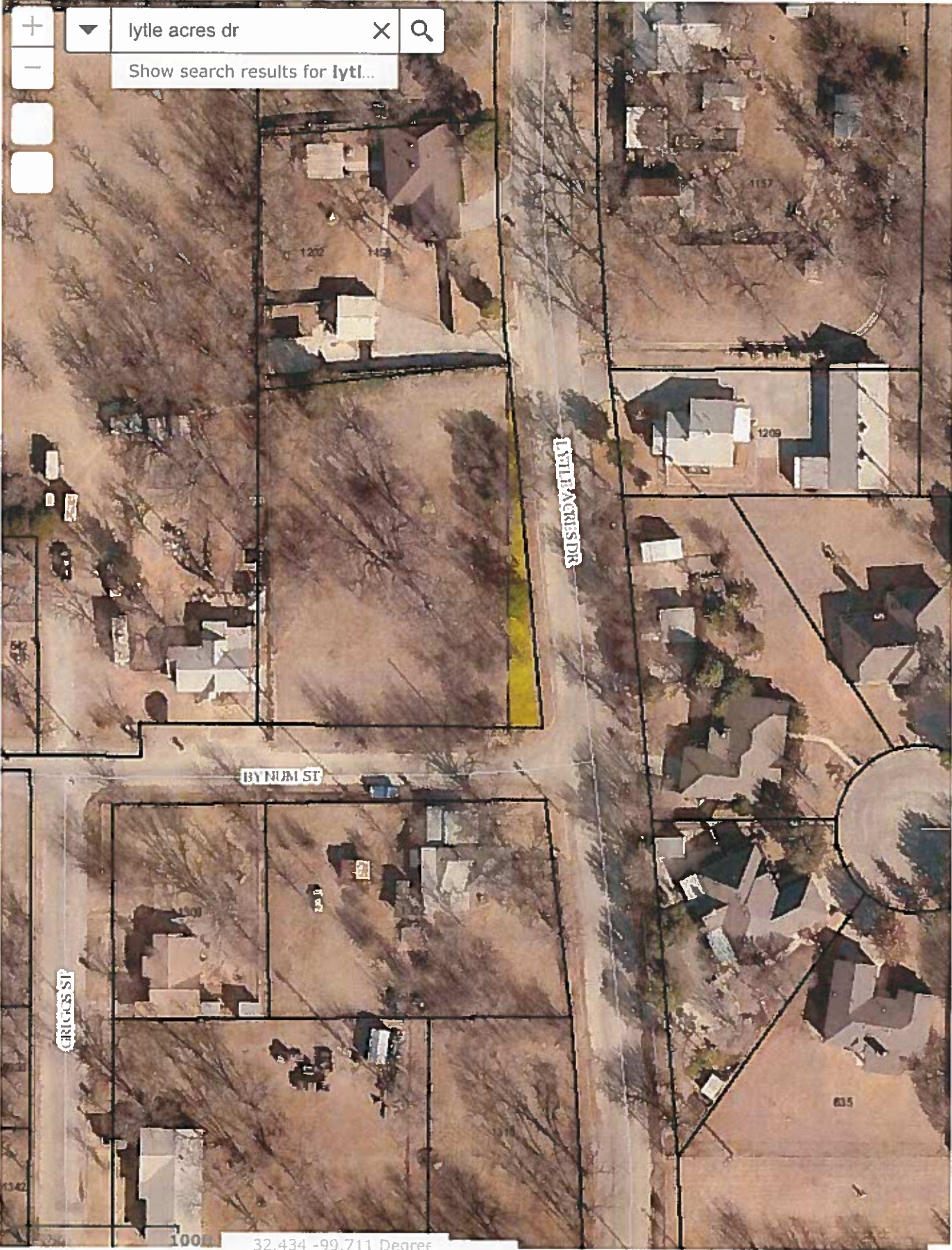


ENPROTEC/HIBBS & TODD, INC.

ENVIRONMENTAL AND CIVIL ENGINEERING  
Abilene, Texas 79601  
PE Firm Registration No. 1151  
PG Firm Registration No. 80192  
RPLS Firm Registration No. 10011900

7539





All Rights Reserved



  Find address or place 



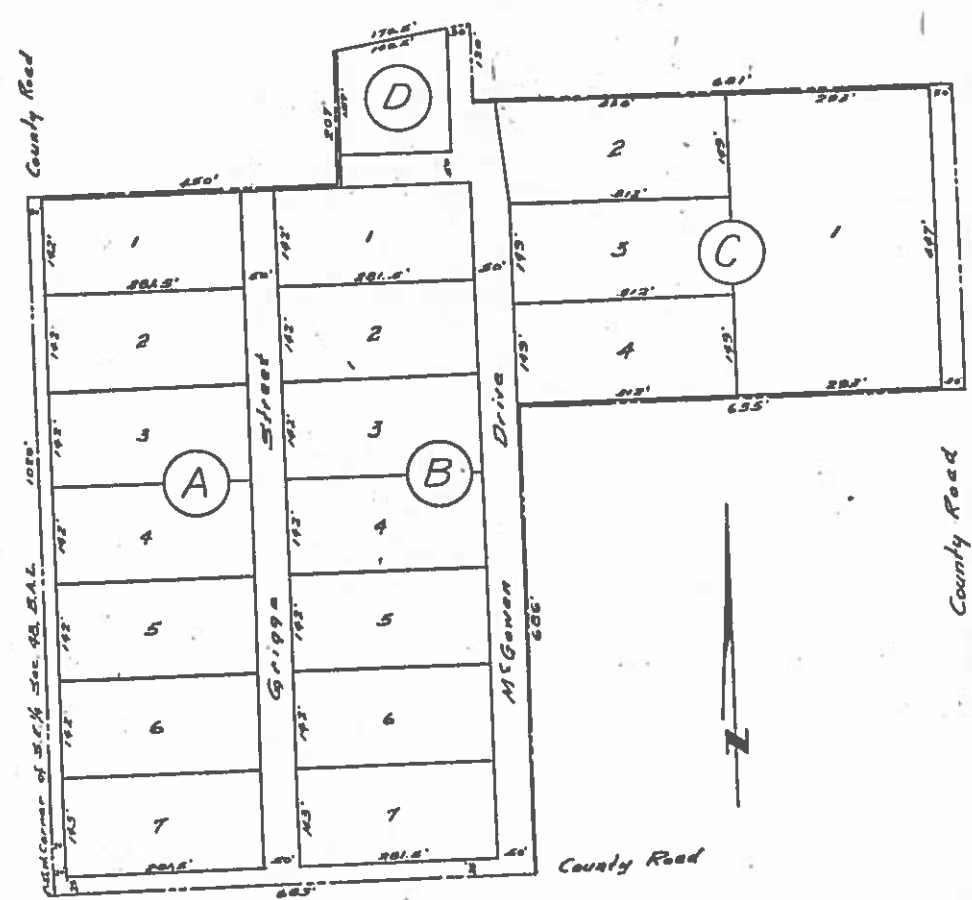
All Rights Reserved



THE STATE OF TEXAS  
COUNTY OF \_\_\_\_\_  
Before me, the undersigned authority, a notary public in and for said county and State, on this day personally appeared Mrs. H. C. McGowen, a widow, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.  
Given under my hand and seal of office, this 17th day of September A. D. 1947.  
A.P. Craig  
Notary Public, Dallas County, Texas.

(SEAL)  
THE STATE OF TEXAS  
COUNTY OF TAYLOR  
Before me, the undersigned authority, a notary public in and for said County and State, on this day personally appeared W. Willis Cox and Virginia C. Cox, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Virginia C. Cox, wife of the said W. Willis Cox, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Virginia C. Cox acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.  
Given under my hand and seal of office, this 17th day of September A.D. 1947.  
Thelma Roberts  
Notary Public, Taylor County, Texas.

(SEAL)  
LYTLE LAKE GARDENS An addition to the City of Abilene, Texas  
A Subdivision of a tract of land out of the S. E. Quarter Section No. 48, Blind Asylum Lands, Taylor County, Texas. Meas and Bounds are: Beginning at the Southwest corner of the Southeast 1/4 Section 48, Blind Asylum Lands; Thence North 1020 feet to a stake; Thence East 450 feet to a stake; Thence North 207 feet to a stake; Thence East 81 degrees and 15 minutes East 170.5 feet to a stake; Thence South 120 feet to a stake; Thence East 681 feet to a stake; Thence South 447 feet to a stake; Thence West 635 feet to a stake; Thence South 686 feet to a stake; Thence West 683 feet to the place of beginning.



I certify that the above subdivision was staked and that this is a true and correct plat of the Lytle Lake Gardens Addition to the City of Abilene, Taylor County, Texas.

French Engineering Co.  
Leslie French  
March 15, 1947.

(SEAL)  
This is to certify that the accompanying map of Lytle Lake Gardens, a tract out of the Southeast Quarter of Section 48, Blind Asylum Lands, Taylor County, Texas, was approved by the Commissioners' Court of Taylor County, Texas, at a meeting held by said Court on the 27th day of October A. D. 1947.

Mrs. Chester Hutcheson, County Clerk  
& Ex Officio Clerk of the Commissioners' Court of Taylor Co, Texas.

(SEAL)  
FILED FOR RECORD FEBRUARY 10, 1948 at 10:00 PM  
RECORDED FEBRUARY 17, 1948 at 1:20 PM

Mrs. Chester Hutcheson, County Clerk  
By: Birdie Wilson, Deputy

CITY OF ABILENE

THOROUGHFARE CLOSURE COMMENT FORM

1/15/2020

CASE # TC-2020-02

THOROUGHFARE LOCATION: 0.0469-acre segment on west margin of Lytle  
Acres Drive (see attached exhibit)

CITY DEPARTMENT/PVT. UTILITY CO.: AEP Texas Abilene Distribution

REPRESENTATIVE: Athan Himmelstein

TITLE: Distribution Engineer

I HAVE REVIEWED THE ABOVE THOROUGHFARE CLOSURE REQUEST AND FIND IT  
TO BE:



SATISFACTORY



UNSATISFACTORY (explain below:



SATISFACTORY WITH CONDITIONS

THE FOLLOWING CONDITIONS AND/OR CORRECTIONS ARE RECOMMENDED:

AEP Distribution line is clear of this closure location.

1/14/2020

DATE



SIGNED: DIRECTOR / REPRESENTATIVE

CITY OF ABILENE

THOROUGHFARE CLOSURE COMMENT FORM

1/15/2020

CASE # TC-2020-02

THOROUGHFARE LOCATION: 0.0469-acre segment on west margin of Lytle Acres Drive (see attached exhibit)

CITY DEPARTMENT/PVT. UTILITY CO.: TAYLOR CAD

REPRESENTATIVE: David Gonzalez

TITLE: GIS Coordinator

I HAVE REVIEWED THE ABOVE THOROUGHFARE CLOSURE REQUEST AND FIND IT TO BE:

☐

SATISFACTORY

☐

UNSATISFACTORY (explain below:

☒

SATISFACTORY WITH CONDITIONS

THE FOLLOWING CONDITIONS AND/OR CORRECTIONS ARE RECOMMENDED:

*Need P.O.B in Feet Placed on Plans/SURVEY*

15 Jan 2020  
DATE

*[Signature]*  
SIGNED: DIRECTOR / REPRESENTATIVE

# ABILENE/TAYLOR COUNTY 9-1-1 DISTRICT

555 WALNUT STREET

ABILENE, TEXAS 79601

(325) 676-6674

FAX: (325) 676-6050

☐ EASEMENT RELEASE

DATE: 14 JAN 2020

☐ PLAT REVIEW

REF. NO.: TC-2020-02

☐ PRELIMINARY DEVELOPMENT PLAN

☐ SITE PLAN REVIEW

☐ STREET NAME

☐ SUBDIVISION

☒ THOROUGHFARE CLOSURE

TITLE/LOCATION: 0.0469-acre segment on west margin of Lytle Acres Drive

I have reviewed the above and find it to be:

☒ SATISFACTORY

☐ SATISFACTORY WITH CONDITIONS

☐ UNSATISFACTORY

The following conditions and/or changes are recommended:

NONE.



BLAKE H. TULLOCH

GIS/Addressing Technician

Abilene/Taylor County 9-1-1 District

Date: 14 JAN 2020

CITY OF ABILENE

THOROUGHFARE CLOSURE COMMENT FORM

01/13/2020

CASE # TC-2020-02

THOROUGHFARE LOCATION: 0.0469-acre segment on west margin of Lytle  
Acres Drive (see attached exhibit)

CITY DEPARTMENT/PVT. UTILITY CO.: TRAFFIC SERVICES

REPRESENTATIVE: STEVE KEITH

TITLE: ENGINEERING ASST.

I HAVE REVIEWED THE ABOVE THOROUGHFARE CLOSURE REQUEST AND FIND  
IT TO BE:



SATISFACTORY



UNSATISFACTORY (explain below:



SATISFACTORY WITH CONDITIONS

THE FOLLOWING CONDITIONS AND/OR CORRECTIONS ARE RECOMMENDED:

01/13/2020



THOROUGHFARE CLOSURE FEE CALCULATIONS:      s.f.      \$

|                                      |          |      |
|--------------------------------------|----------|------|
| 1 Total area of adjacent properties: | 24585    | 6454 |
| 2 Total value of adjacent properties | 6454     |      |
| 3 Square footage value: (#2/#1)      | 0.26     |      |
| 4 Area if ROW                        |          |      |
| length:                              | 209      |      |
| width:                               | 9.73     |      |
| Total:                               | 2034     |      |
| 5 Value of ROW: (#3*#4)              | \$528.73 |      |
| 6 Factored Value: (5*0.10)           | \$52.87  |      |
| 7 Fee: (#6+1500)                     | \$1,553  |      |

24585      6454

For the PLANNING & ZONING COMMISSION

Please call (325) 676-6237 if you have any questions about this notice.

CASE #: TC 2020-02

You may indicate your position on the above request by detaching this sheet at the dotted line and returning it to the address below.  
You may attach additional sheets if needed. You may also email your position to the email address listed below. All correspondence must include your name and address.

Mailing To: Planning and Development Services  
P.O. Box 60, Abilene TX 79604-0060

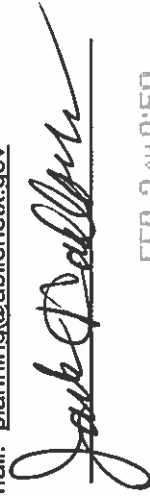
Email: [planning@abilenetx.gov](mailto:planning@abilenetx.gov)

Name: HADLOCK FREDRICK JACKSON &  
Address: 1209 LYTLE ACRES DR

I am in favor ☒  
Additional Comments:

I am opposed ☐

Signature:



FEB 3 AM 9:59

## THOROUGHFARE ABANDONMENT REQUEST

**Case:** TC-2020-02

**Owner:** City of Abilene

**Requests:** Abandon the unimproved west margin (0.0469 acre) of right-of-way available for Lytle Acres Drive, adjacent to vacant building site at 1208 Lytle Acres Drive.

**Notification:** 1 in Favor, 0 Opposed

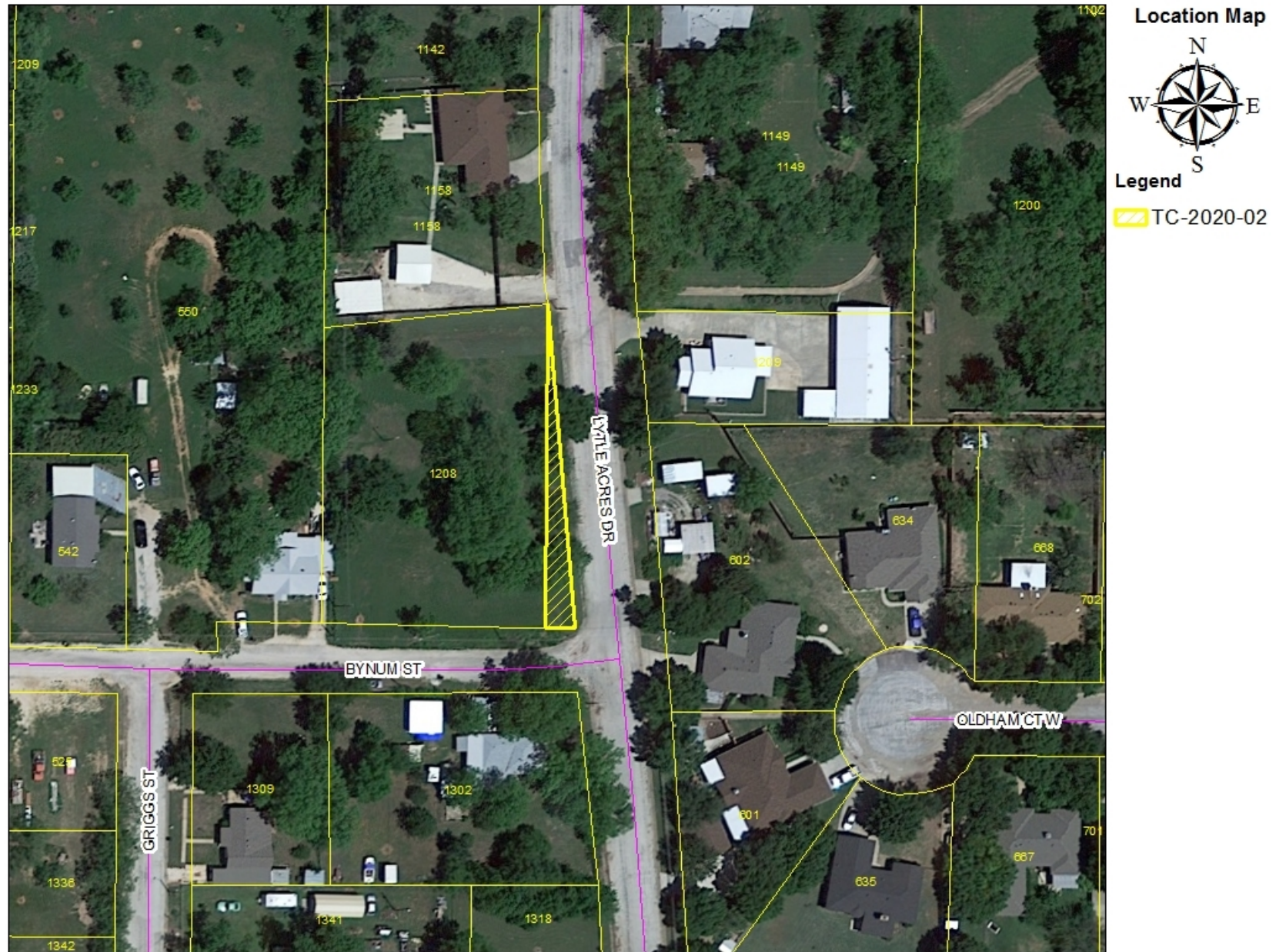
**Staff Recommendation:** Approval

**P& Z Recommendation:** Approval

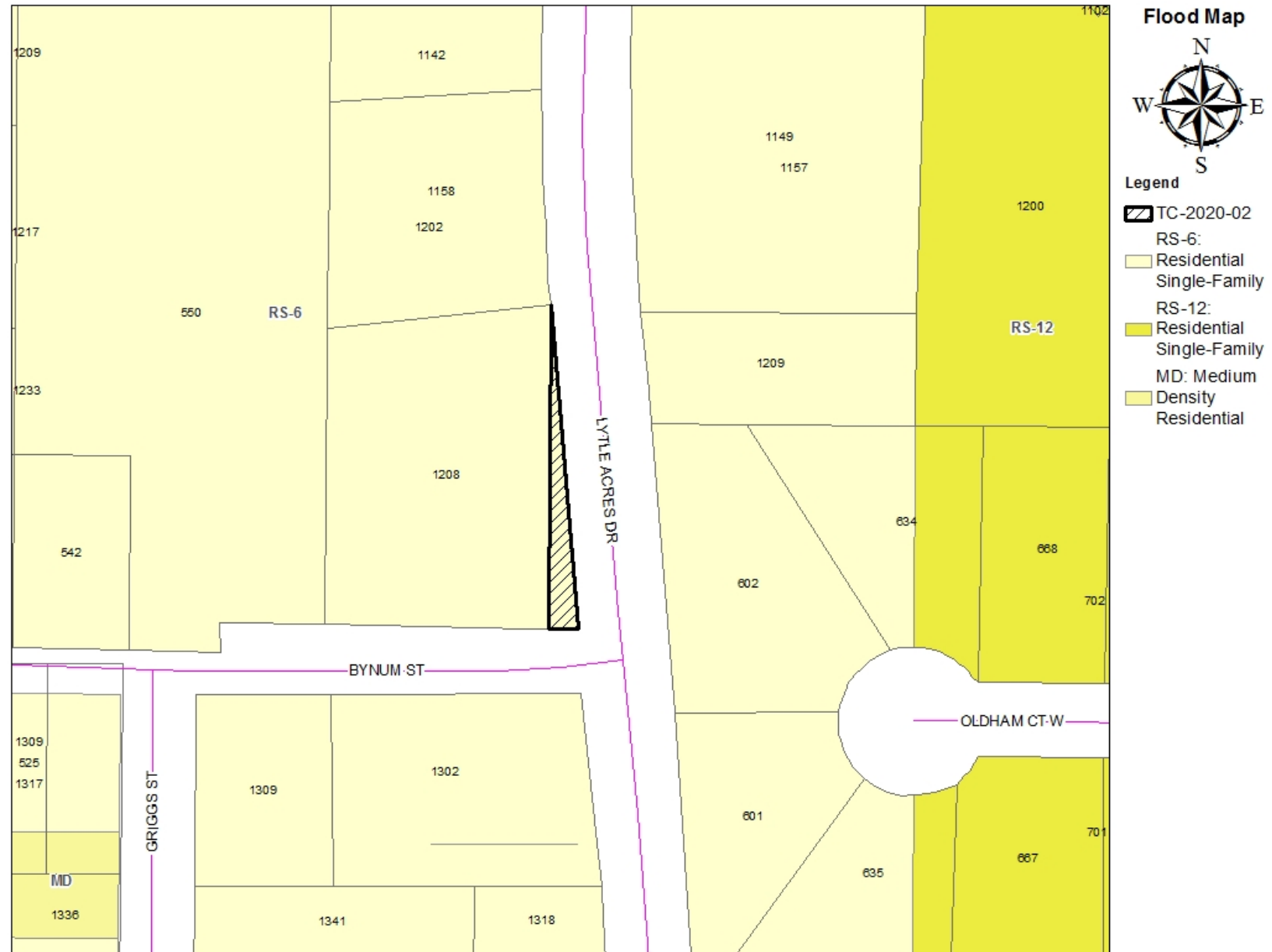




# TC-2020-02 LOCATION MAP



# TC-2020-02 ZONING MAP





## TC-2020-02 VIEWS OF SUBJECT PROPERTY



East View of Property and Neighbor



South Neighbor

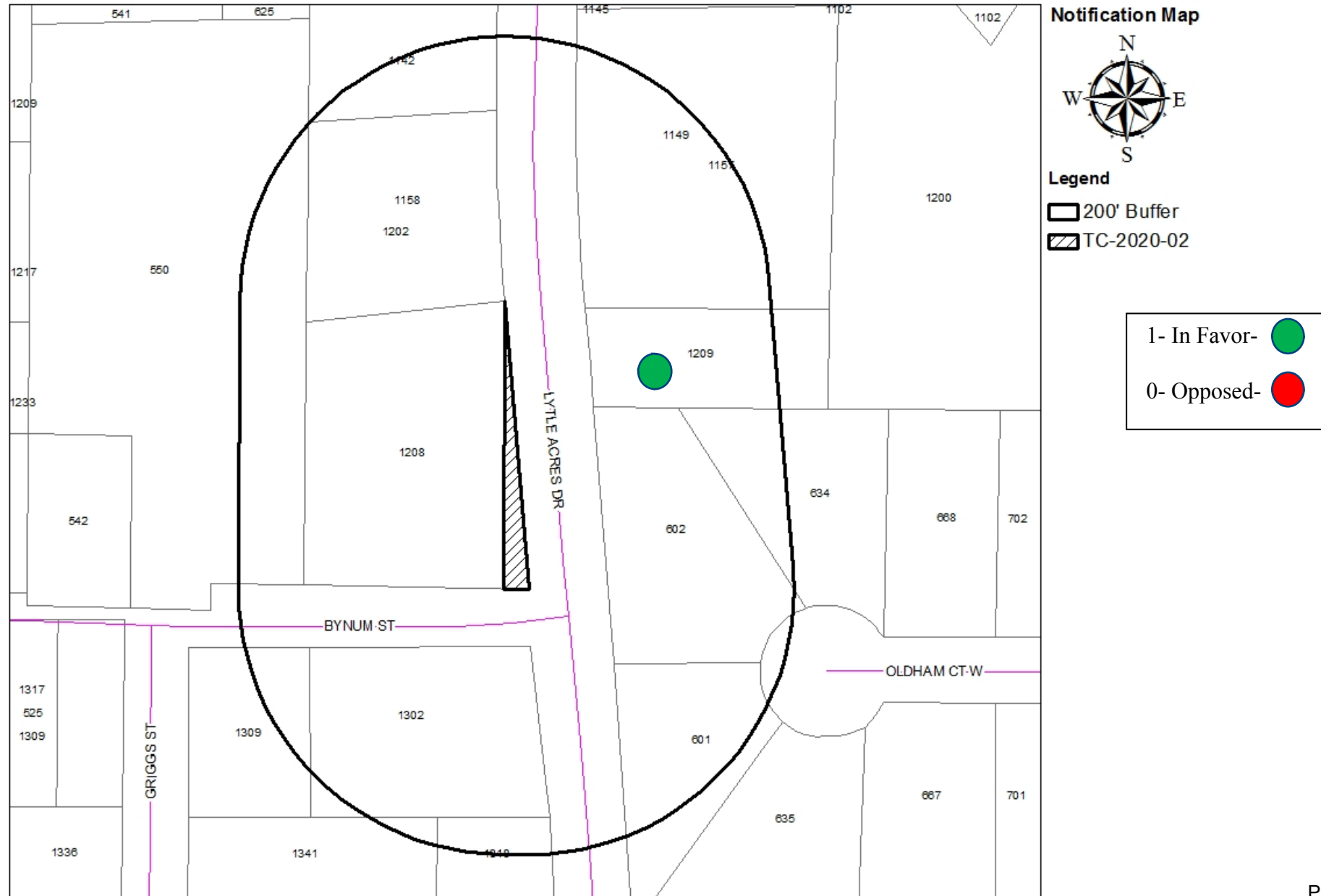


## FINDINGS AND RECOMMENDATIONS

- Consistent with *Comprehensive Plan* and *Future Land Use and Development Plan Map*
- Reviewed Pursuant to Section 1.4.1.4 of Land Development Code (Criteria for Approval)
- DRC Recommendation: **Satisfactory**
- Staff Recommendation: **Approval**



# TC-2020-02 NOTIFICATION AREA MAP



# Questions?







**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Robert Hanna, City Manager

**FROM:** Mike Warrix, Director

**SUBJECT:** **21. Ordinance (Final Reading) OAM-2019-03: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on proposed amendments to Land Development Code for the City of Abilene, removing the entire text of existing Section 2.4.4.2 in Chapter 2 (Zoning Regulations) and which specifically concerns carports and patio covers, replacing the existing text with a new Section 2.4.4.2 regulating the size, height, placement and architectural character of certain carports and patio covers; adopting new definitions of both “carport” and “patio cover” as those terms appear in Section 5.1.1.4 (34), Chapter 5 (Definitions); and deleting Paragraph 12 of Section 1.4.4.1(d), Chapter 1 (General Provisions) regarding allowing Special Exceptions for carports. (Brad Stone)**

---

**GENERAL INFORMATION**

Proposed amendments to the local zoning regulations concerning carports and patio covers within the Land Development Code (Section 2.4.4.2).

In four previous meetings adjustments and direction were given to staff, this presentation is the most recent version of the proposed amendments.

**SPECIAL CONSIDERATIONS**

**FUNDING/FISCAL IMPACT**

## **STAFF RECOMMENDATION**

## **BOARD OR COMMISSION RECOMMENDATION**

At its February 4, 2020 meeting, the Planning and Zoning Commission voted to recommend approval to City Council by a vote of 7-0.

## **ATTACHMENTS:**

1. OAM-2019-03 ordinance cover
2. OAM-2019-03 ordinance exhibit
3. Current Ordinance Section\_2\_4\_4\_2\_Carports\_and\_Patio\_Covers
4. OAM 2019-03 Staff Report Council
5. Carport OAM Council Presentation



**AN ORDINANCE OF THE CITY OF ABILENE, TEXAS, AMENDING THE LAND DEVELOPMENT CODE OF THE ABILENE CITY CODE OF ORDINANCES, BY REPLACING THE ENTIRE TEXT OF CHAPTER 2, ZONING REGULATIONS, ARTICLE 4, USE REGULATIONS, DIVISION 4 ACCESSORY USES AND STRUCTURES, SECTION 2.4.4.2, CARPORTS AND PATIO COVERS; AMENDING CHAPTER 5, DEFINITIONS, ARTICLE 1, DEFINITIONS, DIVISION 1 DEFINITIONS, SECTION 5.1.1.4, GENERAL DEFINITIONS, (34) CARPORT AND PATIO COVERS (RESIDENTIAL AND NONRESIDENTIAL); AND DELETING CHAPTER 1, GENERAL PROVISIONS, ARTICLE 4, ZONING PROCEDURES, DIVISION 4 BOARD OF ADJUSTMENT, SECTION 1.4.4.1, SPECIAL EXCEPTIONS, CALLING A PUBLIC HEARING; PROVIDING A CRIMINAL PENALTY; AND A PROVIDING A SEVERABILITY CLAUSE.**

**WHEREAS**, the Planning and Zoning Commission recommends the amendment of the Land Development Code with regard to carport and patio covers; and

**WHEREAS**, carport and patio covers will be allowed if they meet a standard of architectural compatibility in relation to the main structure of a property and also meet required setback, height, size and construction requirements; and

**WHEREAS**, carport and patio covers will no longer be subject to a special exception; and

**WHEREAS**, and some requirements of carport and patio covers may be waived by obtaining a variance.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:**

**PART 1:** That Chapter 2, Article 4, Division 4, section 2.4.4.2, Carport and Patio Covers, of the Land Development Code of the City of Abilene Code of Ordinances is hereby deleted in its entirety and replaced with Section 2.4.4.2 Carport and Patio Covers, as set out in Exhibit A, attached hereto and made a part of this ordinance for all purposes.

**PART 2:** That Chapter 5, Article 1, Division 1, Section 5.1.1.4 (34) Carport and Patio Covers Residential and Nonresidential, of the Land Development Code of the City of Abilene Code of Ordinances is hereby amended as set out in Exhibit B, attached hereto and made a part of this ordinance for all purposes.

**PART 3:** That Chapter 1, Article 4, Division 4, Section 1.4.4.1(d) Special Exceptions, of the Land Development Code of the City of Abilene code of ordinances, is hereby amended by removing Paragraph (12) and, renumbering subsequent Paragraphs (13) and (14) accordingly. Paragraph (12) presently reads as follows:

*(12) To allow a carport in a zoning district wherein a carport would otherwise be prohibited and/or to allow a carport on a lot upon which required front, side or rear setbacks would otherwise be violated.*

**PART 4:** That any person, firm or corporation violating any of the provisions of these chapters shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not more than Five Hundred Dollars (\$500.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.

**PART 5:** That the Planning Director be, and is hereby authorized and directed to change the official Zoning Map of the City of Abilene to correctly reflect the amendments thereto.

**PART 6:** That if any provision or any section of this Ordinance shall be held to be illegal, invalid, void or unconstitutional, such holding shall in no way effect the validity of the remaining provisions or sections of this Ordinance, which shall remain in full force and effect.

**PASSED ON FIRST READING this 27<sup>th</sup> day of February, 2020.**

A notice of the time and place, where and when said ordinance would be given a public hearing and considered for final passage, was published in the Abilene Reporter-News, a daily newspaper of general circulation in the City of Abilene, said publication being on the 26<sup>th</sup> day of November, 2019, the same being more than fifteen (15) days prior to a public hearing to be held in the Council Chamber of the City Hall in Abilene, Texas, at 8:30 a.m., on the 12<sup>th</sup> day of March, 2020 to permit the public to be heard prior to final consideration of this ordinance. Said ordinance, being a penal ordinance, becomes effective ten (10) days after its publication in the newspaper, as provided by Section 19 of the Charter of the City of Abilene.

**PASSED ON FINAL READING THIS 12<sup>th</sup> day of March, 2019.**

ATTEST:

\_\_\_\_\_  
CITY SECRETARY

\_\_\_\_\_  
MAYOR

APPROVED:

\_\_\_\_\_  
CITY ATTORNEY

EXHIBIT "A"

**AMEND: Remove existing Section 2.4.4.2 concerning Carports and Patio Covers, replacing it with the following new Section 2.4.4.2:**

**Section 2.4.4.2 Carports and Patio Covers**

- (a) General. Carports and patio covers that are not attached to or abutting the principal building, or by breezeway, as defined in Chapter 5, shall not be considered part of the principal building and shall instead be considered an accessory structure. It is the continuing obligation of the owner or occupant to ensure the area underneath that structure continues to comply with the described standards for openness. Use of the structure for storage of non-motor vehicles is prohibited. Neither the roof nor any vertical support (posts, columns or piers) on a carport or patio cover shall encroach into any right-of-way or easement reserved for any purpose.
- (b) Permits. Construction or installation of any carport or patio cover shall require a building permit.
- (c) Methods and materials of construction. Construction or installation of carports and patio covers shall be in compliance with City of Abilene Code of Ordinances Chapter 8, Construction Regulations.
- (d) Size. Carports and patio covers shall count in the maximum square footage allowed for accessory buildings in residential zoning districts, where detached from a principal residence. Carports and patio covers attached to or abutting a principal residence shall not count toward allowable accessory building square footage.
- (e) Measurement. When measuring setbacks of carports and patio covers, measurement shall be from the leading edge or face of the roof.
- (f) Setbacks. Carports and patio covers shall adhere to all minimum building setbacks ordinarily required in the applicable zoning district, except as follows:
  - (1) Street building setback. For carports and patio covers as described below, the leading edge or face of the roof may extend no closer than five feet (5') from any lot boundary adjacent to a public or private street, provided that all the following conditions are met.
    - a. The leading edge or face of the roof shall be separated at least 15 feet from the back of street curb or, if a curb does not exist there, from the edge of any street surface.
    - b. Carports or patio covers extending in front of the minimum building setback otherwise required (from a lot boundary on a public or private street) shall be open-sided. A minimum 7 vertical feet from the finished floor level of any carport or patio cover shall be open and unencumbered by any structure, walls, screening or ornamental components of any kind except for posts, columns or piers supporting the roof and which are no greater than 24 inches in width or diameter. Portions of a carport or patio cover situated behind the minimum required setback of the principal building may be partially enclosed.
    - c. On a lot or tract of land occupied exclusively (save and except for accessory buildings) by dwellings categorized as either single-family detached, duplex, patio home, townhome, mobile or manufactured home, a carport or patio cover extending in front of the minimum setback required for the principal residence must be attached to or abutting the principal residence. In no circumstance shall such open carport or patio cover project more than 22 feet from the structure to which it is attached or abuts. Such carports and patio covers must furthermore be architecturally compatible with the principal residential building on that same lot or tract of land. Compliance with at least two of the following three architectural standards is required:

- (i) pitch or slope of the roofline must be physically integrated or otherwise visually consistent with the appearance of the roofline on the principal residence (including attached garage) to which the carport or patio cover is attached or abuts;
    - (ii) roof covering on the carport or patio cover must be similar in color and material composition to roof covering on the principal residential building; and/or
    - (iii) beams or rafters supporting the roof covering must be made of wood or, if made of metal, covered from exterior view by wood (or cementitious fiber) fascia board.
  - d. For the purpose of enforcing above-stated standards for architectural compatibility, an applicant for permit to build a carport or patio cover shall submit one or more elevation drawings which show exterior side and front views as well as materials planned to be used in constructing the proposed carport or patio cover. Drawings must illustrate how the proposed improvement will relate architecturally with the residential building to which that carport or patio cover is attached or abuts. Drawings and specifications shall be submitted to the Building Official or his/her designee, in addition to whatever information is ordinarily required with application for permit to build a carport or patio cover.
- (2) Interior side building setback. The following minimum building setbacks from interior side lot boundaries (not adjacent to a street) shall apply to carports and patio covers:
- a. In all nonresidential, Residential Townhome (TH), and Residential Single-Family Patio Home (PH) zoning districts, carports and patio covers attached to or abutting an enclosed structure may extend as close to an interior side lot boundary as allowed for the principal building from that same side lot boundary. Within these same zoning districts, carports and patio covers that are detached by more than six inches from an enclosed building shall extend no closer than 3 feet from an interior side lot boundary. In the absence of a solid wall, this measurement shall be made from the leading edge or face of the roof on that carport or patio cover.
  - b. In all other residential zoning districts, carports and patio covers which extend closer to an interior side lot boundary than the minimum setback otherwise required of the principal building shall be open-sided on at least 2½ of 3 sides projecting therein. A minimum 7 vertical feet from the finished floor level of any such carport, patio cover or portion thereof shall be open and unobstructed by any structure, walls, screening or ornamental components of any kind except for posts, columns or piers supporting the roof and which are no greater than 24 inches in width or diameter. Such open-sided carports and patio covers which extend closer to an interior side lot boundary than the minimum setback (otherwise required of the principal building) shall extend no closer than 3 feet from that interior side lot boundary unless said boundary is adjacent to an alley, in which case only a minimum 1-foot setback is required. In the absence of a solid wall, these measurements shall be made from the leading edge or face of the roof on that carport or patio cover.
- (3) Rear building setback. The following minimum building setbacks from rear lot boundaries shall apply to carports and patio covers:
- a. In all nonresidential zoning districts, carports and patio covers attached to or abutting an enclosed building may extend as close to the rear lot boundary as allowed by the minimum rear setback required (in that zoning district) for the enclosed building to which that carport or patio cover is attached or abutting. Carports and patio covers that are detached by more than six inches from an enclosed building shall extend no closer than 5 feet from a rear lot boundary, as measured from the leading edge or face of the roof.
  - b. In all residential zoning districts, carports and patio covers attached to or abutting the principal building and which extend closer to a rear lot boundary than the minimum rear setback otherwise required of the principal building shall be open-sided on at least 2½ of 3 sides. A minimum 7 vertical

feet from the finished floor (platform) level of any such carport, patio cover or portion thereof shall be open and unobstructed by any structure, walls, screening or ornamental components of any kind except for posts, columns or piers supporting the roof and which are no greater than 24 inches in width or diameter. Open-sided carports and patio covers that are detached by more than six inches from an enclosed building shall extend no closer than 3 feet from a rear lot boundary unless said rear boundary adjoins an alley, in which case only a minimum 1-foot building setback is required. In the absence of a solid wall, these measurements shall be made from the leading edge or face of the roof on that carport or patio cover.

- (f) Maximum height. In all residential, Office, Neighborhood Office, Neighborhood Retail and Mixed Use Districts, the total height of a carport or patio cover (open on at least 2½ sides) shall not exceed 12 feet, with the following architectural exceptions allowed in all zoning districts where this 12-foot height limit is otherwise applicable:
- (1) where built into the roofline of the principal building and with the same roofing materials thereof, in which case the height shall not exceed the height of that principal building; or
  - (2) where detached from the principal building and built with a pitched roof utilizing similar materials and colors to that of the roof covering the principal building, and the lowest horizontal feature (beam) of the roof structure does not exceed 12 feet in height above the finished floor (platform) level.

#### EXHIBIT “B”

**AMEND: Remove existing definition of carport from Chapter 5 (Definitions) of Land Development Code of the Abilene City Code, replacing it with the following simplified definition:**

CARPORT: A roof-covered structure designed and used for storing motor vehicles.

**AMEND: Add the following definitions to Chapter 5 (Definitions) of Land Development Code of Abilene’s City Code:**

PATIO COVER: A roof-covered and often open-sided platform usually attached to or part of and with direct access to the principal building on a lot or tract of land.

ATTACHED CARPORT or PATIO COVER: A carport or patio cover fastened or affixed to the principal building.

ABUTTING CARPORT or PATIO COVER: A carport or patio cover situated within six inches measured edge to edge of respective roof coverings.

OPEN-SIDED: having a side or sides open.

-END-

#### Section 2.4.4.2 Carports and Patio Covers

- ~~(a) — General. Carports that are not connected to the main building, or are connected to the main building only by a breezeway (see definition in Chapter 5) shall not be considered part of the main building, and shall be considered an accessory building.~~
- ~~(b) — Setbacks. Carports shall therefore adhere to all requirements of this Section 2.5.4.2 [Section 2.4.4.1], except that front, rear, and side yard setbacks shall meet the following:~~
- ~~(1) — Exterior Side. A minimum of five feet (5').~~
- ~~(2) — Rear and Interior Side. A minimum of three feet (3') unless adjacent to an alley, then one foot (1').~~
- ~~(3) — Front. All of the following conditions must be met for any carport or patio cover to be located within the front yard setback. These conditions are not subject to variance.~~
- ~~a. — A Special Exception (SE) must be approved unless the following conditions are met.~~
- ~~1. — Other carports/patio covers within the front yard setback must be located on either block face of the same street.~~
- ~~2. — The carport or patio cover shall be similar in color and materials to the principal structure; no canvas or other non-rigid material is permitted.~~
- ~~3. — Determination of compliance with these criteria shall be made by the Planning Director, or designee. An applicant may appeal an unfavorable determination by seeking a Special Exception.~~
- ~~b. — The carport or patio cover must be a minimum of five feet (5') from the front property line.~~
- ~~c. — The Board of Adjustment, in approving the SE, shall make a determination that the proposed carport or patio cover is not detrimental to the visual environment or character of the area.~~
- ~~d. — The carport or patio cover must be attached to or abut the primary structure in all RS and MD zoning districts.~~
- ~~e. — Support posts may not exceed two feet (2') in width or diameter.~~
- ~~f. — The carport or patio cover must be located over/on an improved surface.~~
- ~~(c) — Carport Setback Measurement. Carports shall be measured from the part of the carport (usually the roof) that is closest to the street or alley (see Figure 2-1).~~

#### Figure 2-1: Measuring Setbacks for Carports

- ~~(d) — Maximum Height. Twelve feet (12'), except:~~
- ~~(1) — When built into the roofline and with the same roofing materials as the primary structure, in which case the height may not exceed the height of the primary structure.~~
- ~~(2) — When detached and built with a pitched roof utilizing similar materials and colors to the principal structure and where the height between the grade and the first horizontal element of the roof structure does not exceed 12 feet in height.~~
- ~~(e) — Size. Carports/patio covers shall count in the maximum square footage for accessory buildings when detached. Attached carports/patio covers shall not count toward maximum accessory building square footage.~~
- ~~(Ord. No. 8-2010, pt. 1 (Exh. A), 4-22-10; Ord. No. 55-2012, pt. 1(Exh. A), 11-1-12)~~

**TO:** Abilene City Council

**FROM:** Mike Warrix, Director of Planning and Development Services

**DATE:** February 18, 2020

**SUBJECT:** Amendment to Sections 2.4.4.2 (Carport and Patio Covers) and 1.4.4.1 (Special Exceptions) of the Land Development Code

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**BACKGROUND:**

Since Abilene's first zoning ordinance in 1946, a minimum front yard has been required on every lot outside the central business district. Within required front yards, all buildings are prohibited, including open-sided carports and patio covers.

Since 2001, Abilene's Board of Adjustment has been authorized to approve "Special Exceptions" allowing open-sided structures within as few as 5 feet from front property lines. But many structures built before and since are unlawful, having been built without permits. The criteria for approving such Special Exceptions is a determination that, *"the proposed carport or patio cover is not detrimental to the visual environment or character of the area."* Special Exceptions are routinely approved wherever similar carports exist nearby, even if these existing carports are built unlawfully and without permits.

In five separate meetings, Planning and Zoning Commission members have discussed this matter and furnished City staff with general guidance on how to amend this local zoning regulation. In response, City staff drafted proposed amendments to Abilene's Zoning Regulations as described in attached DRAFT CHANGES TO CARPORT AND PATIO COVER ZONING REGULATIONS. The Planning and Zoning Commission recommended approval of these draft ordinance amendments by a vote of seven (7) to zero (0) on February 4, 2020.

**SUMMARY HIGHLIGHTS:**

1. Routinely allow open carports and patio covers within 5 feet from front lot boundaries, and at least 15 feet from street surface.
  - In residential zoning districts and for residential uses allowed elsewhere, open carports and patio covers located in minimum front yards must demonstrate architectural compatibility with principal residential building. Meeting at least two of the three options for compatibility.
2. Routinely allow open carports and patio covers no closer than 5 feet from "exterior" side boundaries on corner lots, and at least 15 feet from street surface.
  - No architectural compatibility is required of open carports and patio covers allowed in "exterior" side yards otherwise required on corner lots.

3. Substantially open carports and patio covers (attached to or detached from principal buildings) are allowed to extend no closer than 3 feet from interior side lot boundaries.
  - In some commercial districts as well as in Residential Townhome (TH) and Residential Single-Family Patio Home (PH) zoning districts, open carports and patio covers may sometimes extend all the way to an interior side lot boundary, the same as the principal building.
4. Except in certain nonresidential zoning districts and/or with certain specific architectural exceptions, the maximum allowable height of carports and patio covers shall remain at 12 feet and a minimum height of 7 feet from the finished floor of the carport.
5. Carports and patio covers must be architecturally compatible with the principal residential building on that same lot or tract of land. Compliance with at least two of the following three architectural standards is required:
  - a) Pitch or slope of the roofline must be physically integrated or otherwise visually consistent with the appearance of the roofline on the principal residence (including attached garage) to which the carport or patio cover is attached or abuts;
  - b) Roof covering on the carport or patio cover must be similar in color and material composition to roof covering on the principal residential building; and/or
  - c) Beams or rafters supporting the roof covering must be made of wood or, if made of metal, covered from exterior view by wood (or cementitious fiber) fascia board.
6. In all residential zoning districts and for residential uses allowed in any nonresidential zoning district, carports and patio covers or portions thereof shall not project more than 22 feet from the abutting principal building.
7. Abilene's Board of Adjustment will no longer have authority to approve Special Exceptions from any of these standards. Any allowed variation from such standards will necessitate the Board's approval of a variance.



## **PROPOSED CHANGES TO LOCAL ZONING REGULATIONS CONCERNING CARPORTS AND PATIO COVERS**

Remove existing 2.4.4.2 concerning Carports and Patio Covers, replacing it with following new Section 2.4.4.2:

### **Section 2.4.4.2 Carports and Patio Covers**

(a) General. Carports and patio covers that are not attached to or abutting the principal building, or by breezeway, as defined in Chapter 5, shall not be considered part of the principal building and shall instead be considered an accessory structure. It is the continuing obligation of the owner or occupant to ensure the area underneath that structure continues to comply with the described standards for openness. Use of the structure for storage of non-motor vehicles is prohibited. Neither the roof nor any vertical support (posts, columns or piers) on a carport or patio cover shall encroach into any right-of-way or easement reserved for any purpose.

(b) Permits. Construction or installation of any carport or patio cover shall require a building permit.

(c) Methods and materials of construction. Construction or installation of carports and patio covers shall be in compliance with City of Abilene Code of Ordinances Chapter 8, Construction Regulations.

(d) Size. Carports and patio covers shall count in the maximum square footage allowed for accessory buildings in residential zoning districts, where detached from a principal residence. Carports and patio covers attached to or abutting a principal residence shall not count toward allowable accessory building square footage.

(e) Measurement. When measuring setbacks of carports and patio covers, measurement shall be from the leading edge or face of the roof.

(f) Setbacks. Carports and patio covers shall adhere to all minimum building setbacks ordinarily required in the applicable zoning district, except as follows:

(1) Street building setback. For carports and patio covers as described below, the leading edge or face of the roof may extend no closer than five feet (5') from any lot boundary adjacent to a public or private street, provided that all the following conditions are met.

a. The leading edge or face of the roof shall be separated at least 15 feet from the back of street curb or, if a curb does not exist there, from the edge of any street surface.

- b. Carports or patio covers extending in front of the minimum building setback otherwise required (from a lot boundary on a public or private street) shall be open-sided. A minimum 7 vertical feet from the finished floor level of any carport or patio cover shall be open and unencumbered by any structure, walls, screening or ornamental components of any kind except for posts, columns or piers supporting the roof and which are no greater than 24 inches in width or diameter. Portions of a carport or patio cover situated behind the minimum required setback of the principal building may be partially enclosed.
- c. On a lot or tract of land occupied exclusively (save and except for accessory buildings) by dwellings categorized as either single-family detached, duplex, patio home, townhome, mobile or manufactured home, a carport or patio cover extending in front of the minimum setback required for the principal residence must be attached to or abutting the principal residence. In no circumstance shall such open carport or patio cover project more than 22 feet from the structure to which it is attached or abuts. Such carports and patio covers must furthermore be architecturally compatible with the principal residential building on that same lot or tract of land. Compliance with at least two of the following three architectural standards is required:
  - (i) pitch or slope of the roofline must be physically integrated or otherwise visually consistent with the appearance of the roofline on the principal residence (including attached garage) to which the carport or patio cover is attached or abuts;
  - (ii) roof covering on the carport or patio cover must be similar in color and material composition to roof covering on the principal residential building; and/or
  - (iii) beams or rafters supporting the roof covering must be made of wood or, if made of metal, covered from exterior view by wood (or cementitious fiber) fascia board.
- d. For the purpose of enforcing above-stated standards for architectural compatibility, an applicant for permit to build a carport or patio cover shall submit one or more elevation drawings which show exterior side and front views as well as materials planned to be used in constructing the proposed carport or patio cover. Drawings must illustrate how the proposed improvement will relate architecturally with the residential building to which that carport or patio cover is attached or abuts. Drawings and specifications shall be submitted to the Building Official or his/her designee, in addition to whatever information is ordinarily required with application for permit to build a carport or patio cover.

(2) Interior side building setback. The following minimum building setbacks from interior side lot boundaries (not adjacent to a street) shall apply to carports and patio covers:

- a. In all nonresidential, Residential Townhome (TH), and Residential Single-Family Patio Home (PH) zoning districts, carports and patio covers attached to or abutting an enclosed structure may extend as close to an interior side lot boundary as allowed for the principal building from that same side lot boundary. Within these same zoning districts, carports and patio covers that are detached by more than six inches from an enclosed building shall extend no closer than 3 feet from an interior side lot boundary. In the absence of a solid wall, this measurement shall be made from the leading edge or face of the roof on that carport or patio cover.
- b. In all other residential zoning districts, carports and patio covers which extend closer to an interior side lot boundary than the minimum setback otherwise required of the principal building shall be open-sided on at least 2½ of 3 sides projecting therein. A minimum 7 vertical feet from the finished floor level of any such carport, patio cover or portion thereof shall be open and unobstructed by any structure, walls, screening or ornamental components of any kind except for posts, columns or piers supporting the roof and which are no greater than 24 inches in width or diameter. Such open-sided carports and patio covers which extend closer to an interior side lot boundary than the minimum setback (otherwise required of the principal building) shall extend no closer than 3 feet from that interior side lot boundary unless said boundary is adjacent to an alley, in which case only a minimum 1-foot setback is required. In the absence of a solid wall, these measurements shall be made from the leading edge or face of the roof on that carport or patio cover.

(3) Rear building setback. The following minimum building setbacks from rear lot boundaries shall apply to carports and patio covers:

- a. In all nonresidential zoning districts, carports and patio covers attached to or abutting an enclosed building may extend as close to the rear lot boundary as allowed by the minimum rear setback required (in that zoning district) for the enclosed building to which that carport or patio cover is attached or abutting. Carports and patio covers that are detached by more than six inches from an enclosed building shall extend no closer than 5 feet from a rear lot boundary, as measured from the leading edge or face of the roof.
- b. In all residential zoning districts, carports and patio covers attached to or abutting the principal building and which extend closer to a rear lot

*boundary than the minimum rear setback otherwise required of the principal building shall be open-sided on at least 2½ of 3 sides. A minimum 7 vertical feet from the finished floor (platform) level of any such carport, patio cover or portion thereof shall be open and unobstructed by any structure, walls, screening or ornamental components of any kind except for posts, columns or piers supporting the roof and which are no greater than 24 inches in width or diameter. Open-sided carports and patio covers that are detached by more than six inches from an enclosed building shall extend no closer than 3 feet from a rear lot boundary unless said rear boundary adjoins an alley, in which case only a minimum 1-foot building setback is required. In the absence of a solid wall, these measurements shall be made from the leading edge or face of the roof on that carport or patio cover.*

(f) *Maximum height. In all residential, Office, Neighborhood Office, Neighborhood Retail and Mixed Use Districts, the total height of a carport or patio cover (open on at least 2½ sides) shall not exceed 12 feet, with the following architectural exceptions allowed in all zoning districts where this 12-foot height limit is otherwise applicable:*

- (1) where built into the roofline of the principal building and with the same roofing materials thereof, in which case the height shall not exceed the height of that principal building; or*
- (2) where detached from the principal building and built with a pitched roof utilizing similar materials and colors to that of the roof covering the principal building, and the lowest horizontal feature (beam) of the roof structure does not exceed 12 feet in height above the finished floor (platform) level.*

Remove existing definition of carport from Chapter 5 (Definitions) of Land Development Code, replacing it with the following simplified definition:

*CARPORT: A roof-covered structure designed and used for storing motor vehicles.*

Add the following definitions to Chapter 5 (Definitions) of Land Development Code:

*PATIO COVER: A roof-covered and often open-sided platform usually attached to or part of and with direct access to the principal building on a lot or tract of land.*

*ATTACHED CARPORT or PATIO COVER: A carport or patio cover fastened or affixed to the principal building.*

*ABUTTING CARPORT or PATIO COVER:* *A carport or patio cover situated within six inches measured edge to edge of respective roof coverings.*

*OPEN-SIDED:* *having a side or sides open.*

Remove Paragraph (12) from Subsection 1.4.4.1(a) concerning Special Exceptions in the Land Development Code and renumber subsequent Paragraphs (13) and (14) accordingly. Said Paragraph (12) presently reads as follows:

*(12) To allow a carport in a zoning district wherein a carport would otherwise be prohibited and/or to allow a carport on a lot upon which required front, side or rear setbacks would otherwise be violated.*

# **Amend sections related to carports and patio covers in Land Development Code:**

- Section 2.4.4.2 Carport and Patio Covers
- Section 1.4.4.1 Special Exceptions Outlined
- Chapter 5 Definitions

## Summary Highlights:

### **Allow open carports/patio covers:**

- 5 ft. from streetside lot boundaries, 15 ft. from street surface
  - For single-family and two-family residential use, must be architecturally compatible with principal residence. Architectural compatibility meets two of three requirements.
- 3 ft. from interior side boundary
  - In some commercial as well as in TH and PH zoning districts, open carports/patio covers may extend all the way to interior side boundary.
- Carports/Patio Covers must be no more than 12ft. high
  - Except in certain nonresidential districts and/or with specific architectural exceptions.
- Carports/Patio Covers no more than 22 ft. from abutting principal building
  - For residential use, except when accessory to a multi-family residential building.
- Carports/Patio covers a minimum of 7 ft from the finished floor level
- Board of Adjustment no longer authorized to approve “Special Exceptions” from any carport-related standards
  - Board may still approve “Variance” with finding of special conditions unique to site or surroundings, creating unnecessary hardship.



## Chapter 5 Definitions

- **Remove** existing definition of carport, replacing it with:
  - CARPORT: A roof-covered structure (often open-sided) designed and used for storing motor vehicles.
- **Add** definition of patio cover:
  - PATIO COVER: A roof-covered (often open-sided) platform usually attached to or part of and with direct access to the principal building on a lot or tract of land.
  - ATTACHED CARPORT or PATIO COVER: A carport or patio cover fastened or affixed to the principal building.
  - ABUTTING CARPORT or PATIO COVER: A carport or patio cover situated within six inches measured edge to edge of respective roof coverings.
  - OPEN-SIDED: having a side or sides open.
- **Remove** Paragraph (12) from Subsection 1.4.4.1 (d)(12) concerning Special Exceptions in the Land Development Code and renumber subsequent Paragraphs (13) and (14) accordingly.
  - Paragraph (12) presently reads:
    - *(12) To allow a carport in zoning district wherein a carport would otherwise be prohibited and/or allow a carport on a lot upon which required front, side or rear setback would otherwise be violated.*



# Examples of Carports

A



B



C



In this example Carport “A” would **not** be architecturally compatible with the proposed ordinance amendments.



**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO: Honorable Mayor and City Council Members**

**FROM: Stanley Smith, City Attorney**

**SUBJECT: 22. The City Council of the City of Abilene reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed below, as authorized by the noted Texas Government Code Sections:**

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**GENERAL INFORMATION**

**The City Council of the City of Abilene reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed below, as authorized by the noted Texas Government Code Sections:**

**A. 551.071 (Consultation with Attorney)**

1. City of Abilene, Texas v. Aurora Bumgarner; 104th Judicial District Court, Taylor County, Texas; filed November 17, 2011
2. Chad Carter v. City of Abilene, Texas; Cause No. 10138-D, In the 350th Judicial District Court, Taylor County, Texas, filed June 17, 2014
3. Susan Lewis King & Austin King MD vs Ken Paxton, Attorney General of Texas and the City of Abilene, Cause No. D-1-GN-16-001160, filed March 16, 2016
4. Ruby Flores and Cory Almanza v. Jesus Verastegui, Alfredo Verastegui, Rosalva Verastegui, and City of Abilene, Cause No. 49368-A, 42nd District Court, Abilene, Taylor County, Texas, filed April 13, 2016
5. Robert Steven Reitz v. City of Abilene, Texas, et al., Case No. 1:16-cv-00181-BL; In the U.S. District Court, Northern District of Texas, Abilene Division, filed October 10, 2016
6. Officer Patrick Sumrall and City of Abilene, Case No. 01-18-000-8653; Appeal of Indefinite Suspension to Arbitration, filed February 6, 2018
7. Tracy Kennedy and Richard Kennedy v. Katie Snell, Richard Perez, Thomas Bryant, John Doe 1, and John Doe 2; Case No. 1:18-cv-162, In the United States District Court, Northern District of Texas, Abilene Division, filed October 16, 2018
8. Alfredo Valencia v. Corey Davis and City of Abilene; Case No. 1:19-cv-00017-C; In the United

States District Court, Northern District of Texas, Abilene Division, filed February 4, 2019.

9. City of Abilene v. Patrick Sumrall; Cause No. 27,733-B, In the 104th Judicial District Court, Taylor County, Texas, filed May 28, 2019
10. Ovation Services, LLC v. Blanca Cortez, et al.; Case No. 11875-D; In the 350th Judicial District Court, Taylor County, Texas; filed July 15, 2019
11. City of Abilene v. 3118 South 22nd Street, Abilene, Texas, et al.; Cause No. 11968-D, In the 350th Judicial District Court, Taylor County, Texas; filed October 11, 2019
12. The State of Texas v. The Unknown Heirs of B.E. Caffey, Senior, et al., Cause No. 6939, Condemnation Proceeding filed in the County Court at Law No. 2, Taylor County, Texas, filed August 20, 2019
13. City of Abilene, Texas and Garfield Public/Private LLC v. Ken Paxton, Attorney General of Texas; Cause No. D-1-GN-20-000900, In the 261st Judicial District Court, Travis County, Texas, filed February 13, 2020
14. Sanctuary City for the Unborn

**B. 551.072 (Deliberations about Real Property)**

1. Clyde Water

**C. 551.073 (Deliberations about Gifts and Donations)**

**D. 551.074 (Personnel Matters)**

1. City Council may consider appointment, employment, compensation, reassignment, duties, discipline, or dismissal of public officers or employees, City Manager, City Attorney, Municipal Court Judge, City Secretary, and City Board and Commission Members
2. City of Abilene Boards and Commissions may be discussed, as needed for (re)appointment

**E. 551.076 (Deliberations about Security Devices)**

**F. 551.087 (Business Prospect/Economic Development)**

1. Abilene Convention Center Hotel Project
2. Economic Development Incentives for a Proposed Residential Subdivision West of Buffalo Gap and North of FM 707

**SPECIAL CONSIDERATIONS**

**FUNDING/FISCAL IMPACT**

**STAFF RECOMMENDATION**

**BOARD OR COMMISSION RECOMMENDATION**

**ATTACHMENTS:**

None



**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Honorable Mayor and City Council Members

**FROM:** Misty Mayo

**SUBJECT:** 23. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving the Development Corporation of Abilene, Inc.'s Incentive Package Agreement with Project Gateway (*Misty Mayo*)

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**GENERAL INFORMATION**

Information will be provided during Executive Session.

**SPECIAL CONSIDERATIONS**

**FUNDING/FISCAL IMPACT**

**STAFF RECOMMENDATION**

**BOARD OR COMMISSION RECOMMENDATION**

**ATTACHMENTS:**

1. Resolution No. for Project Gateway
2. 2020-03-12 City Council Presentation



**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Honorable Mayor and City Council Members

**FROM:** Misty Mayo

**SUBJECT:** 24. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Approving the Development Corporation of Abilene, Inc.'s Incentive Package Agreement with Project Threshold (Misty Mayo)

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**GENERAL INFORMATION**

Information will be provided during Executive Session.

**SPECIAL CONSIDERATIONS**

**FUNDING/FISCAL IMPACT**

**STAFF RECOMMENDATION**

**BOARD OR COMMISSION RECOMMENDATION**

**ATTACHMENTS:**

1. Resolution No. for Project Threshold
2. 2020-03-12 City Council Presentation





**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO:** Honorable Mayor and City Council Members

**FROM:** Stanley Smith, City Attorney

**SUBJECT:** 25. Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Possible Action on Approving a Settlement Agreement in Cause No. 10138-D, Chad Carter v. City of Abilene, Taylor County, Texas (*Stanley Smith*)

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**GENERAL INFORMATION**

Information will be provided during Executive Session.

**SPECIAL CONSIDERATIONS**

**FUNDING/FISCAL IMPACT**

**STAFF RECOMMENDATION**

**BOARD OR COMMISSION RECOMMENDATION**

**ATTACHMENTS:**

None



**City Council  
Agenda Memo**

**City Council Meeting Date: 3/12/2020**

**TO: Honorable Mayor and City Council Members**

**FROM: Shawna Atkinson, City Secretary**

**SUBJECT: 26.**

**Resolution: Receive a Report, Hold a Discussion and Public Hearing, and Take Action on Appointing Members to Various Boards and Commissions per the City Charter (*Shawna Atkinson*)**

- Airport Development Board
- Citizens Advisory Board for People with Disabilities
- Development Corporation of Abilene

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**GENERAL INFORMATION**

The item provides for reappointment of new members as well as new members to certain boards and commissions.

**SPECIAL CONSIDERATIONS**

Member terms vary per board and commission and are outlined in Exhibit A of the resolution.

**FUNDING/FISCAL IMPACT**

No cost consideration to the city.

**STAFF RECOMMENDATION**

(Re)Appointment

## **BOARD OR COMMISSION RECOMMENDATION**

N/A

## **ATTACHMENTS:**

1. B&C Resolution
2. Exhibit A
3. Combined Applications
4. B&C Presentation Slide

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, APPOINTING MEMBERS TO VARIOUS BOARDS AND COMMISSIONS AS REQUIRED BY THE CHARTER OF THE CITY OF ABILENE AND STATUTES OF THE STATE OF TEXAS**

**WHEREAS**, the Charter of the City of Abilene and the Statutes of the State of Texas require that certain Boards and Commissions be established with a portion of the memberships thereof to be filled by appointment each year; and

**WHEREAS**, the City Council is of the opinion that the following members should be appointed to the designated Boards and Commissions, and has requested the Mayor to appoint same with the approval of the Council.

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

**PART 1:** That the list of Members is attached hereto as Exhibit A, shall be in all things, approved.

**PART 2:** That this resolution shall take effect immediately from and after its passage.

**PASSED** this 12<sup>th</sup> day of March, 2020.

ATTEST:

\_\_\_\_\_  
Shawna Atkinson, City Secretary

\_\_\_\_\_  
Anthony Williams, Mayor

APPROVED:

\_\_\_\_\_  
Stanley Smith, City Attorney

RESOLUTION NO. \_\_\_\_\_  
EXHIBIT "A"

| Board                                                       | Term End Date                     |
|-------------------------------------------------------------|-----------------------------------|
| <i>Airport Development Board</i>                            |                                   |
| Larry Gill [Reappointment]                                  | November 2022                     |
| <i>Citizens Advisory Board for People with Disabilities</i> |                                   |
| Jaime Thomas [New]                                          | October 2021<br>(unexpired term)  |
| <i>Development Corporation of Abilene</i>                   |                                   |
| Floyd Miller [New]                                          | November 2022<br>(unexpired term) |

# *Resolution:*

## **Appointing Member(s) to various Boards and Commissions per the City Charter**

- Airport Development Board
- Citizens Advisory Board for People with Disabilities
- Development Corporation of Abilene

