EST. 1955

SPRING VALLEY

VILLAGE

Regular City Council Meeting

March 24, 2020

6:00 p.m.

Tom S. Ramsey, Mayor
David Dominy
Joy McCormack

Allen Carpenter, Mayor Pro Tem
Tom Donaho
Marcus Vajdos

EST. 1955
SPRING VALLEY
VILLAGE

Notice is Hereby Given of a Regular Meeting of the City Council City of Spring Valley Village, Texas, 1025 Campbell Road, Spring Valley Village, Texas, in the Council Chambers, Tuesday, March 24, 2020, beginning at 6:00 p.m., For the Purpose of Considering and Acting upon the Following Items of Business:

1. CALL THE ROLL AND ANNOUNCE A QUORUM IS PRESENT

2. INTRODUCTIONS

3. PROCLAMATIONS / ANNOUNCEMENTS

None.

4. PUBLIC COMMENTS

At this time, any person with City-related business may speak to the Council. In compliance with the Texas Open Meetings Act, the City Council may not deliberate. **Comments from the public should be limited to a maximum of three (3) minutes per individual speaker.**

5. CONSENT AGENDA

All matters listed under consent agenda, are considered to be routine by the City Council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.

5.1 Minutes for City Council Meeting on February 25, 2020

5.2 Resolution No. 20-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED CONGESTION MITIGATION/TRAFFIC MANAGEMENT AGREEMENT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE AND THE METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY ("METRO"); PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING EXECUTION OF THE FIRST AMENDMENT TO THE SECOND AMENDED AGREEMENT BY THE MAYOR; AND PROVIDING AN EFFECTIVE DATE.

5.3 Approval of Pay Estimate No. 3 (Final) for Spring Valley Village Park Renovation Phase II Landscape Improvements Project to Jerdon Enterprises, L.P. in the Amount of $34,036.94

OLD BUSINESS

6. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** February 2020 Police Department Staff Report (Chief Evans):
    1. Number of Calls for Service
    2. Number of Traffic Violations
    3. Number of K-9 Deployments
    4. Other Activities of the Police Department

7. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Activities of Village Fire Department Commissioners Meetings held on February 26, 2020 and March 18, 2020. (Council Member Carpenter / Mayor Ramsey)

8. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Activities of the Planning and Zoning Commission Meeting of March 10, 2020. (Council Member Vajdos / City Attorney Loren Smith)

9. **BRIEFING, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Status of Professional Office Building Development on the Northwest Corner of Campbell Road and the I-10 Feeder Road. (Richard Barbles, Stream Realty)

10. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** City Update Concerning COVID-19.

11. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance Number 2020-XX - AN ORDINANCE OF THE CITY OF SPRING VALLEY VILLAGE DECLARING A PUBLIC HEALTH EMERGENCY AND EXTENDING THE DISASTER DECLARATION OF THE CITY COUNCIL ON MARCH 19, 2020; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

NEW BUSINESS

12. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Presentation and Acceptance of Fiscal Year 2018-2019 Audited Comprehensive Annual Financial Report Prepared by Belt, Harris Pechacek, LLLP, Certified Public Accountants. (Robert Belt, Belt Harris Pechacek LLLP)

13. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Resolution No. 20-XX - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROPOSAL FOR SAFETY AND MOBILITY STUDY FOR SPRING VALLEY VILLAGE, TEXAS, TO BE CONDUCTED BY TRAFFIC ENGINEERS, INC. THROUGH IDS ENGINEERING GROUP; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING IDS ENGINEERING GROUP TO EXECUTE SUCH

PROPOSAL ON BEHALF OF THE CITY OF SPRING VALLEY VILLAGE; AND PROVIDING AN EFFECTIVE DATE.

14. **BRIEFING AND DISCUSSION CONCERNING:** City and Homeowners Association Authority Regarding Development.

15. **CONDUCT A PUBLIC HEARING CONCERNING:** Ordinance No. 2020-XX – AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS BY DELETING SECTION 05:03, BUILDING MATERIALS AND ARCHITECTURAL STANDARDS, OF EXHIBIT "A" OF CHAPTER 12 PLANNING AND ZONING, OF THE CODE OF ORDINANCES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED $2,000.00 FOR ANY VIOLATION OF THIS ORDINANCE WITH EACH DAY CONSTITUTING A SEPARATE VIOLATION; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE AND AN EFFECTIVE DATE.

    A. Presentation of Proposed Ordinance

    B. Those In Favor

    C. Those Opposed

    D. Adjourn Public Hearing

16. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance No. 2020-XX – AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS BY DELETING SECTION 05:03, BUILDING MATERIALS AND ARCHITECTURAL STANDARDS, OF EXHIBIT "A" OF CHAPTER 12 PLANNING AND ZONING, OF THE CODE OF ORDINANCES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED $2,000.00 FOR ANY VIOLATION OF THIS ORDINANCE WITH EACH DAY CONSTITUTING A SEPARATE VIOLATION; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE AND AN EFFECTIVE DATE.

17. **BRIEFING AND DISCUSSION CONCERNING:** Status of Plan Review Processes and Timeframes.

18. **DISCUSSION AND DIRECTION CONCERNING:** Possible Mobile App for City Website.

19. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Briefing by City Administrator:

    1. Status of Hilldale, Bade & Cardwell Paving and Utility Improvements Project
    2. Status of New Production Well
    3. Status of Lone Star Drive, West Tex Drive, Loeser Drive, and Traweek Paving and Utility Improvements Project
    4. Status of Green Valley Drive and Winningham Lane Paving and Utility Improvements Project

20. **EXECUTIVE SESSION**: The City Council Will Now Hold A Closed Executive Meeting Pursuant To The Provision Of Chapter 551, Government Code, Vernon's Texas Codes Annotated, In Accordance With The Authority Contained In:

20.1 Section 551.071. Consultation with Attorney regarding pending or contemplated litigation or a matter in which the duty of the City Attorney requires to be discussed in closed meeting.

21. **RECONVENE**

22. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Matters Discussed in Executive Session.

23. **ADJOURNMENT**

Agenda items may not necessarily be considered in the order that they appear. With regard to any item, Council may take various actions, including but not limited to rescheduling an item in its entirety or for particular action at a future date or time.

The City Council reserves the right to convene in executive session from time to time as deemed necessary during this meeting to discuss any of the matters listed in the agenda, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts & Donations), 551.074 (Personnel Matters), 551.076 (Deliberations Regarding Security Devices) or 551.087 (Deliberations Regarding Economic Development Negotiations).

I certify that a copy of the March 24, 2020 agenda of items to be considered by City Council was posted on or before the 19th day of March, 2020, at 11:00 a.m. pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code.

Attest: Roxanne Benitez

Roxanne Benitez, TRMC, CPM, CMCC
City Secretary

In compliance with the Americans with Disabilities Act, this facility is wheelchair accessible and accessible parking spaces are available. To better serve attendees, requests for accommodations or interpretive services should be made 48 hours prior to this meeting. Please contact the City Secretary's office at 713-465-8308, Fax 713-461-7969, or Email secretary@springvalleytx.com for further information.

SUPPLEMENTAL NOTICE OF MEETING BY TELEPHONE CONFERENCE

In accordance with order of the Office of the Governor issued March 16, 2020, the City Council of Spring Valley Village will conduct the meetings scheduled at 5:00 p.m. and 6:00 p.m. on Tuesday, March 24, 2020 in the City Hall Council Chambers, located at 1025 Campbell Road, in part by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Coronavirus (COVID-19).

The meeting agenda and agenda packet are posted online at www.springvalleytx.com.

The public toll-free dial-in number to participate in the telephonic meeting is (515) 604-9507 and enter the code 665692.

The public will be permitted to offer public comments telephonically as provided by the agenda and as permitted by the presiding officer during the meeting.

A recording of the telephonic meeting will be made, and will be available to the public in accordance with the Open Meetings Act upon written request.

Consent Agenda Items

MINUTES OF THE REGULAR CITY COUNCIL MEETING
CITY OF SPRING VALLEY VILLAGE, TEXAS
TUESDAY, FEBRUARY 25, 2020 AT 6:00 P.M.
IN THE COUNCIL CHAMBERS OF CITY HALL
1025 CAMPBELL ROAD, HOUSTON, TEXAS

1. CALL THE ROLL AND ANNOUNCE A QUORUM IS PRESENT

With a quorum of the Council Members present, the Regular Meeting of the Spring Valley Village City Council was called to order by Mayor Ramsey at 6:02 p.m.

Members Present:
Mayor Tom Ramsey
Mayor Pro Tem Allen Carpenter
Council Member David Dominy
Council Member Tom Donaho
Council Member Joy McCormack
Council Member Marcus Vajdos

Members Absent:
None

2. INTRODUCTIONS

Roxanne Benitez, City Secretary
Pat Riley, Public Works Director
Michelle Yi, City Treasurer
Zachary Meadows, Director of Community Development
Matthew Hitt, Assistant to the City Administrator
Mark Schulze, Police Captain
David Dixon, Police Commissioner
Loren Smith, City Attorney

3. PROCLAMATIONS / ANNOUNCEMENTS/ APPOINTMENTS

3.1 Appoint Sharell Grant as Municipal Court Administrator

Mayor Ramsey administered the oath of office to Ms. Grant.

4. PUBLIC COMMENTS

4.1 Valerie Spears, who lives at 9208 Cardwell Drive, spoke in reference to the construction on her street and wanted to confirm that, if she had a grievance, she should contact Public Works Director Pat Riley.

5. CONSENT AGENDA

All matters listed under consent agenda, are considered to be routine by the City Council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.

5.1 Minutes for City Council Meeting on January 28, 2020

5.2 Approval of Pay Estimate No. 8 for Hilldale, Bade, and Cardwell Paving and Utility Improvements Project to Triple B Services, LLC in the Amount of $77,840.62.

5.3 Resolution No. 20-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN INTERLOCAL AGREEMENT BETWEEN THE TEXAS DEPARTMENT OF PUBLIC SAFETY AND THE CITY OF SPRING VALLEY VILLAGE, TEXAS FOR THE FAILURE TO APPEAR PROGRAM; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING EXECUTION OF THE INTERLOCAL AGREEMENT BY THE MAYOR; AND PROVIDING AN EFFECTIVE DATE.

Council Member Carpenter made a motion to approve all items on the Consent Agenda, and Council Member McCormack seconded the motion. Motion carried 5-0.

OLD BUSINESS

6. UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING: January 2020 Police Department Staff Report (Chief Evans):

Commissioner Dixon provided the report on behalf of Chief Evans.

1. Number of Calls for Service – 1,436
2. Number of Traffic Violations – 625
3. Number of K-9 Deployments – 127
4. Other Activities of the Police Department
   Commissioner Dixon advised that the presentation regarding license plate readers was postponed until the March City Council meeting so that City Administrator Julie Robinson could attend.

7. UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING: Activities of Village Fire Department Commissioners Meetings held on December 18, 2019, January 15, 2020 and January 22, 2020. (Council Member Carpenter / Mayor Ramsey)

Mayor Pro Tem Carpenter advised that the state of the Village Fire Department was good. He also advised that the Fire Department was currently conducting a compensation study. Mayor Pro Tem Carpenter advised that the pre-bid conference for the building remodel was held on February 4, the bid opening was held on February 20 with seven (7) construction firms submitting bids, and the recommendation would be submitted at the February 26 Commissioners meeting.

NEW BUSINESS

8. CONSIDERATION AND POSSIBLE ACTION CONCERNING: Resolution No. 20-XX - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF CHANGE ORDER NUMBER 1 TO THE AGREEMENT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND W.W. PAYTON CORPORATION FOR NEW PRODUCTION WELL PROJECT (CSB #2019-01-01B); PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH AGREEMENT;

PROVIDING FOR THE INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.

Mayor Ramsey read the Resolution by caption only. Council Member Dominy made a motion to approve Resolution Number 20-06, and Council Member Carpenter seconded the motion. Motion carried 5-0.

9. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance No. 2020-XX – AN ORDINANCE AMENDING CHAPTER 3, BUILDING AND CONSTRUCTION, OF THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE BY AMENDING SECTIONS 3.101, INTERNATIONAL BUILDING CODE ADOPTED, 3.102, OFFICIAL COPY, OF ARTICLE 3.100, INTERNATIONAL BUILDING CODE, TO ADOPT THE 2018 EDITION OF THE *INTERNATIONAL BUILDING CODE*; AMENDING SECTIONS 3.201, NATIONAL ELECTRICAL CODE ADOPTED, AND 3.202, OFFICIAL COPY, OF ARTICLE 3.200, NATIONAL ELECTRICAL CODE, TO ADOPT THE 2017 EDITION OF THE *NATIONAL ELECTRICAL CODE*; AMENDING SECTIONS 3.301, INTERNATIONAL PLUMBING CODE ADOPTED, AND 3.302, OFFICIAL COPY, OF ARTICLE 3.300, INTERNATIONAL PLUMBING CODE, TO ADOPT THE 2018 EDITION OF THE *INTERNATIONAL PLUMBING CODE*; AMENDING SECTIONS 3.1801, INTERNATIONAL MECHANICAL CODE ADOPTED, AND 3.1802, OFFICIAL COPY, OF ARTICLE 3.1800, INTERNATIONAL MECHANICAL CODE, TO ADOPT THE 2018 EDITION OF THE *INTERNATIONAL MECHANICAL CODE*; AMENDING SECTIONS 3.2101, INTERNATIONAL RESIDENTIAL CODE ADOPTED, AND 3.2102, OFFICIAL COPY, OF ARTICLE 3.200, INTERNATIONAL RESIDENTIAL CODE, TO ADOPT THE 2018 EDITION OF THE *INTERNATIONAL RESIDENTIAL CODE*; AMENDING SECTION 3.2118, AUTOMATIC SPRINKLER SYSTEMS, OF ARTICLE 3.200, INTERNATIONAL RESIDENTIAL CODE, TO ADOPT THE 2018 EDITION OF THE *INTERNATIONAL FIRE CODE*; DELETING SECTION 3.2119, WOOD SHINGLES AND SHAKES, IN ITS ENTIRETY; AMENDING SECTIONS 3.2201, INTERNATIONAL FUEL GAS CODE ADOPTED, AND 3.2202, OFFICIAL COPY, OF ARTICLE 3.2200, INTERNATIONAL FUEL GAS CODE, TO ADOPT THE 2018 EDITION OF THE *INTERNATIONAL GUEL GAS CODE*; AMENDING SECTIONS 3.2301, INTERNATIONAL ENERGY CONSERVATION CODE ADOPTED, AND 3.2302, FUTURE AMENDMENTS, OF ARTICLE 3.2300, INTERNATIONAL ENERGY CONSERVATION CODE, TO ADOPT THE 2018 EDITION OF THE *INTERNATIONAL ENERGY CONSERVATION CODE*; AMENDING SECTIONS 3.2401, INTERNATIONAL SWIMMING POOL AND SPA CODE ADOPTED, AND 3.2402, OFFICIAL COPY, OF ARTICLE 3.2400, INTERNATIONAL SWIMMING POOL AND SPA CODE, TO ADOPT THE 2018 EDITION OF THE *INTERNATIONAL SWIMMING POOL AND SPA CODE*; AMENDING SECTION 3.2601, INTERNATIONAL PROPERTY MAINTENANCE CODE, 2015, ADOPTED, OF ARTICLE 3.2600, INTERNATIONAL PROPERTY MAINTENANCE CODE, TO ADOPT THE 2018 EDITION OF THE *INTERNATIONAL PROPERTY MAINTENCE CODE*; MAKING OTHER PROVISIONS RELATING THERETO; PROVIDING A PENALTY NOT TO EXCEED $2000,00 FOR EACH DAY OF VIOLATION OF ANY PROVISION HEREOF; AND PROVIDING FOR SEVERABILITY.

Mayor Ramsey read the Ordinance by caption only. Council Member Donaho made a motion to approve Ordinance No. 2020-06, and Council Member Dominy seconded the motion. Motion carried 5-0.

10. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Resolution 20-XX: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A DEPOSITORY BANK SERVICES AGREEMENT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND ALLEGIANCE BANK; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

Mayor Ramsey read the Resolution by caption only. Council Member Dominy made a motion to approve Resolution Number 20-07, and Council Member McCormack seconded the motion. Motion carried 5-0.

11. **BRIEFING AND DISCUSSION CONCERNING:** Quarterly Investment Report For Period Ending December 31, 2019.

City Treasurer Michelle Yi presented the Quarterly Investment Report for the period ending December 31, 2019.

12. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance No. 2020-XX: AN ORDINANCE OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, DECLARING UNOPPOSED CANDIDATES IN THE MAY 2, 2020 GENERAL CITY ELECTION ELECTED TO OFFICE; PROVIDING FOR THE INCORPORATION OF PREAMBLE; CANCELING THE MAY 2, 2020 GENERAL CITY ELECTION; PROVIDING A SEVERABILITY CLAUSE, AND AN EFFECTIVE DATE.

Mayor Ramsey read the Ordinance by caption only. Council Member Carpenter made a motion to approve Ordinance No. 2020-07, and Council Member Dominy seconded the motion. Motion carried 5-0.

13. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Briefing by City Staff:

1. Status of Hilldale, Bade & Cardwell Paving and Utility Improvements Project

   Public Works Director Pat Riley provided an update for the Council and advised that the majority of the project was complete with the contractor finishing the punch list of items.

3. Status of New Production Well

   Public Works Director Pat Riley advised that, although the concrete masonry unit (CMU) building design had been altered, the project was still on schedule.

4. Upcoming Projects

   Public Works Director Pat Riley advised that the project design for Green Valley Drive and Winningham Lane as well as Lone Star Drive and West Tex Drive were 60% complete. He also advised that notices were sent to affected residents regarding landscaping that was placed in the City's right-of-ways. Public Works Director Riley advised that both projects would commence in May with the work being done in phases to prevent any street closures.

2. Status of Automated Meter Project

   Assistant to the City Administrator Matthew Hitt advised that the project had been completed.

14. **EXECUTIVE SESSION**: The City Council Will Now Hold A Closed Executive Meeting Pursuant To The Provision Of Chapter 551, Government Code, Vernon's Texas Codes Annotated, In Accordance With The Authority Contained In:

14.1 Section 551.072. Deliberation Regarding Real Property: Discussion To Deliberate The Purchase, Exchange, Lease, Or Value Of Real Property If Deliberation In An Open Meeting Would Have A Detrimental Effect On The Position Of The Governmental Body In Negotiations With A Third Person.

Council adjourned into the Executive Session at 7:12 p.m.

15. **RECONVENE**

The City Council meeting reconvened at 7:22 p.m.

16. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Matters Discussed in Executive Session.

No action was taken.

17. **ADJOURNMENT**

Council Member Carpenter made a motion to adjourn the meeting at 7:23 p.m., and Council Member Vajdos seconded the motion. Motion carried 5-0.

Signed: ___________________________________

Tom S. Ramsey
Mayor

Attest: ___________________________________

Roxanne Benitez, TRMC, CPM, CMCC
City Secretary

MEETING DATE:	March 24, 20220
TOPIC:	**Resolution No. 20-XX** **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED CONGESTION MITIGATION/TRAFFIC MANAGEMENT AGREEMENT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE AND THE METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY ("METRO"); PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING EXECUTION OF THE FIRST AMENDMENT TO THE SECOND AMENDED AGREEMENT BY THE MAYOR; AND PROVIDING AN EFFECTIVE DATE.**
BACKGROUND:	On October 23, 2012, the City of Spring Valley Village ("City") entered into a Seconded Amended and Restated Congestion Mitigation/Traffic Management Agreement with the Metropolitan Transit Authority of Harris County ("METRO") through which METRO provides a level of funds to the City to undertake Eligible Transportation Projects as defined therein ("Second Amended Agreement"). The Second Amended Agreement would expire on December 31, 2025. With the successful passage of METRO's election on November 5, 2019, the voters reauthorized the General Mobility Program and the extension of the term of the Second Amended Agreement to September 30, 2040. Currently, one cent of the City's sales tax goes to METRO for mass transit, and, through the General Mobility Program, METRO has dedicated 25% of the mass transit sales tax for street improvement and general mobility projects. Since 2009, the City has had a General Mobility Program Agreement by which METRO refunds 50% of the City's mass transit sales tax to the City for various transportation projects authorized by the Texas Transportation Code. In FY 2019, the City received $746,199.15 under the Second Amended Agreement, and for FY 2020, the City is projected to receive $648,900. This Resolution approves the First Amendment to the Second Amended and Restated Congestion Mitigation/Traffic Management Agreement which will extend the term of the Second Amended Agreement until September 30, 2040.
RECOMMENDATION:	Staff recommends approval of the Resolution.
ATTACHMENTS:	• Resolution No. 20-XX
FUNDING ISSUES:	☐ Not applicable – no dollars are being spent or received.

	☒ Full amount already budgeted in Acct# _10-01-5900_____ ☐ Not budgeted, if approved, the following will be included in the next Budget Amendment: ☐ $_______ from Acct/Project# __________ will be transferred to Acct/Project# __________ ☐ $_______ from unassigned fund balance will be used and added to Acct/Project# __________ ☐ $_______ will be added to Revenue Acct# __-____ and $_______ added to Expenditure Acct/Project# __________
FINANCE VERIFICATION OF FUNDING:	

SUBMITTING STAFF MEMBER:	**CITY ADMINISTRATOR APPROVAL:**
Julie M. Robinson, City Administrator	

RESOLUTION NUMBER 20-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED CONGESTION MITIGATION/TRAFFIC MANAGEMENT AGREEMENT BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE AND THE METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY ("METRO"); PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING EXECUTION OF THE FIRST AMENDMENT TO THE SECOND AMENDED AGREEMENT BY THE MAYOR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes governmental entities to contract with each other to perform government functions and services under the terms thereof; and

WHEREAS, on October 23, 2012, the City of Spring Valley Village ("City") entered into a Seconded Amended and Restated Congestion Mitigation/Traffic Management Agreement with the Metropolitan Transit Authority of Harris County ("METRO") through which METRO provides a level of funds to the City to undertake Eligible Transportation Projects as defined therein ("Second Amended Agreement"); and

WHEREAS, the City Council has before it a proposed First Amendment to the Second Amended Agreement ("First Amendment), a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, upon full review and consideration of First Amendment and all related matters, the City Council finds that the City of Spring Valley Village's best interests are served, desires to approve the terms and conditions of First Amendment and to authorize the Mayor to execute First Amendment on behalf of the City of Spring Valley Village.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, THAT:

<u>Section 1</u>. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

<u>Section 2</u>. The City Council, after review of the terms and conditions thereof, hereby approves the attached First Amendment to the Second Amended Agreement.

<u>Section 3</u>. The City Council also authorizes the Mayor to execute First Amendment on behalf of the City of Spring Valley Village and all other documents in connection therewith.

<u>Section 4</u>. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED this the _____ day of _______________, 2020.

____
Tom S. Ramsey, Mayor
City of Spring Valley Village, Texas

ATTEST:

____
Roxanne Benitez, City Secretary
City of Spring Valley Village, Texas

EXHIBIT “A”

TO

RESOLUTION NUMBER 20-XX

THE STATE OF TEXAS §
COUNTY OF HARRIS §

FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED CONGESTION MITIGATION/TRAFFIC MANAGEMENT AGREEMENT

THIS FIRST AMENDMENT to the SECOND AMENDED AND RESTATED CONGESTION MITIGATION/TRAFFIC MANAGEMENT AGREEMENT ("Third Amendment") is made by and between the METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY, TEXAS ("METRO"), a body corporate and politic, existing and operating pursuant to Chapter 451, TEXAS TRANSPORTATION CODE, and the CITY OF SPRING VALLEY VILLAGE, TEXAS ("CITY"), a general law municipal corporation under the laws of the State of Texas.

RECITALS

WHEREAS, pursuant to Section 451.065 of the Texas Transportation Code and other applicable law, METRO has administered a program for participation with other governmental entities for development of Eligible Transportation Projects (as defined in the hereinafter defined Agreement) in the METRO service area; and

WHEREAS, pursuant to METRO Resolution 99-104, METRO executed a Congestion Mitigation/Traffic Management Agreement (as amended from time to time, the "Agreement") with the CITY to provide a base level of funds to the CITY to undertake Eligible Transportation Projects, the term of which was originally set to expire on September 30, 2009; and

WHEREAS, pursuant to METRO Resolutions 2003-77, 2003-93 and 2004-6, and the successful passage of METRO's election on November 4, 2003 which, represented voter approval of the continued dedication by METRO of 25% of its sales and use tax revenues for street improvements, mobility projects, as authorized by law, through September 30, 2014, METRO executed an amendment to the Agreement to extend the term of the Agreement to September 30, 2014 (the "First Amendment"); and

WHEREAS, pursuant to METRO Resolutions 2012-75 and 2012-111, and the successful passage of METRO's election on November 6, 2012 which, represented voter approval of the continued dedication by METRO of up to 25% of its sales and use tax revenues for street improvements and related projects, as authorized by law, through December 31, 2025, METRO executed an amendment and restatement of the Agreement to further extend the term of the Agreement to December 31, 2025 (the "Second Amendment"); and

WHEREAS, in accordance with METRO Resolutions 2019-71 and 2019-123, and the successful passage of METRO's election on November 5, 2019 which, obtained voter approval of the continued dedication by METRO of up to 25% of its sales and use tax revenues through September 30, 2040 for street improvements, mobility projects and other facilities and services authorized by Section 451.065 of the Texas Transportation Code and other applicable law, the parties wish to enter into this Third Amendment to extend the term of the Agreement to September 30, 2040.

NOW, THEREFORE, for and in consideration of the foregoing recitals and the mutual promises, obligations, covenants and benefits contained herein, the CITY and METRO agree as follows:

AGREEMENT

1. Section 2 (Definitions and Terms) of the Agreement contains the following definitions:

   (a) "Available Sales and Use Tax Revenues" shall mean all sales and use tax revenues of METRO (net of collection costs imposed by the State of Texas), except sales and use tax revenues that are, subsequent to the Effective Date, dedicated by state or federal law to be used by a county, political subdivision or municipality other than the CITY or METRO. Specifically, such term includes all such revenues collected or otherwise attributable to the period commencing October 1, 2014 and ending December 31, 2025.

   (e) "Term of this Agreement" or "Term" shall mean the period of time beginning on the Commencement Date and ending on December 31, 2025, or an earlier date if this Agreement is terminated pursuant to the provisions hereof."

   Said definitions will be hereby amended to state as follows:

   (a) "Available Sales and Use Tax Revenues" shall mean all sales and use tax revenues of METRO (net of collection costs imposed by the State of Texas), except sales and use tax revenues that are, subsequent to the Effective Date, dedicated by state or federal law to be used by a county, political subdivision or municipality other than the CITY or METRO. Specifically, such term includes all such revenues collected or otherwise attributable to the period commencing on the Commencement Date and ending at the end of the Term of this Agreement.

   (e) "Term of this Agreement" or "Term" shall mean the period of time beginning on the Commencement Date and ending on September 30, 2040, or an earlier date if this Agreement is terminated pursuant to the provisions hereof."

2. This Third Amendment shall take immediate effect after it is duly executed by the CITY and METRO. From and after the date that this Third Amendment takes effect, all other terms and conditions of the Agreement not modified by this Third Amendment shall remain in full force and effect. The terms of the Agreement, as modified by the First Amendment, the Second Amendment and this Third Amendment, contain the entire agreement between the CITY and METRO with respect to the matters addressed herein and therein.

[*Signature page follows*]

a. It has on the ___ day of _______________, 20__, been executed on behalf of the CITY by ________________.

b. It has on the 26th day of December, 2019, been executed on behalf of METRO by its President & CEO, Thomas C. Lambert, and attested by its Assistant Secretary, pursuant to Resolution 2019-123 of its Board of Directors authorizing such execution.

CITY OF SPRING VALLEY VILLAGE, TEXAS

By: ________________________________

Attest: ________________________________
City Secretary

APPROVED AS TO FORM:

____
City Attorney

METROPOLITAN TRANSPORTATION AUTHORITY OF HARRIS COUNTY, TEXAS

By: ________________________________
Thomas C. Lambert
President & Chief Executive Officer

ATTEST AS TO FORM:

____
Assistant Secretary

APPROVED AS TO FORM:

____
Cydonii Fairfax
Executive Vice President & General Counsel

____
Arthur C. Smiley III
Chief Financial Officer

Spring Valley Village City Council
Agenda Item Data Sheet

MEETING DATE:	March 24, 2020
TOPIC:	**Approval of Pay Estimate No. 3 (Final) for Spring Valley Village Park Renovation Phase II Landscape Improvements Project to Jerdon Enterprises, L.P. in the Amount of $34,036.94**
BACKGROUND:	This is the third and final Pay Estimate to be submitted by Jerdon Enterprises, L.P. for the Spring Valley Village Park Renovation Phase II Landscape Improvements Project for work that was completed on the Project in January and February.
RECOMMENDATION:	Ryan Steib with Clark Condon and City Staff have reviewed the pay estimate and recommend approval.
ATTACHMENTS:	• Pay Estimate #3 Final Submitted By Jerdon Enterprises, L.P.
FUNDING ISSUES:	☐ Not applicable – no dollars are being spent or received. ☒ Full amount already budgeted in Acct/Project# _25-50-7504__ ☐ Not budgeted, if approved, the following will be included in the next Budget Amendment: ☐ $_______ from Acct/Project# __________ will be transferred to Acct/Project# __________ ☐ ______ from unassigned fund balance will be used and added to Acct/Project# ________ ☐ $_______ will be added to Revenue Acct# __-____ and $_______ added to Expenditure Acct/Project# __________
FINANCE VERIFICATION OF FUNDING:	
SUBMITTING STAFF MEMBER: Matthew Hitt, Assistant to the City Administrator	**CITY ADMINISTRATOR APPROVAL:**

ACTIONS TAKEN

APPROVAL	READING PASSED	OTHER
❑YES ❑NO		

CLARK CONDON

MEMORANDUM

TO: Matthew Hitt. City of Spring Valley Village
FROM: Ryan Steib, Clark Condon
DATE: 20_03-02
PROJECT: Spring Valley Village City Hall Park Ph. 2
CCA PROJECT NO.: 119-009
DISTRIBUTION: Electronic

Matthew,

Clark Condon has reviewed the February payment application submitted by Jerdon Enterprise and can confirm the work and materials indicated in the application have been completed as indicated by our signature on the application which is attached. Please let us know if you need further information.

Ryan Steib

Ryan Steib ASLA, LEED AP

Associate
Clark Condon | Landscape Architecture
10401 Stella Link Road, Houston, TX 77025

END OF MEMO

LETTER OF TRANSMITTAL

JERDON ENTERPRISE, L.P.
13403 Redfish
Stafford, TX 77477
Phone (281)261-5000 Fax (281)261-5500

Date:	02/27/2020 Job No. 5467
A	Ryan Steib
Re:	City of Spring Valley
	Spring Valley City Hall Park Phase II

TO: Clark Condon
10401 Stella Link Road
Houston, TX 77025
713-871-1414

WE ARE SENDING YOU [X] Attached [ ] Under separate cover via ______ the following items:

[ ] Shop drawings [ ] Prints [ ] Plans [ ] Samples [ ] Specifications

[ ] Copy of Letter [ ] Change Order [X] Documents

NO.	COPIES	DATE	
1	1	02/27/2020	AIA Pay Application 5467-03 February 2020
2	1	02/27/2020	Affidavit of Bills Paid
3	1	02/27/2020	Final Consent of Surety

THESE ARE TRANSMITTED as checked below:

[X] For approval [ ] Approved as submitted [ ] Resubmit copies for approval

[ ] For your use [ ] Approved as noted [ ] Submit ____ copies for distribution

[ ] As requested [ ] Returned for corrections [ ] Return ____ corrected prints

[ ] For review and response [ ] ______

[ ] FOR BIDS DUE: [ ] PRINTS RETURNED AFTER LOAN TO US

REMARKS:

Thank you.

COPY TO: File

By: Jerdon Holding, L.L.C., General Partner
SIGNED: Darrol Vincent, Jr., President

TO OWNER:
City of Spring Valley
1025 Campbell Rd.
Houston, TX 77055

PROJECT:
Spring Valley Village Park Renovation
Phase II Landscape Improvements

APPLICATION NO: **5467-03**

Distribution to:

[X] OWNER
[ ] ARCHITECT
[ ] CONTRACTOR
[ ]
[ ]

PERIOD TO: **02/27/2020**

FROM CONTRACTOR:
JERDON ENTERPRISE, L.P.
13403 REDFISH LANE
STAFFORD, TX 77477

VIA ARCHITECT:
N/A

PROJECT NOS: 119-009

CONTRACT FOR:

CONTRACT DATE: 07/18/2019

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM		$340,369.39
2. Net change by Change Orders		$ -
3. CONTRACT SUM TO DATE (Line 1 ± 2)		$ 340,369.39
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)		$ 340,369.39
5. RETAINAGE:		
a. 0% of Completed Work (Column D + E on G703)	$ -	
b. ____ % of Stored Material (Column F on G703)	$ -	
Total Retainage (Lines 5a + 5b or Total in Column I of G703)		$ -
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)		$ 340,369.39
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)		$ 306,332.45
8. CURRENT PAYMENT DUE		$ 34,036.94
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)		$ -

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS	$ -	$ -
NET CHANGES by Change Order	$ -	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: [signature] Date: 02/27/2020

Darryl Vincent, Jr., President

State of: Texas County of: Fort Bend

Subscribed and sworn to before me on 02/27/2020

Notary Public: [signature]

My Commission expires: 05/19/2021

SCANNED AND ENTERED

TRX #:

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED . . . . $ 34,036.94

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and onthe Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:

By: [signature] Date: 3/2/2020

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

PM APPROVAL: [signature]

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing
Contractor's signed certification is attached.
In tabulations below, amounts are stated to the nearest dollar.
Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 5467-03
APPLICATION DATE: 02/27/2020
PERIOD TO: 02/27/2020
ARCHITECT'S PROJECT NO: 119-009

A	B				C		D		E	F		G		H	I
ITEM NO.	DESCRIPTION OF WORK	UNIT TYPE	UNIT QTY	UNIT BID PRICE	SCHEDULED VALUE	PREVIOUS QUANTITY	FROM PREVIOUS APPLICATION (D + E)	CURRENT QUANTITY	CURRENT AMOUNT	MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL QUANTITY	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G ÷ C)	BALANCE TO FINISH (C - G)	RETAINAGE (IF VARIABLE RATE)
1	Site Prep & Mobilization	LS	1.00	$ 38,914.89	$38,914.89	1.00	$38,914.89		$0.00		1.00	$38,914.89	100.00%	$0.00	$3,891.49
2	Performance & Payment Bonds	LS	1.00	$ 6,500.00	$6,500.00	1.00	$6,500.00		$0.00		1.00	$6,500.00	100.00%	$0.00	$650.00
3	Temporary Construction Fence	LF	560.00	$ 5.50	$3,080.00	560.00	$3,080.00		$0.00		560.00	$3,080.00	100.00%	$0.00	$308.00
4	Root Pruning	LS	1.00	$ 3,000.00	$3,000.00	1.00	$3,000.00		$0.00		1.00	$3,000.00	100.00%	$0.00	$300.00
5	Tree Protection Fence	LF	1500.00	$ 4.00	$6,000.00	1,500.00	$6,000.00		$0.00		1,500.00	$6,000.00	100.00%	$0.00	$600.00
6	Tree Removal	LS	1.00	$ 4,000.00	$4,000.00	1.00	$4,000.00		$0.00		1.00	$4,000.00	100.00%	$0.00	$400.00
7	Demo Existing Walk	SF	250.00	$ 1.50	$375.00	250.00	$375.00		$0.00		250.00	$375.00	100.00%	$0.00	$37.50
8	Remove Existing Site Furniture	LS	1.00	$ 6,000.00	$6,000.00	1.00	$6,000.00		$0.00		1.00	$6,000.00	100.00%	$0.00	$600.00
9	Earthwork (Incl. Fine Grading)	LS	1.00	$ 12,000.00	$12,000.00	1.00	$12,000.00		$0.00		1.00	$12,000.00	100.00%	$0.00	$1,200.00
10	10-inch PVC Storm Sewer	LF	160.00	$ 35.00	$5,600.00	160.00	$5,600.00		$0.00		160.00	$5,600.00	100.00%	$0.00	$560.00
11	12-inch PVC Storm Sewer	LF	70.00	$ 40.00	$2,800.00	70.00	$2,800.00		$0.00		70.00	$2,800.00	100.00%	$0.00	$280.00
12	12-inch Square Atrium Grate with Catch Basin	EA	2.00	$ 1,500.00	$3,000.00	2.00	$3,000.00		$0.00		2.00	$3,000.00	100.00%	$0.00	$300.00
13	18-inch Square Atrium Grate with Catch Basin	EA	1.00	$ 2,000.00	$2,000.00	1.00	$2,000.00		$0.00		1.00	$2,000.00	100.00%	$0.00	$200.00
14	SWPPP	LS	1.00	$ 8,000.00	$8,000.00	1.00	$8,000.00		$0.00		1.00	$8,000.00	100.00%	$0.00	$800.00
15	Concrete Paving	SF	2015.00	$ 11.50	$23,172.50	2,015.00	$23,172.50		$0.00		2,015.00	$23,172.50	100.00%	$0.00	$2,317.25
16	Paving Band	SF	60.00	$ 95.00	$5,700.00	60.00	$5,700.00		$0.00		60.00	$5,700.00	100.00%	$0.00	$570.00
17	Pea Gravel	SF	6000.00	$ 4.00	$24,000.00	6,000.00	$24,000.00		$0.00		6,000.00	$24,000.00	100.00%	$0.00	$2,400.00
18	Pea Gravel (Stabilized)	SF	650.00	$ 11.50	$7,475.00	650.00	$7,475.00		$0.00		650.00	$7,475.00	100.00%	$0.00	$747.50
19	Stone Swale Center	SF	2500.00	$ 12.00	$30,000.00	2,500.00	$30,000.00		$0.00		2,500.00	$30,000.00	100.00%	$0.00	$3,000.00
20	Stone Boulder	EA	90.00	$ 177.00	$15,930.00	90.00	$15,930.00		$0.00		90.00	$15,930.00	100.00%	$0.00	$1,593.00
21	Interpretive Plaque	EA	3.00	$ 300.00	$900.00	3.00	$900.00		$0.00		3.00	$900.00	100.00%	$0.00	$90.00
22	6' Bench with Concrete Pad	EA	7.00	$ 2,200.00	$15,400.00	7.00	$15,400.00		$0.00		7.00	$15,400.00	100.00%	$0.00	$1,540.00
23	8' Picnic Table w/ 2-6' Benches and Concrete Pad	EA	4.00	$ 4,000.00	$16,000.00	4.00	$16,000.00		$0.00		4.00	$16,000.00	100.00%	$0.00	$1,600.00
24	Trash Receptacle w/ Concrete Pad	EA	3.00	$ 2,500.00	$7,500.00	3.00	$7,500.00		$0.00		3.00	$7,500.00	100.00%	$0.00	$750.00
25	Pedestrian Bridge w/ Concrete Pad	EA	3.00	$ 1,600.00	$4,800.00	3.00	$4,800.00		$0.00		3.00	$4,800.00	100.00%	$0.00	$480.00
26	Shooting Star Lily - 1 Gal	EA	134.00	$ 26.00	$3,484.00	134.00	$3,484.00		$0.00		134.00	$3,484.00	100.00%	$0.00	$348.40
27	Blue Mistflower - 1 Gal	EA	54.00	$ 26.00	$1,404.00	54.00	$1,404.00		$0.00		54.00	$1,404.00	100.00%	$0.00	$140.40
28	Gregg's Mistflower - 1 Gal	EA	148.00	$ 26.00	$3,848.00	148.00	$3,848.00		$0.00		148.00	$3,848.00	100.00%	$0.00	$384.80
29	Broadleaf Wood Oats - 1 Gal	EA	66.00	$ 26.00	$1,716.00	66.00	$1,716.00		$0.00		66.00	$1,716.00	100.00%	$0.00	$171.60
30	Butterfly Iris - 3 Gal	EA	49.00	$ 50.00	$2,450.00	49.00	$2,450.00		$0.00		49.00	$2,450.00	100.00%	$0.00	$245.00
31	Gulf Coast Muhly - 3 Gal	EA	41.00	$ 38.00	$1,558.00	41.00	$1,558.00		$0.00		41.00	$1,558.00	100.00%	$0.00	$155.80
32	Fireball Bee Balm - 1 Gal	EA	147.00	$ 26.00	$3,822.00	147.00	$3,822.00		$0.00		147.00	$3,822.00	100.00%	$0.00	$382.20
33	Mexican Mint Marigold - 1 Gal	EA	93.00	$ 26.00	$2,418.00	93.00	$2,418.00		$0.00		93.00	$2,418.00	100.00%	$0.00	$241.80
34	Steel Edging - 4" ht.	LF	360.00	$ 10.00	$3,600.00	360.00	$3,600.00		$0.00		360.00	$3,600.00	100.00%	$0.00	$360.00
35	Sod	SF	7880.00	$ 0.65	$5,122.00	7,880.00	$5,122.00		$0.00		7,880.00	$5,122.00	100.00%	$0.00	$512.20
36	Irrigation System Complete & Operational	LS	1.00	$ 18,000.00	$18,000.00	1.00	$18,000.00		$0.00		1.00	$18,000.00	100.00%	$0.00	$1,800.00
37	60 Day Landscape Maintenance	LS	1.00	$ 2,800.00	$2,800.00	1.00	$2,800.00		$0.00		1.00	$2,800.00	100.00%	$0.00	$280.00
41	Electrical Wiring & Conduit	LS	1.00	$ 38,000.00	$38,000.00	1.00	$38,000.00		$0.00		1.00	$38,000.00	100.00%	$0.00	$3,800.00
	GRAND TOTALS				$340,369.39		$340,369.39		$0.00	$0.00		$340,369.39		$0.00	$34,036.94

Previous Retainage	$34,036.94
Retainage this Invoice	$
Total of Invoice	$34,036.94
Reconcile	0.00

Total Contract Price:	$340,369.39
Total Completed to Date:	$340,369.39
Less Retainage:	$0.00
Subtotal	$340,369.39
Net Amount Previously Billed:	$ 306,332.45
Net Due this Billing:	$34,036.94

TOTAL BILLED $ 340369.39

VII. AFFIDAVIT OF BILLS PAID

STATE OF TEXAS

COUNTY OF FORT BEND

BEFORE ME, the undersigned authority, on this day personally appeared Darrol Vincent, Jr., President, representing Contractor under the following Contract:

Owner:	City of Spring Valley
Contractor:	Jerdon Enterprise, L.P.
Date:	February 27, 2020
Work:	Landscape Improvements

The undersigned was by me duly sworn and now states upon oath:

1. The improvements required by the Contract have been erected and completed in full compliance with the Contract and the agreed plans and specifications for the Contract.

2. All bills and claims for materials furnished and labor performed on the Contract have been paid. There are no outstanding unpaid bills or legal claims for labor performed or materials furnished upon the job.

3. This Affidavit is being made by the undersigned realizing that it is in reliance upon the truthfulness of the statements contained in this Affidavit that final and full settlement of the balance due on the Contract is being made, and in consideration of the disbursement of funds by Owner, the undersigned expressly gives and releases all liens, claims, and rights to assert a lien on said premises and agrees to indemnify and hold Owner safe and harmless from and against all losses, damages, costs, and expenses of any character whatsoever, specifically including court costs, bonding fees, and attorney's fees, arising out of, or in any way relating to, claims for unpaid labor or material used or associated with construction of improvements under the Contract.

By: [signature]

Name: Darrol Vincent, Jr.

Title: President

Subscribed and sworn to before me, the undersigned authority, on this the 27th day of February, 2020, 20XX.

[signature] Michelle Brown

Notary Public in and for the
State of Texas

MICHELLE BROWN
NOTARY PUBLIC
ID# 131138062
State of Texas
Comm. Exp. 05-19-2021

My Commission Expires: 05/19/2021

END OF SECTION

Bond No. 61BCSIB8470

CONSENT OF SURETY TO FINAL PAYMENT

Conforms with the American Institute of Architects, AIA Document G707

OWNER	☐
ARCHITECT	☐
CONTRACTOR	☐
SURETY	☐
OTHER	☐

TO OWNER: *(Name and address)*
City of Spring Valley
1025 Campbell Road
Houston, Texas 77055

ARCHITECT'S PROJECT NO.:

CONTRACT FOR:
General Construction

PROJECT: *(Name and address)*
Spring Valley City Hall Park, Ph. II

CONTRACT DATED:
July 17, 2019

In accordance with the provisions of the Contract between the Owner and the Contractor as indicated above, the
(Insert name and address of Surety)
Hartford Fire Insurance Company
19450 State Hwy. 249, #400
Houston, Texas 77070

, SURETY,

on bond of
(Insert name and address of Contractor)
Jerdon Enterprise, L.P.
13403 Redfish Dr.
Stafford, Texas 77477

, CONTRACTOR,

hereby approves of the final payment to the Contractor, and agrees that final payment to the Contractor shall not relieve the Surety of any of its obligations to
(Insert name and address of Owner)
City of Spring Valley
1025 Campbell Road
Houston, Texas 77055

, OWNER,

as set forth in said Surety's bond.

IN WITNESS WHEREOF, the Surety has hereunto set its hand on this date: February 27, 2020
(Insert in writing the month followed by the numeric date and year.)

Hartford Fire Insurance Company
(Surety)

Attest: Kourtney Reece, Witness

(Signature of authorized representative)

Sharon Cavanaugh, Attorney-in-Fact
(Printed name and title)

Direct Inquiries/Claims to:
THE HARTFORD
BOND, T-12
One Hartford Plaza
Hartford, Connecticut 06155
Bond.Claims@thehartford.com
call: 888-266-3488 *or fax:* 860-757-5835

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS THAT:

Agency Name: MARSH & MCLENNAN AGENCY LLC
Agency Code: 61-610074

- [X] **Hartford Fire Insurance Company**, a corporation duly organized under the laws of the State of Connecticut
- [X] **Hartford Casualty Insurance Company**, a corporation duly organized under the laws of the State of Indiana
- [X] **Hartford Accident and Indemnity Company**, a corporation duly organized under the laws of the State of Connecticut
- [ ] **Hartford Underwriters Insurance Company**, a corporation duly organized under the laws of the State of Connecticut
- [ ] **Twin City Fire Insurance Company**, a corporation duly organized under the laws of the State of Indiana
- [ ] **Hartford Insurance Company of Illinois**, a corporation duly organized under the laws of the State of Illinois
- [ ] **Hartford Insurance Company of the Midwest**, a corporation duly organized under the laws of the State of Indiana
- [ ] **Hartford Insurance Company of the Southeast**, a corporation duly organized under the laws of the State of Florida

having their home office in Hartford, Connecticut, (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, *up to the amount of* Unlimited :
Sharon Cavanaugh, C.W. Adams, Roxanne G. Brune, Sharen Groppell, David R. Groppell, Francine Hay, Beverly A. Ireland, Edward L. Moore, Kurt A. Risk, James W. Tomforde, Gloria Villa of HOUSTON, Texas

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by ☒, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, and as authorized by a Resolution of the Board of Directors of the Companies on May 6, 2015 the Companies have caused these presents to be signed by its Senior Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.

John Gray, Assistant Secretary

M. Ross Fisher, Senior Vice President

STATE OF CONNECTICUT }
} ss. Hartford
COUNTY OF HARTFORD }

On this 5th day of January, 2018, before me personally came M. Ross Fisher, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Senior Vice President of the Companies, the corporations described in and which executed the above instrument; that he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that he signed his name thereto by like authority.

Kathleen T. Maynard
Kathleen T. Maynard
Notary Public
My Commission Expires July 31, 2021

CERTIFICATE

I, the undersigned, Assistant Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of February 27, 2020
Signed and sealed at the City of Hartford.

Kevin Heckman, Assistant Vice President

POA 2018

Police Department
Staff Report

SPRING VALLEY POLICE DEPARTMENT

Calls - By Type

02\01\2020
thru 02\29\2020

Type	Description	# Of Calls
21	911 HANG UP	1
6	ACCIDENT	25
22	ALARM	53
23	AMBULANCE CALL	18
24	ANIMAL CALL	9
144	ARREST	2
43	ASSIST OUTSIDE AGENCY	11
135	BUSINESS CHECK	394
48	CITY CREW REPAIRS	2
53	DEBRIS IN ROADWAY	3
60	FIRE CALL	8
68	HOUSE CHECK	56
70	INFORMATION	19
71	INVESTIGATION	11
76	LOUD NOISE	8
81	OPEN DOOR	29
86	PUBLIC RELATIONS	58
88	RECOVERY STOLEN VEHICLE	2
96	SOLICITOR	3
97	SPECIAL ASSIGNMENT	16
99	STALLED VEHICLE	34
141	STORED/ ABANDONED VEHICLE	1
103	SUSPICIOUS ACTIVITY	15
104	SUSPICIOUS PERSON	15
105	SUSPICIOUS VEHICLE	27
108	TRAFFIC CONTROL	1
11	TRAFFIC STOP	313
111	VEHICLE BLOCKING ROADWAY	11
112	VEHICLE CHECK	13
42	WARRANT SERVICE	1
117	WELFARE CONCERN	8
	Total	1,167

Spring Valley Village, TX PD **Feb 1, 2020 - Feb 29, 2020**

Citation Violation Audit By Offense

Total Charges: **464**

Description	Counts
CHANGE NAME/MAILING ADDRESS LATER THAN 30 DAYS (CDL)	2
CHANGED LANE WHEN UNSAFE	2
DEFECTIVE EQUIPMENT / NO LICENSE PLATE LIGHT	29
DEFECTIVE HEAD LAMPS	43
DEFECTIVE HEAD LIGHTS	8
DEFECTIVE STOP LAMP(S)	10
DEFECTIVE TAIL LAMP(S)	6
DEFECTIVE- WHITE LIGHT TO THE REAR	1
DISPLAY FICTITIOUS/WRONG/UNCLEAN LICENSE PLATES	5
DISPLAY SUSPENDED DRIVER LICENSE	1
DISPLAY UNCLEAN LICENSE PLATES	1
DISPLAY/ EXPIRED REGISTRATION	30
DRIVING TRUCK IN RIGHT LANE NORTH BOUND ON BINGLE	1
DRIVING WHILE LICENSE INVALID UNDER PROVISIONS OF DL LAWS	6
DRIVING WITHOUT ANY LICENSE	2
DROVE WITHOUT LIGHTS (WHEN REQUIRED)	16
EXPIRED DRIVERS LICENSE	9
FAIL TO CONTROL SPEED	1
FAIL TO DISPLAY DRIVERS LICENSE	1
FAIL TO GET A TEXAS DRIVERS LICENSE AFTER 90 DAYS OF RESIDENCE IN THIS STATE	1
FAIL TO MAINTAIN FINANCIAL RESPONIBILITY	24
FAIL TO MAINTAIN FINANCIAL RESPONSIBILITY	11
FAIL TO OBEY TRAFFIC CONTROL DEVICE-MUST TURN RIGHT OR LEFT	2
FAIL TO OBEY TRAFFIC CONTROL SIGN-BLOCKING INTERSECTION	1
FAIL TO REPORT CHANGE OF ADDRESS	4
FAILED TO DIM HEADLIGHTS - FOLLOWING	10
FAILED TO DIM HEADLIGHTS - MEETING	17
FAILED TO SIGNAL TURN	4

CONFIDENTIAL

Spring Valley Village, TX PD **Feb 1, 2020 - Feb 29, 2020**

Citation Violation Audit By Offense

Total Charges: **464**

Description	Counts
FAILED TO SIGNAL TURN / LANE CHANGE	4
FAILED TO STOP AT DESIGNATED POINT (STOP SIGN)	1
FOLLOWING TOO CLOSELY	1
ILLEGAL PARKING - BLOCKING FIRE PLUG	1
ILLEGAL PARKING - NO PARKING ANY TIME	2
ILLEGAL PARKING - PARKING IN PRIVILEGED	1
ILLEGAL PASSING - LEFT TURN ONLY LANE	1
NO DRIVERS LICENSE	39
NO FRONT LICENSE PLATE	18
NO SEAT BELT - DRIVER	2
OPERATE UNREGISTERED MOTOR VEHICLE	1
PARKED FACING TRAFFIC	19
PASSING AUTHORIZED EMERGENCY VEHICLE	2
PUBLIC INTOXICATION	1
RAN RED LIGHT	35
RAN STOP SIGN	14
SPEEDING >10% ABOVE POSTED LIMIT	60
SPEEDING IN SCHOOL ZONE	11
TURNED RIGHT TOO WIDE	1
VIOLATE DL RESTRICTION B	2

MONTHLY K-9 REPORT

FOR THE MONTH OF: Feb-20

MOYER, NABORS
FRITZ, ODIN

	TOTALS
K-9 CALLS FOR SERVICE	
SPRING VALLEY VILLAGE	111
OUTSIDE AGENCY	
K-9 APPREHENSIONS	
	0
NARCOTICS CASES	
	0
PUBLIC RELATIONS EVENT	
	8

ORDINANCE NO. 2020-XX

AN ORDINANCE OF THE CITY OF SPRING VALLEY VILLAGE DECLARING A PUBLIC HEALTH EMERGENCY AND EXTENDING THE DISASTER DECLARATION OF THE CITY COUNCIL ON MARCH 19, 2020; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

*   *   *   *   *

WHEREAS, in December 2019, a novel respiratory disease named "SARS-CoV-2" that the causes a disease named "coronavirus disease 2019" ("COVID-19") was detected in Wuhan City, Hubei Province, China; and

WHEREAS, symptoms of COVID-19 include fever, cough, and shortness of breath that may result in mild to severe illness, and in some cases death; and

WHEREAS, on January 30, 2020, the World Health Organization Director General declared the outbreak of COVID-19 as a Public Health Emergency of International Concern and advised countries to prepare for the containment, including active surveillance, early detection, isolation and case management, contact tracing, and prevention of onward spread of the disease; and

WHEREAS, on January 31, 2020, the U.S. Health and Human Services Secretary declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19; and

WHEREAS, the identification of "community spread" cases of COVID-19 in the United States could potentially signal that transmission of the virus may no longer be limited to travel to outbreak areas or contact with travelers who have visited outbreak areas; and

WHEREAS, according to the Center for Disease Control ("CDC"), it is likely that at some point, widespread transmission of COVID-19 in the United States will occur; and

WHEREAS, the CDC warns that widespread transmission of COVID-19 would translate into large numbers of people needing medical care at the same time; and

WHEREAS, the CDC also warns that schools, childcare centers, workplaces, and other places for mass gatherings may experience more absenteeism; public health and healthcare systems may become overloaded with elevated rates of hospitalizations and deaths; other critical infrastructure, such as law enforcement, emergency medical services, and transportation industry may also be affected; and health care providers and hospitals may be overwhelmed; and

WHEREAS, the Governor of the State of Texas declared a state of disaster due to this same public health emergency on March 13, 2020; and

WHEREAS, given, among other things, including the CDC's guidance, there is an ongoing risk and likelihood of COVID-19-positive patients being identified in the City of

Spring Valley Village; and

WHEREAS, the City, local health agencies, and political subdivisions within the region have been working diligently to implement CDC guidelines, but now require additional tools and resources to protect the public health given the current state of the epidemic and the need for a sustained response; and

WHEREAS, Mayor Tom S. Ramsey signed a disaster declaration for the City of Spring Valley Village on March 13, 2020; and

WHEREAS, the Spring Valley Village City Council extended the disaster declaration for the City of Spring Valley Village on March 19, 2020 to April 10, 2020; and

WHEREAS, the City Council finds it in the best interest of the health, safety and welfare of the citizens to extend the Mayor's declaration until _________ or until terminated or modified by earlier ordinance of the City; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF SPRING VALLEY VILLAGE, TEXAS:

Section 1. The facts and matters contained in the preamble to this ordinance are hereby found to be true and correct.

Section 2. Pursuant to the authority provided in Section 418.108(b) of the Texas Government Code, he disaster declaration signed by Mayor Tom S. Ramsey, dated March 19, 2020 is hereby extended until __________ unless terminated or modified by an earlier ordinance of the City Council of the City.

Section 3. In the event any clause phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Spring Valley Village, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 4. This Ordinance shall take effect immediately upon its approval.

APPROVED AND ADOPTED this ______ day of March, 2020.

____
Tom S. Ramsey, Mayor

ATTEST:

____
Roxanne Benitez, City Secretary

MEETING DATE:	March 24, 2020
TOPIC:	Presentation and Acceptance of Fiscal Year 2018-2019 Audited Comprehensive Annual Financial Report Prepared by Belt, Harris Pechacek, LLLP, Certified Public Accountants.
BACKGROUND:	In June of 2014, the City Council approved a contract with the firm of Belt, Harris Pechacek, LLLP to conduct an independent audit of all accounts of the City and prepare the City's Comprehensive Annual Financial Report (CAFR) for 3 fiscal years, and the Council extended the contract for two additional fiscal years in June of 2019 which includes Fiscal Year 2018-2019. Robert Belt with Belt, Harris Pechacek will present the Report.
RECOMMENDATION:	Staff recommends acceptance of the Report.
ATTACHMENTS:	• Comprehensive Annual Financial Report for FY 2018-2019 • Required Auditor Disclosure Letter
FUNDING ISSUES:	☒ Not applicable – no dollars are being spent or received. ☐ Full amount already budgeted in Acct/Project# ___________ ☐ Not budgeted, if approved, the following will be included in the next Budget Amendment: ☐ $_______ from Acct/Project# ___________ will be transferred to Acct/Project# ___________ ☐ $_______ from unassigned fund balance will be used and added to Acct/Project# ___________ ☐ $_______ will be added to Revenue Acct# __-____ and $_______ added to Expenditure Acct/Project# ___________
FINANCE VERIFICATION OF FUNDING:	
SUBMITTING STAFF MEMBER: Michelle Yi, City Treasurer	**CITY ADMINISTRATOR APPROVAL:**

ACTIONS TAKEN

APPROVAL	READING PASSED	OTHER
❑YES ❑NO		

DIVIDER PAGE

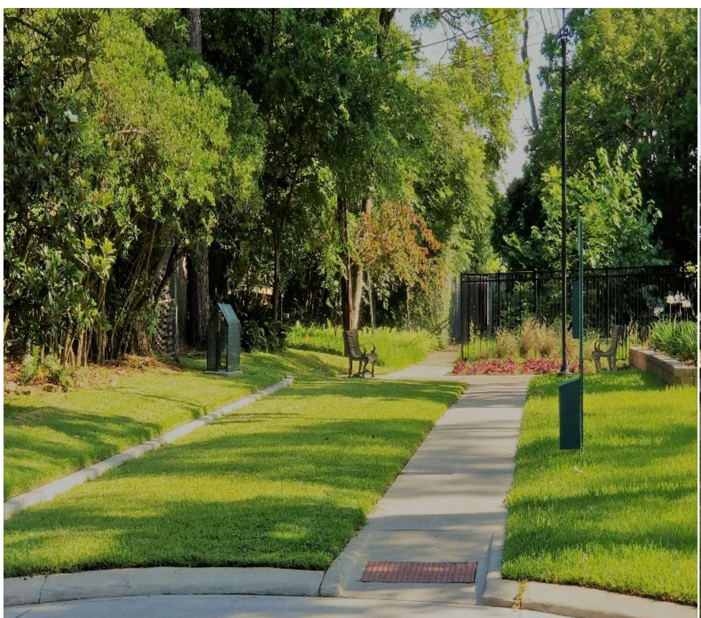
EST. 1955

SPRING VALLEY VILLAGE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING

SEPTEMBER 30, 2019



COMPREHENSIVE
ANNUAL FINANCIAL REPORT

of the

CITY OF SPRING VALLEY VILLAGE, TEXAS

For the Year Ended
September 30, 2019

Prepared by:

Julie Robinson
City Administrator

Michelle Yi
City Treasurer

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City of Spring Valley Village, Texas

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City of Spring Valley Village, Texas

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SUPPLEMENTARY INFORMATION

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INTRODUCTORY SECTION

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EST. 1955

SPRING VALLEY

VILLAGE

March 6, 2020

The Honorable Mayor, City Council
Members, and Citizens of the
City of Spring Valley Village, Texas:

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Spring Valley Village, Texas (the "City") for the fiscal year ended September 30, 2019. This report is published to provide the City Council, City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

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

Belt Harris Pechacek, LLLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2019. The independent auditors' report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The City of Spring Valley Village, Texas (the "City") was incorporated under the laws of State of Texas in 1955. The City operates as a "General Law" City, which provides for a "Mayor-Council" form of government.

The City provides the following municipal services: public safety, highways and streets, sanitation, water and sewer services, and general administration.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. Spring Valley Village is one of the six Memorial Villages and located ten miles west of downtown Houston. As of September 30, 2019, the City has a land area of 1.6 square miles and an estimated population of approximately 4,333. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

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(713) 465-8308 • FAX (713) 461-7969 • www.springvalleytx.com

The City Ordinance establishes the fiscal year as October 1 through September 30. The Ordinance requires the City Administrator to submit a proposed budget and accompanying budget message to the Council each year. The proposed budget is reviewed by the Council and is formally adopted by the passage of a budget ordinance. The City Administrator is required to inform the Council of any revisions of expenditures for any fund or department revisions must be approved by the Council.

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

ECONOMIC CONDITION AND OUTLOOK

The City encompasses a 1.6 square mile area located along the north side of Interstate 10, approximately ten miles west of downtown Houston, Texas. The City has one of the most desired school districts in the Houston metropolitan area. The City is an integral part of the Houston metropolitan area and is completely surrounded by the cities of Houston, Hilshire Village, Hedwig Village, and Hunters Creek Village. The City is right next to the largest and busiest freeway in the nation. The City is primarily a residential area whose approximately 4,333 inhabitants are employed throughout the Houston urban area.

There is very little vacant and/or undeveloped land in the City, so construction generally involves rebuilding and remodeling. The City continues to enjoy to a stable outlook with property taxable values and its property taxable value reached over $1 billion in the Fiscal Year (FY) 2017 and doubled from ten years ago. Among reasons for this strength is the City's convenient proximity to the Galleria, Energy Corridor, downtown Houston, the Medical District, as well as the ever evolving Memorial area.

The City's tax rate is among the lowest in the Houston area and is anticipated to remain relatively stable into the future due to projected stability in taxable values, the political stability of the community, and the underlying strength in the greater Houston area economy.

The City's relative stability is the result of a desire for suburban families to live closer to work. The City has its own Police Department to maintain the low crime rate and its hometown appeal has attracted many of these families. These factors have contributed, and continue to contribute, to the relative stability of property values in the City.

The value of real property in the City is expected to stay strong in 2020. Expenditures are expected to remain steady with considerations for the continued competitive pressure on personnel costs and potential increases in the cost of employee health benefits.

The City approved a slightly lower property tax rate for tax year 2019, fiscal year 2020.

LONG-TERM FINANCIAL PLANNING

Capital improvement projects are funded with general governmental revenues. The City annually updates a Five-year Capital Improvement Plan annually and regularly prepares short-term improvement plans for water, wastewater, drainage, municipal facilities, and parks. These plans are prepared by staff and presented to the City Council for review and acceptance. The plans require funding sources to be identified for each project.

For the last several years, the City has been able to maintain its infrastructure on a cash basis. A portion of general fund revenues is allocated to the Capital Improvement Fund each year. Debt is issued when necessary to finance long-term capital improvements.

Major Initiatives

FY 2018-2019 was a year of accomplishments for the City of Spring Valley Village. The list below highlights some of the significant City activities:

- The Cedarbrake Drainage Improvement was completed in September of 2019.
- The Park Improvement Phase II was started in February of 2019 and will be completed in FY 2020.
- The Westview Sidewalk Improvement was started in June of 2019 and will be completed in FY 2020.
- The New water well started the construction phase in FY 2019 and will be completed in FY 2020.
- Hilldale, Bade, and Cardwell Paving and Utility Improvement project infrastructure was started in February of 2019 and will be completed in FY 2020.
- Advanced Metering Infrastructure (smart meters) was started in January 2019 and will be completed in FY 2020.

Annual Budget

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund and Debt Service Fund are included in the annual operating budget. The capital improvement plan is approved each year by the City Council and funded through a separate capital projects fund. The level of budgetary control (*i.e.*, the level at which expenditures cannot legally exceed the appropriated amount) is established at the Department level within an individual fund. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Financial Information

The City's management team is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable assurance that employees in the normal course of business will detect and/or prevent errors or irregularities that could be material to the financial statements.

Independent Audit

Sections 103.001-103.004 of the Local Government Code require the City to have an annual audit of its financial records and accounts. The independent auditors' report, prepared by Belt Harris Pechacek, LLLP, is presented as the first component of the financial section of this report.

Certificate of Achievement

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 Spring Valley Village for its CAFR for the fiscal year ended September 30, 2018. This was the fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

The preparation of this CAFR would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. Appreciation is expressed to all City employees throughout the organization, especially to those who were instrumental in the successful completion of this report. Additionally, I would also like to thank the Mayor, the Council, and the City Administrator for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Michelle Yi
City Treasurer

City of Spring Valley Village, Texas

LIST OF ELECTED OFFICIALS AND KEY STAFF

For the Year Ended September 30, 2019

Elected Officials	Position
Tom S. Ramsey	Mayor
Allen Carpenter	Council Member
David Dominy	Council Member
Tom Donaho	Council Member
Joy McCormack	Council Member
Marcus Vajdos	Council Member

Key Staff	Position
Julie Robinson	City Administrator
Roxanne Benitez	City Secretary
Michelle Yi	City Treasurer
Loyd R. Evans	Chief of Police
Pat Riley	Public Works Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Spring Valley Village

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

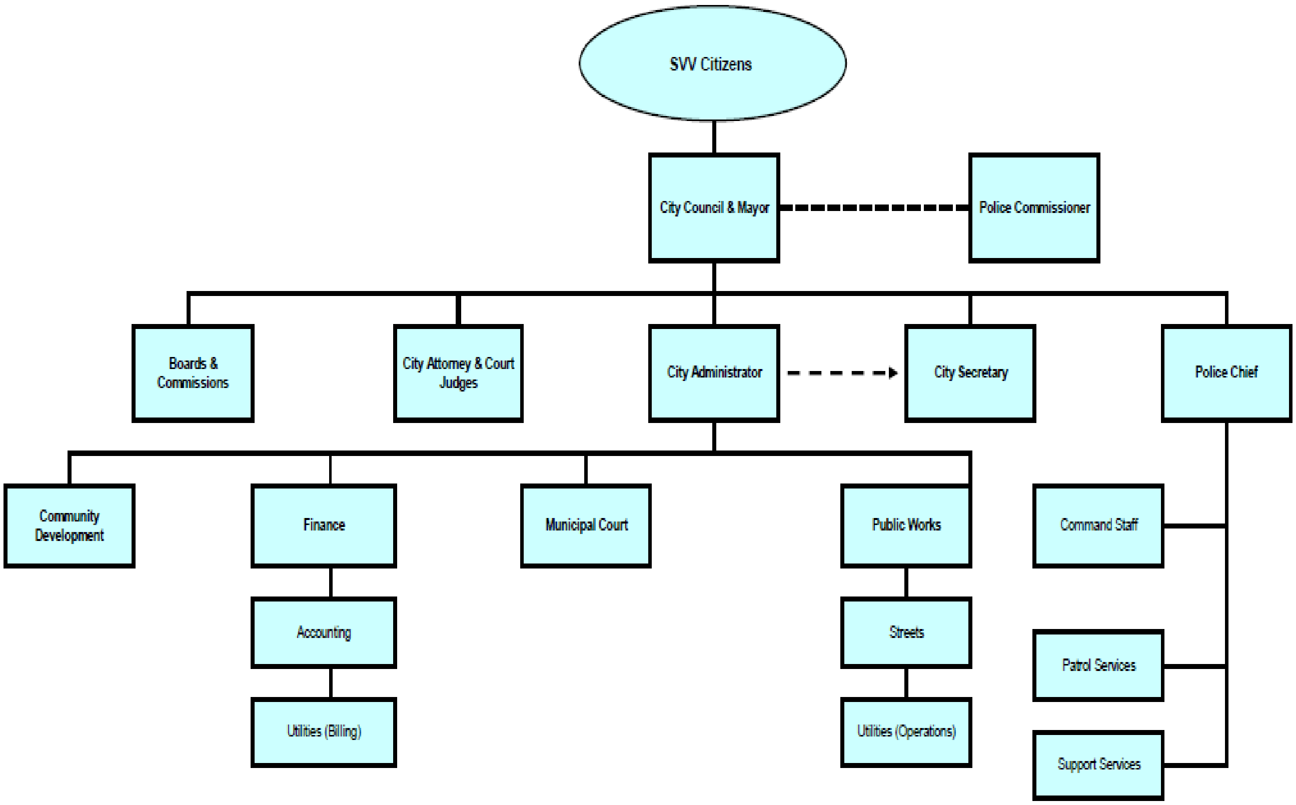
Christopher P. Morrill

Executive Director/CEO

City of Spring Valley Village, Texas

ORGANIZATIONAL CHART

September 30, 2019



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
City Council Members of the
City of Spring Valley Village, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Spring Valley Village, Texas (the "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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 City'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 City'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.

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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, and each major fund 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 information, schedules of changes in net pension and other post employment benefits liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on 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, the supplementary information, and the statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 6, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

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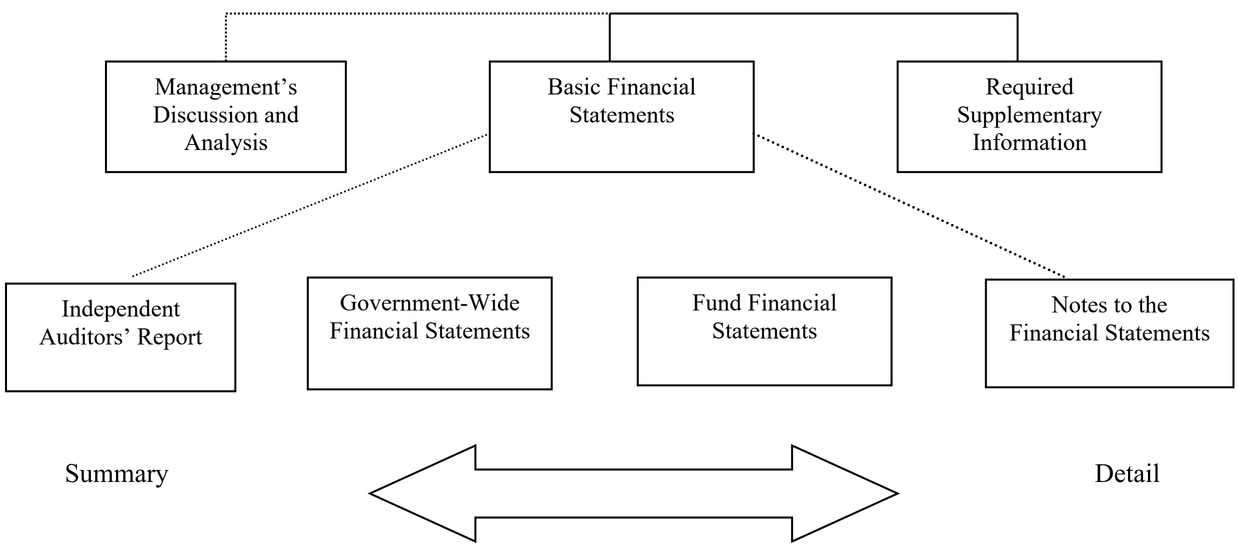
The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Spring Valley Village, Texas (the "City") for the year ended September 30, 2019. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analyses of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT

Components of the Financial Section



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

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

1. *Governmental Activities* – Most of the City's basic services are reported here, which include general government, public safety, and public works. Sales taxes, property taxes, franchise fees, and other revenue finance most of these activities.

2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water, wastewater, and solid waste operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate corporation, the Spring Valley Legacy Fund, Inc., for which the City is financially accountable. Although legally separate, this component unit functions for all practical purposes as department of the City and, therefore, is included as an integral part of the primary government.

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

The City maintains five governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital improvements fund, and the debt service fund, which are considered to be major funds for reporting purposes. The asset forfeiture fund and legacy fund are nonmajor funds but the City has elected to present them as major funds for reporting purposes.

The City adopts annual appropriated budgets for its general fund and debt service fund. Budgetary comparison schedules have been provided for the general fund and debt service fund to demonstrate compliance with these budgets.

Proprietary Funds

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

The City also uses an internal service fund to account for its equipment replacement program. This internal service fund has been included within governmental activities in the governmental-wide financial statements.

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows exceed liabilities and deferred inflows by $46,587,989 as of September 30, 2019. The largest portion of the City's net position (79%) reflects its investment in capital assets (e.g., land and City hall, as well as the public works facilities). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	2019			2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 18,282,645	$ 4,280,933	$ 22,563,578	$ 11,316,780	$ 1,523,394	$ 12,840,174
Capital assets, net	40,941,480	8,844,338	49,785,818	41,023,330	7,783,788	48,807,118
Total Assets	59,224,125	13,125,271	72,349,396	52,340,110	9,307,182	61,647,292
Deferred outflows - pensions	629,240	114,272	743,512	194,233	36,998	231,231
Deferred outflows - OPEB	6,478	1,146	7,624	8,068	1,412	9,480
Total Deferred Outflows of Resources	635,718	115,418	751,136	202,301	38,410	240,711
Long-term liabilities	19,414,684	4,676,845	24,091,529	12,381,058	2,335,367	14,716,425
Other liabilities	1,259,326	1,063,329	2,322,655	402,434	331,674	734,108
Total Liabilities	20,674,010	5,740,174	26,414,184	12,783,492	2,667,041	15,450,533
Deferred inflows - pensions	71,166	11,980	83,146	282,997	36,965	319,962
Deferred inflows - OPEB	13,104	2,109	15,213	-	-	-
Total Deferred Inflows of of Resources	84,270	14,089	98,359	282,997	36,965	319,962
Net Position:						
Net investment in capital assets	28,275,487	8,641,742	36,917,229	28,879,559	6,099,675	34,979,234
Restricted	4,468,641	443,928	4,912,569	4,371,682	331,411	4,703,093
Unrestricted	6,357,435	(1,599,244)	4,758,191	6,224,681	210,500	6,435,181
Total Net Position	$ 39,101,563	$ 7,486,426	$ 46,587,989	$ 39,475,922	$ 6,641,586	$ 46,117,508

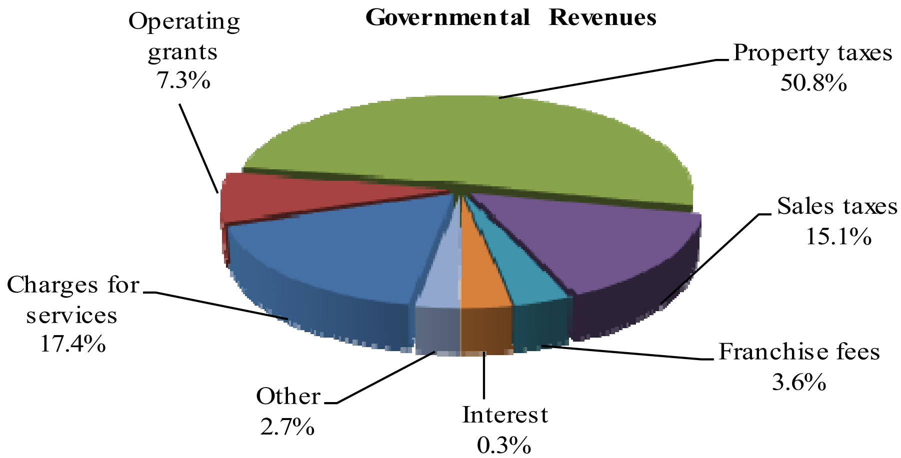
A portion of the City's net position, $4,912,569, represents resources restricted to a specific purpose. The balance of unrestricted net position, $4,758,191, may be used to meet the City's ongoing obligation to citizens and creditors. The City's total net position increased by $470,481 during the current fiscal year, an increase of 1% over the prior year. The overall condition of the City improved during the year primarily due to increases in interest revenue, property taxes, and sales taxes.

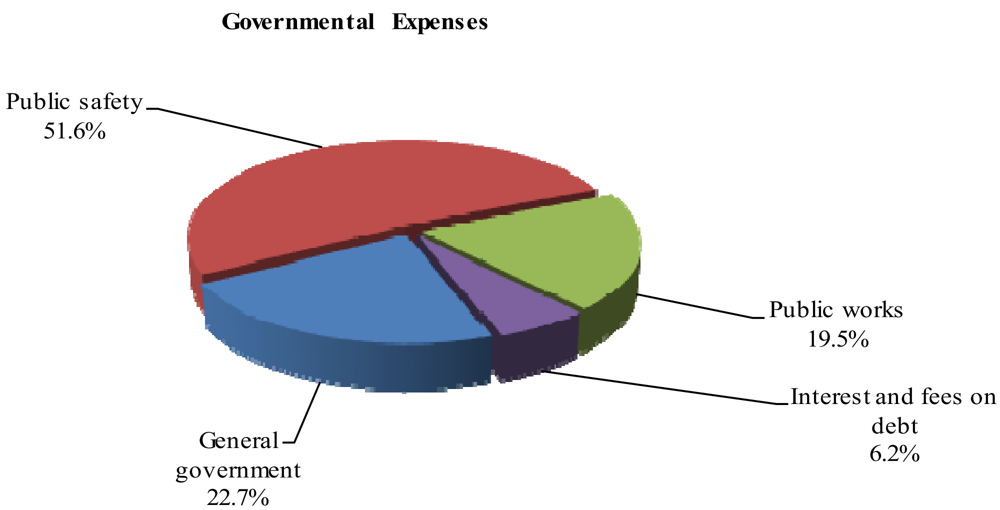
Statement of Activities

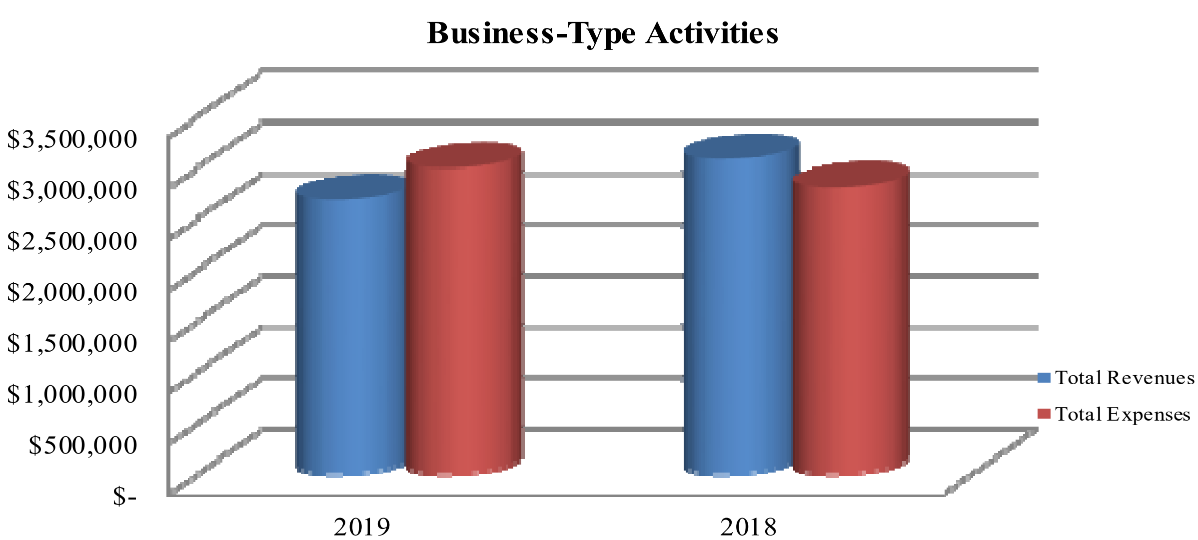
The following table provides a summary of the City's changes in net position.

	For the Year Ended September 30, 2019			For the Year Ended September 30, 2018		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 1,766,899	$ 2,676,454	$ 4,443,353	$ 1,390,239	$ 3,069,771	$ 4,460,010
Operating grants	746,199	-	746,199	702,846	-	702,846
General revenues:						
Property taxes	5,171,426	-	5,171,426	5,138,264	-	5,138,264
Sales taxes	1,535,394	-	1,535,394	1,430,561	-	1,430,561
Franchise fees	370,171	-	370,171	326,582	-	326,582
Interest	320,856	22,278	343,134	124,225	4,950	129,175
Other	272,109	33,220	305,329	200,979	32,694	233,673
Total Revenues	10,183,054	2,731,952	12,915,006	9,313,696	3,107,415	12,421,111
Expenses						
General government	2,144,920	-	2,144,920	1,154,184	-	1,154,184
Public safety	4,880,263	-	4,880,263	4,395,552	-	4,395,552
Public works	1,846,313	-	1,846,313	1,900,389	-	1,900,389
Interest and fees on debt	590,374	182,824	773,198	350,842	65,398	416,240
Water, sewer, and waste	-	2,799,831	2,799,831	-	2,729,674	2,729,674
Total Expenses	9,461,870	2,982,655	12,444,525	7,800,967	2,795,072	10,596,039
Increase (Decrease) in Net Position Before Transfers	721,184	(250,703)	470,481	1,512,729	312,343	1,825,072
Transfers in (out)	(1,095,543)	1,095,543	-	-	-	-
Change in Net Position	(374,359)	844,840	470,481	1,512,729	312,343	1,825,072
Beginning net position	39,475,922	6,641,586	46,117,508	37,963,193	6,329,243	44,292,436
Ending Net Position	$ 39,101,563	$ 7,486,426	$ 46,587,989	$ 39,475,922	$ 6,641,586	$ 46,117,508

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







Charges for services for governmental activities increased $376,660 or 27% due primarily to garbage service fees being recognized in the general fund, rather than the utility fund in the current year. Interest revenue increased $196,631 or 158% primarily due to more funds being invested and interest rate increases. Property tax revenue increased by $33,162 or 1% due to an increase in property tax values and increased collections from delinquent property taxes. Sales taxes revenue increased by $104,833 or 7% due to consumer spending increases. Total governmental expenditures increased $1,660,903. General government expenditures increased $990,736 or 86% mainly due to an increase in personnel related costs and the recognition of garbage contract expenditures in the general fund in the current year. Public safety expenditures increased $484,711 or 11% mainly due to an increase in personnel related costs and equipment costs.

Revenues for business-type activities decreased by $375,463 or 12% from the prior year due to solid waste charges being recognized in the general fund. Business-type expenses increased by $187,583 or 7% mainly due to an increase in ground water charges and infrastructure improvements.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The City's governmental funds reflect a combined fund balance of $15,527,473. At the end of the current year, $5,287,524 was unassigned, $2,006,745 was assigned for capital outlay of equipment and capital improvements, and $2,272,228 was assigned for 120 days' expenditures. Total restricted fund balance includes $5,757,738 for capital projects and $189,668 for other various purposes, and $13,570 was nonspendable for prepaid purposes.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was $5,313,366, while total fund balance reached $8,106,955. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 10 months of the general fund's expenditures. The general fund fund balance demonstrated an overall increase of $641,003 primarily due to an increase in revenue from charges for services and property and sales taxes.

The City's debt service fund had a deficit fund balance of $25,842, which was a decrease of $30,634.

Overall, there was an increase of $5,585,841 in the capital improvements fund due primarily to the new bonds issued during the fiscal year. The fund balance was $7,405,216.

The asset forfeiture fund had a fund balance of $19,054, which was an increase of $2,949.

The legacy fund had a fund balance of $22,090, which was an increase of $15,462 primarily due to an increase in donations received.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues exceeded budgeted revenues by $772,508 during the year. This net positive variance includes the positive variance of $155,783 for licenses and permit fees, $259,794 for sales taxes due to an increase in consumer spending, and $170,101 in interest income due to higher interest rates for investments. General fund expenditures were under the final budget by $431,817 mainly due to a positive variance of $189,291, $115,747 and $40,944 for the police department, public works, and general government, respectively. These positive variances are a result of incurring less costs for public safety and general government than expected.

CAPITAL ASSETS

At the end of the year, the City's had invested $49,785,818 in capital assets and infrastructure (net of accumulated depreciation). This represents an increase of $81,850 from the prior year.

Major capital asset events during the year included the following:

- Paving and utility improvements for $1,087,547
- Construction phase for new production well for $452,173
- Park improvement for $265,871
- Installation of advanced metering infrastructure for $1,011,750
- Purchase of three Police vehicles for $156,844

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

LONG-TERM DEBT

At the end of the current year, the City had total long-term debt outstanding of $22,610,000. Of this amount, $11,485,000 was general obligation bonds, $6,600,000 was certificate of obligation debt, and $4,525,000 was revenue bond debt.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Council approved of a $8.52 million budget for the 2019/2020 year. The property tax rate for 2019 was $0.425 per $100 of property valuation.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Michelle Yi, City Treasurer, Spring Valley Village City Hall, 1025 Campbell Road, Houston, Texas, 77055; telephone (713) 465-8308.

BASIC FINANCIAL STATEMENTS

City of Spring Valley Village, Texas

STATEMENT OF NET POSITION

September 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents:			
Unrestricted	$ 16,649,345	$ 4,198,814	$ 20,848,159
Restricted	188,402	443,928	632,330
Investments	212,019	-	212,019
Receivables, net	361,104	496,396	857,500
Due from other funds	858,205	(858,205)	-
Prepaid items	13,570	-	13,570
	18,282,645	4,280,933	22,563,578
Noncurrent assets:			
Nondepreciable capital assets	3,845,110	582,972	4,428,082
Net depreciable capital assets	37,096,370	8,261,366	45,357,736
	40,941,480	8,844,338	49,785,818
Total Assets	59,224,125	13,125,271	72,349,396
Deferred Outflows of Resources			
Deferred outflows - pensions	629,240	114,272	743,512
Deferred outflows - OPEB	6,478	1,146	7,624
Total Deferred Outflows of Resources	635,718	115,418	751,136
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	1,136,377	900,409	2,036,786
Accrued interests	72,748	8,186	80,934
Customer deposits	50,201	154,734	204,935
Long-term liabilities due within one year	905,886	304,867	1,210,753
	2,165,212	1,368,196	3,533,408
Noncurrent liabilities:			
Net pension liability	746,862	126,929	873,791
Total OPEB liability	105,534	18,584	124,118
Long-term liabilities due in more than one year	17,656,402	4,226,465	21,882,867
	18,508,798	4,371,978	22,880,776
Total Liabilities	20,674,010	5,740,174	26,414,184

City of Spring Valley Village, Texas

STATEMENT OF NET POSITION (Continued)

September 30, 2019

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Deferred Inflows of Resources			
Deferred inflows - pensions	$ 71,166	$ 11,980	$ 83,146
Deferred inflows - OPEB	13,104	2,109	15,213
	84,270	14,089	98,359
Net Position			
Net investment in capital assets	28,275,487	8,641,742	36,917,229
Restricted:			
Municipal court - child safety	77,460	-	77,460
Municipal court - security	56,815	-	56,815
Municipal court - technology	14,249	-	14,249
Debt service	-	358,408	358,408
Asset forfeitures	19,054	-	19,054
120 days' expenditures	2,272,228	-	2,272,228
Capital outlay and projects	2,006,745	85,520	2,092,265
Legacy fund	22,090	-	22,090
Unrestricted	6,357,435	(1,599,244)	4,758,191
Total Net Position	$ 39,101,563	$ 7,486,426	$ 46,587,989

See Notes to Financial Statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

		Program Revenues	
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**
Primary Government:			
Governmental Activities			
General government	$ 2,144,920	$ 680,365	$ -
Public safety	4,880,263	1,086,534	-
Public works	1,846,313	-	746,199
Interest and other charges on long-term debt	590,374	-	-
Total Governmental Activities	9,461,870	1,766,899	746,199
Business-Type Activities			
Water and sewer	2,982,655	2,676,454	-
Total Business-Type Activities	2,982,655	2,676,454	-
Total Primary Government	$ 12,444,525	$ 4,443,353	$ 746,199

General Revenues:

Taxes:

Property taxes

Sales taxes

Franchise fees

Investment income

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (1,464,555)	$ -	$ (1,464,555)
(3,793,729)	-	(3,793,729)
(1,100,114)	-	(1,100,114)
(590,374)	-	(590,374)
(6,948,772)	-	(6,948,772)
-	(306,201)	(306,201)
-	(306,201)	(306,201)
(6,948,772)	(306,201)	(7,254,973)
5,171,426	-	5,171,426
1,535,394	-	1,535,394
370,171	-	370,171
320,856	22,278	343,134
272,109	33,220	305,329
(1,095,543)	1,095,543	-
6,574,413	1,151,041	7,725,454
(374,359)	844,840	470,481
39,475,922	6,641,586	46,117,508
$ 39,101,563	$ 7,486,426	$ 46,587,989

City of Spring Valley Village, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2019

	General	Debt Service	Capital Improvements	Asset Forfeiture
Assets				
Cash and cash equivalents	$ 7,364,098	$ 10,169	$ 8,019,034	$ 19,054
Investments	212,019	-	-	-
Receivables, net	352,128	8,976	-	-
Due from other funds	858,261	15,519	118,822	-
Prepaid items	13,570	-	-	-
Restricted cash	188,402	-	-	-
Total Assets	$ 8,988,478	$ 34,664	$ 8,137,856	$ 19,054
Liabilities				
Accounts payable and accrued liabilities	$ 368,231	$ 35,506	$ 732,640	$ -
Deposits	50,201	-	-	-
Due to other funds	409,397	25,000	-	-
Total Liabilities	827,829	60,506	732,640	-
Deferred Inflows of Resources				
Unavailable revenue - property taxes	53,694	-	-	-
Fund Balances				
Nonspendable:				
Prepaids	13,570	-	-	-
Restricted:				
Municipal court - child safety	77,460	-	-	-
Municipal court - security	56,815	-	-	-
Municipal court - technology	14,249	-	-	-
Asset forfeitures	-	-	-	19,054
Legacy fund	-	-	-	-
Capital projects	-	-	5,757,738	-
Assigned:				
120 days' expenditures	2,272,228	-	-	-
Capital outlay and projects	359,267	-	1,647,478	-
Unassigned	5,313,366	(25,842)	-	-
Total Fund Balances	8,106,955	(25,842)	7,405,216	19,054
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 8,988,478	$ 34,664	$ 8,137,856	$ 19,054

See Notes to Financial Statements.

Legacy	Total Governmental Funds
$ 22,090	$ 15,434,445
-	212,019
-	361,104
-	992,602
-	13,570
-	188,402
$ 22,090	$ 17,202,142
$ -	$ 1,136,377
-	50,201
-	434,397
-	1,620,975
-	53,694
-	13,570
-	77,460
-	56,815
-	14,249
-	19,054
22,090	22,090
-	5,757,738
-	2,272,228
-	2,006,745
-	5,287,524
22,090	15,527,473
$ 22,090	$ 17,202,142

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City of Spring Valley Village, Texas

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

September 30, 2019

Total fund balances for governmental funds	$	15,527,473
Amounts reported for governmental activities in the Statement of Net Position are different, because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Capital assets, nondepreciable		3,845,110
Capital assets, net depreciable		37,096,370
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		53,694
Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.		1,514,900
Deferred outflows and deferred inflows related to pension and other post employment benefits activity are not reported in the governmental funds.		
Deferred outflows - pensions		629,240
Deferred outflows - OPEB		6,478
Deferred inflows - pensions		(71,166)
Deferred inflows - OPEB		(13,104)
Net pension liability		(746,862)
Total OPEB liability		(105,534)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest payable		(72,748)
Noncurrent liabilities due in one year		(905,886)
Noncurrent liabilities due in more than one year		(17,656,402)
Net Position of Governmental Activities	$	39,101,563

See Notes to Financial Statements.

City of Spring Valley Village, Texas

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

For the Year Ended September 30, 2019

	General	Debt Service	Capital Improvements	Asset Forfeiture
Revenues				
Property taxes	$ 4,269,760	$ 882,285	$ -	$ -
Sales taxes	1,535,394	-	-	-
Franchise fees	370,171	-	-	-
Fines and forfeitures	615,636	-	-	-
Licenses and permits	355,933	-	-	-
Charges for services	324,432	-	-	-
Hilshire police contract	470,898	-	-	-
Investment income	235,101	-	85,755	-
Intergovernmental	746,199	-	-	-
Other	113,867	-	-	2,949
Total Revenues	9,037,391	882,285	85,755	2,949
Expenditures				
Current:				
General government	1,849,486	-	-	-
Public safety	4,194,816	-	-	-
Public works	426,402	-	-	-
Capital outlay	-	-	2,117,640	-
Debt service:				
Principal	-	550,000	-	-
Interest and fiscal charges	-	473,072	108,729	-
Total Expenditures	6,470,704	1,023,072	2,226,369	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,566,687	(140,787)	(2,140,614)	2,949
Other Financing Sources (Uses)				
Debt issued	-	-	6,600,000	-
Premium	-	-	248,176	-
Transfers in	-	110,153	878,279	-
Transfers (out)	(1,932,884)	-	-	-
Sale of capital assets	7,200	-	-	-
Total Other Financing Sources (Uses)	(1,925,684)	110,153	7,726,455	-
Net Change in Fund Balances	641,003	(30,634)	5,585,841	2,949
Beginning fund balances	7,465,952	4,792	1,819,375	16,105
Ending Fund Balances	$ 8,106,955	$ (25,842)	$ 7,405,216	$ 19,054

See Notes to Financial Statements.

Legacy	Total Governmental Funds
$ -	$ 5,152,045
-	1,535,394
-	370,171
-	615,636
-	355,933
-	324,432
-	470,898
-	320,856
-	746,199
20,084	136,900
20,084	10,028,464
-	1,849,486
4,622	4,199,438
-	426,402
-	2,117,640
-	550,000
-	581,801
4,622	9,724,767
15,462	303,697
-	6,600,000
-	248,176
-	988,432
-	(1,932,884)
-	7,200
-	5,910,924
15,462	6,214,621
6,628	9,312,852
$ 22,090	$ 15,527,473

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City of Spring Valley Village, Texas

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

For the Year Ended September 30, 2019

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds	$	6,214,621
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital asset acquisitions and retirements		1,997,074
Depreciation expense		(2,078,924)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Net change in unavailable revenue - property taxes		19,381
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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Accrued interest expense		(26,789)
Premium on debt		(229,960)
Principal payment		(6,050,000)
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 the governmental funds.		
Compensated absences		(15,350)
Net pension liability		(822,020)
Total OPEB liability		8,546
Deferred outflows - pensions		680,712
Deferred outflows - OPEB		(1,590)
Deferred inflows - pensions		(33,874)
Deferred inflows - OPEB		(13,104)
An internal service fund is used by management to charge the costs of providing various services and benefits to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.		(23,082)
Change in Net Position of Governmental Activities	$	(374,359)

See Notes to Financial Statements.

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City of Spring Valley Village, Texas

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2019

	Business-Type Activities	Governmental Activities
	Enterprise	Internal Service
Assets		
Current Assets		
Cash and cash equivalents	$ 4,198,814	$ 1,214,900
Restricted cash	443,928	-
Receivables, net	496,396	-
Due from general fund	-	300,000
Total Current Assets	5,139,138	1,514,900
Noncurrent Assets		
Nondepreciable capital assets	582,972	-
Net depreciable capital assets	8,261,366	-
Total Capital Assets Net of Depreciable Assets	8,844,338	-
Total Noncurrent Assets	8,844,338	-
Total Assets	13,983,476	1,514,900
Deferred Outflows of Resources		
Deferred outflows - pensions	114,272	-
Deferred outflows - OPEB	1,146	-
Total Deferred Outflows of Resources	115,418	-
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	900,409	-
Due to other funds	858,205	-
Customer deposits	154,734	-
Accrued interest payable	8,186	-
Long-term liabilities due within one year	304,867	-
Total Current Liabilities	2,226,401	-
Noncurrent Liabilities		
Net pension liability	126,929	-
Total OPEB liability	18,584	-
Long-term liabilities due in more than one year	4,226,465	-
Total Noncurrent Liabilities	4,371,978	-
Total Liabilities	6,598,379	-
Deferred Inflows of Resources		
Deferred inflows - pensions	11,980	-
Deferred inflows - OPEB	2,109	-
Total Deferred Inflows of Resources	14,089	-
Net Position		
Net investment in capital assets	8,641,742	-
Restricted for capital projects	85,520	-
Restricted for debt service	358,408	-
Unrestricted	(1,599,244)	1,514,900
Total Net Position	$ 7,486,426	$ 1,514,900

See Notes to Financial Statements.

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City of Spring Valley Village, Texas

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

For the Year Ended September 30, 2019

	Business-Type Activities	Governmental Activities
	Enterprise	**Internal Service**
Operating Revenues		
Water charges	$ 1,463,906	$ -
Sewer charges	1,212,548	-
Charges for services	-	108,018
Other	33,220	-
Total Operating Revenues	2,709,674	108,018
Operating Expenses		
General and administrative	693,227	3,406
Water	749,568	-
Sewer	820,952	-
Depreciation	536,084	-
Total Operating Expenses	2,799,831	3,406
Operating Income (Loss)	(90,157)	104,612
Nonoperating Revenues (Expenses)		
Investment earnings	22,278	23,397
Interest expense	(182,824)	-
Total Nonoperating Income (Expenses)	(160,546)	23,397
Income (Loss) Before Transfers	(250,703)	128,009
Transfers in	1,095,543	61,409
Transfers (out)	-	(212,500)
Change in Net Position	844,840	(23,082)
Beginning net position	6,641,586	1,537,982
Ending Net Position	$ 7,486,426	$ 1,514,900

See Notes to Financial Statements.

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City of Spring Valley Village, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended September 30, 2019

	Business-Type Activities	Governmental Activities
	Enterprise	Internal Service
Cash Flows from Operating Activities		
Receipts from customers	$ 2,711,890	$ 108,018
Payments to suppliers	(19,381)	(3,406)
Payments to employees	(672,896)	-
Net Cash Provided by Operating Activities	2,019,613	104,612
Cash Flows from Noncapital Financing Activities		
Transfers in (out)	1,095,543	(151,091)
Net Cash Provided by Noncapital Financing Activities	1,095,543	(151,091)
Cash Flows from Capital and Related Financing Activities		
Bonds issuance	2,500,000	-
Capital purchases	(1,596,634)	-
Interest and fiscal agent fees paid	(182,824)	-
Debt payments	(285,000)	-
Net Cash (Used) by Capital and Related Financing Activities	435,542	-
Cash Flows from Investing Activities		
Interest on investments	22,278	23,397
Net Cash Provided by Investing Activities	22,278	23,397
Net Increase (Decrease) in Cash and Cash Equivalents	3,572,976	(23,082)
Beginning cash and cash equivalents	1,069,766	1,237,982
Ending Cash and Cash Equivalents	$ 4,642,742	$ 1,214,900
Ending Cash and Cash Equivalents		
Unrestricted cash and cash equivalents	$ 4,198,814	$ 1,214,900
Restricted cash and cash equivalents	443,928	-
	$ 4,642,742	$ 1,214,900
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	$ (90,157)	$ 104,612
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	536,084	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts receivable	1,706	-
Deferred outflows - pensions	(77,274)	-
Deferred outflows - OPEB	266	-
Net pension asset	(5,339)	-
Increase (Decrease) in:		
Accounts payable and accrued liabilities	1,550,215	-
Net pension liability	126,929	-
Total OPEB liability	(1,375)	-
Deferred inflows - pensions	(24,985)	-
Deferred inflows - OPEB	2,109	
Compensated absences	924	-
Customer deposits	510	-
Net Cash Provided by Operating Activities	$ 2,019,613	$ 104,612

See Notes to Financial Statements.

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Spring Valley Village, Texas (the "City") was incorporated under the laws of the State of Texas in 1955. The City operates as a "General Law" city, which provides for a "Mayor-Council" form of government.

The City provides the following services: public safety, park, streets, sanitation, water and sewer services, and general administration.

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

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

Blended Component Unit

<u>Spring Valley Legacy Fund, Inc.</u>

The Spring Valley Legacy Fund, Inc. (the "Corporation") has been included in the reporting entity as a blended component unit. The Corporation was established to allow the City to receive private and corporate donations to be used solely to benefit the Spring Valley Police Department. The Board of Directors consists of six members, all members of the City Council, for terms of office coinciding with their respective terms of office with the City, plus one appointed individual.

The component unit identified above is included in the City's reporting entity because of the significance of its operational or financial relationships with the City. The City appoints a majority of the Corporation's Board and is either able to impose its will on it or a financial benefit/burden exists.

Complete financial statements of the Corporation can be obtained directly from administrative offices of the City.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government. *Governmental activities*, which are normally 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.

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation – Fund Financial Statements

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

The City reports the following governmental funds:

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

The *debt service fund* is used to account for the payment of interest and principal on all long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *capital improvements fund* is used to account for the expenditures related to capital projects through resources accumulated from various internal transfers and bond financing. The capital improvements fund is considered a major fund for reporting purposes.

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The asset forfeiture fund holds monies seized by the police department to be used for public safety and security. The City has elected to report the asset forfeiture fund as a major fund for reporting purposes. The *legacy fund* is used solely to benefit the Spring Valley Police Department. The primary source of revenue for legacy fund is from private and corporate donations. The City has elected to report the legacy fund as a major fund for reporting purposes.

The City reports the following enterprise fund:

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

Additionally, the City reports the following fund type:

The *internal service* fund is used to account for services provided to other departments or agencies of the primary government, or to other governments, on a cost reimbursement basis. The internal service fund is used to account for vehicle and equipment replacement.

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

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

E. Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

1. Cash and Cash Equivalents

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

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

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pool operates in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

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

Direct obligations of the U.S. Government or U.S. Government agencies
Fully collateralized certificates of deposit
Money market mutual funds that meet certain criteria
Bankers' acceptances
Statewide investment pools

3. Inventories and Prepaid Items

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

4. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements. Restricted assets of the enterprise fund are restricted by bond covenants for repayment of debt and to finance construction projects

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with the construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

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

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful years:

Asset Description	Estimated Useful Life
Vehicles	5 years
Furniture and fixtures	4-8 years
Infrastructure	40 years
Machinery and equipment	4-8 years
Water and sewer system	20-40 years
Buildings	40 years

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.

At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

7. Compensated Employee Absences

The City maintains formal programs for vacation and sick leave. Vacation pay is calculated six months from the date of employment and is cumulative up to 80 hours for employees with less than five years of service and 120 hours for employees with more than five years of service. According to policy, 40 hours may carry over at year end if no exceptions are made. Sick leave is accumulated up to 240 hours but does not vest.

8. Long-Term Obligations

In the government-wide financial statements and 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

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

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

9. Net Position Flow Assumption

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

10. Fund Balance Flow Assumptions

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

11. Fund Balance Policies

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

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

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

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

The City will strive to achieve and maintain an unassigned fund balance in the general fund equal to at least 120 days of budgeted operating expenditures. If the unassigned fund balance falls below the target or has a deficiency, the City will seek to reduce expenditures prior to increasing revenues in order to replenish the fund balance within a reasonable time frame not to exceed three years.

12. Estimates

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

13. Pensions

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

14. Other Postemployment Benefits

The City participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the City's yearly contributions for retirees.

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

Property taxes are levied during September of each year, are due upon receipt of the City's tax bill, and become delinquent on February 1 of the following year. The City's tax lien exists from January 1 (the assessment date) each year until the taxes are paid. The penalties and interest accumulate on the unpaid accounts until July 1, at which time the delinquent accounts are turned over to the tax attorney for legal action.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control is the object and purpose stated in the approved budget.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2019, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
External invesment pool (TexPool)	$ 16,032,736	0.00
Certificates of deposit	212,019	0.21
Total Investments	$ 16,244,755	
Portfolio Weighted Average Maturity		0.01

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. State law and the City's investment policy limits investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. Further, commercial paper must be rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies. As of year end, the City's investment in TexPool was rated "AAAm" by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States government or the issuing U.S. agency.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities with a collective market value of at least 102 percent. As of September 30, 2019, market values of pledged securities and FDIC coverage exceeded bank balances.

TexPool

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

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, and diversification requirements within TexPool. TexPool transacts at a net asset value of $1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

B. Receivables

The following comprises receivable balances at year end:

	General	Debt Service	Enterprise
Property taxes	$ 54,419	$ 8,976	$ -
Other taxes	297,709	-	-
Accounts	-	-	523,596
Less allowance	-	-	(27,200)
Total	$ 352,128	$ 8,976	$ 496,396

C. Capital Assets

A summary of changes in capital assets for the year end is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 1,966,307	$ -	$ -	$ 1,966,307
Construction in progress	335,909	1,560,956	(18,062)	1,878,803
Total Capital Assets Not Being Depreciated	2,302,216	1,560,956	(18,062)	3,845,110
Other capital assets:				
Infrastructure	55,299,045	124,485	-	55,423,530
Buildings	8,281,188	-	-	8,281,188
Furniture and fixtures	1,917,695	172,851	-	2,090,546
Machinery and equipment	693,335	-	-	693,335
Vehicles	921,030	156,844	(73,694)	1,004,180
Total Other Capital Assets	67,112,293	454,180	(73,694)	67,492,779
Less accumulated depreciation for:				
Infrastructure	(26,333,820)	(1,385,650)	-	(27,719,470)
Buildings	(422,364)	(206,590)	-	(628,954)
Furniture and fixtures	(537,935)	(273,187)	-	(811,122)
Machinery and equipment	(529,530)	(55,808)	-	(585,338)
Vehicles	(567,530)	(157,689)	73,694	(651,525)
Total Accumulated Depreciation	(28,391,179)	(2,078,924)	73,694	(30,396,409)
Other capital assets, net	38,721,114	(1,624,744)	-	37,096,370
Governmental Activities Capital Assets, Net	$ 41,023,330	$ (63,788)	$ (18,062)	40,941,480
		Less associated debt		(18,423,731)
		Unspent bond proceeds		5,757,738
		Net Investment in Capital Assets		$ 28,275,487

Depreciation was charged to governmental functions as follows:

General government	$ 321,573
Public safety	344,529
Public works	1,412,822
Total Governmental Activities Depreciation Expense	$ 2,078,924

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

	Beginning Balance	Increases	(Decreases)	Ending Balance
Business-Type Activities				
Capital assets not being depreciated:				
Land	$ 5,207	$ -	$ -	$ 5,207
Construction in progress	125,592	452,173	-	577,765
Total Capital Assets Not Being Depreciated	130,799	452,173	-	582,972
Other capital assets:				
Building	44,708	-	-	44,708
Infrastructure	26,892	-	-	26,892
Water system	9,405,792	1,250,292	(117,831)	10,538,253
Sewer system	5,741,776	12,000	-	5,753,776
Vehicles	45,895	-	-	45,895
Machinery and equipment	214,287	-	-	214,287
Total Other Capital Assets	15,479,350	1,262,292	(117,831)	16,623,811
Less accumulated depreciation for:				
Building	(32,836)	(639)	-	(33,475)
Infrastructure	(7,395)	(672)	-	(8,067)
Water system	(5,139,964)	(342,832)	-	(5,482,796)
Sewer system	(2,457,184)	(171,986)	-	(2,629,170)
Vehicles	(45,894)	-	-	(45,894)
Machinery and equipment	(143,088)	(19,955)	-	(163,043)
Total Accumulated Depreciation	(7,826,361)	(536,084)	-	(8,362,445)
Other capital assets, net	7,652,989	726,208	(117,831)	8,261,366
Business-Type Activities Capital Assets, Net	$ 7,783,788	$ 1,178,381	$ (117,831)	8,844,338
		Less associated debt		(2,125,000)
		Unspent bond proceeds		1,922,404
		Net Investment in Capital Assets		$ 8,641,742

Depreciation was charged to business-type functions as follows:

Water	$ 364,098
Sewer	171,986
Total Business-Type Activities Depreciation Expense	$ 536,084

D. Long-Term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance		Amounts Due Within One Year
Governmental Activities:						
General obligation bonds, series 2015	$ 12,035,000	$ -	$ (550,000)	$ 11,485,000	*	$ 565,000
Certificates of obligation, series 2019	-	6,600,000	-	6,600,000	*	230,000
Premiums	108,771	248,176	(18,216)	338,731	*	-
Net pension liability (asset)	(75,158)	822,020	-	746,862		-
Total OPEB liability	114,080	-	(8,546)	105,534		-
Compensated absences	123,207	106,486	(91,136)	138,557		110,886
Total Governmental Activities	$ 12,305,900	$ 7,776,682	$ (667,898)	$ 19,414,684		$ 905,886
Long-term liabilities due in more than one year				$ 18,508,798		
*** Debt associated with governmental activities capital assets**				$ 18,423,731		

	Beginning Balance	Additions	Reductions	Ending Balance		Amounts Due Within One Year
Business-Type Activities:						
Revenue bonds, series 2014 from direct borrowings and direct placements	$ 2,310,000	$ -	$ (185,000)	$ 2,125,000	*	$ 190,000
Revenue bonds, series 2018 from direct borrowings and direct placements	-	2,500,000	(100,000)	2,400,000	*	110,000
Net pension liability (asset)	(5,339)	132,268	-	126,929		-
Total OPEB liability	19,959	-	(1,375)	18,584		-
Compensated absences	5,408	10,645	(9,721)	6,332		4,867
Total Business-Type Activities	$ 2,330,028	$ 2,642,913	$ (296,096)	$ 4,676,845		$ 304,867
Long-term liabilities due in more than one year				$ 4,371,978		
*** Debt associated with business-type activities capital assets**				$ 4,525,000		

In February 2019 the City issued Tax and Revenue Certificates of Obligation, Series 2019 (the "Certificates") in the amount of $6,600,000 for construction of improvements to the City's streets and roadways, and for the purchase of materials, supplies, machinery, land, and rights-of-way related thereto. The Certificates will mature on February 15, 2039 and have interest rates that range from 3 percent to 4 percent.

In November 2018 the City also issued Revenue Bonds, Series 2018 (the "Bonds") in the amount of $2,500,000 for improvements and expansions to the waterworks and sewer system. The Bonds will mature on August 15, 2038 and have interest rates that range from 1.21 percent to 2.61 percent.

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds.

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

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

		Amounts Outstanding	Interest Rates	Maturity Interest Pmt. Dates
General Obligation Bonds				
Series 2015	$	11,485,000	2.00% - 3.89%	Feb 15, Aug 15
Certificates of Obligation				
Series 2019		6,600,000	3.00% - 4.00%	Feb 15, Aug 15
Total Bonds and Certificates of Obligation	$	18,085,000		

Long-term debt for business-type activities at year end was comprised of the following debt issues:

		Amounts Outstanding	Interest Rates	Maturity Interest Pmt. Dates
Revenue Bonds				
Series 2014	$	2,125,000	2.63%	Feb 15, Aug 15
Series 2018		2,400,000	1.21% - 2.61%	Feb 15, Aug 15
Total Bonds	$	4,525,000		

Pledged Revenues

The net revenue of the enterprise fund is for the payment of interest and principal on the outstanding revenue bonds, series 2014. The revenue bonds were issued for the purpose of improving and extending the City's water and sanitary sewer system and are payable through 2038. The table below represents the pledged amount at September 30, 2019:

Gross Revenue (1)	Operating Expenses (2)	Net Revenue	Debt Service Requirement (3)	Revenue Bond Coverage (4)
$ 2,731,952	$ 2,263,747	$ 468,205	$ 404,339	1.16

(1) Gross revenues as defined in the revenue bond ordinance include operating and nonoperating revenue and exclude capital contributions, grant revenues, and capital recovery fees.

(2) Total operating expenses as defined in the revenue bond ordinance do not include amortization, bond interest, and fiscal charges.

(3) Debt service requirements are based on the expected debt service pays for the following fiscal year.

(4) The 2014 and 2018 bond series' net revenue amount shall be at least equal to or greater than 1.1 times.

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

Fiscal Year Ending Sept. 30	Governmental Activities General Obligation Bonds Principal Due	Interest Due	Total Due
2020	$ 565,000	$ 345,369	$ 910,369
2021	585,000	325,294	910,294
2022	600,000	307,519	907,519
2023	620,000	289,219	909,219
2024	640,000	270,319	910,319
2025-2029	3,505,000	1,047,019	4,552,019
2030-2034	4,075,000	474,516	4,549,516
2035-2039	895,000	14,544	909,544
Total	$ 11,485,000	$ 3,073,799	$ 14,558,799

Fiscal Year Ending Sept. 30	Governmental Activities Certificates of Obligation Principal Due	Interest Due	Total Due
2020	$ 230,000	$ 220,713	$ 450,713
2021	240,000	211,313	451,313
2022	250,000	201,513	451,513
2023	260,000	191,313	451,313
2024	270,000	180,713	450,713
2025-2029	1,510,000	736,515	2,246,515
2030-2034	1,770,000	476,646	2,246,646
2035-2039	2,070,000	172,250	2,242,250
Total	$ 6,600,000	$ 2,390,976	$ 8,990,976

Fiscal Year Ending Sept. 30	Business-Type Activities Revenue Bonds (Direct borrowing/placement) Principal Due	Interest Due	Total Due
2020	$ 300,000	$ 104,339	$ 404,339
2021	305,000	97,912	402,912
2022	310,000	91,277	401,277
2023	320,000	84,433	404,433
2024	325,000	77,305	402,305
2025-2029	1,725,000	271,571	1,996,571
2030-2034	655,000	119,902	774,902
2035-2038	585,000	37,651	622,651
Total	$ 4,525,000	$ 884,390	$ 5,409,390

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

Federal Arbitrage

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

E. Interfund Transactions

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

Transfer In	Transfer Out	Amount
Internal service fund	General fund	$ 61,409
Utility fund	General fund	883,043
Capital improvements fund	General fund	878,279
Debt service fund	General fund	110,153
Utility fund	Capital improvements fund	212,500
	Total	$ 2,145,384

Amounts recorded as "due to/from" are considered to be temporary loans and will be repaid during the following year.

Receivable Fund	Payable Fund	Amount
Internal service fund	General fund	$ 300,000
Capital improvements fund	General fund	93,822
Debt service fund	General fund	15,519
General fund	Utility fund	858,205
Capital improvements fund	Debt service fund	25,000
	Total	$ 1,292,546

F. Fund Equity

Funds restricted by enabling legislation are $134,275, which are related to municipal court security and child safety fees.

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at a group rate for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by 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 TMRS with a six-member Board of Trustees (the “Board”). 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 that can be obtained at www.tmrs.com.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the City-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven 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 percent of the member’s deposits and interest.

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

	2019	2018
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility		
(expressed as age/yrs of service)	60/5, 0/25	60/5, 0/25
Updated service credit	0%	0%
Annuity increase (to retirees)	0% of CPI	0% of CPI

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	35
Inactive employees entitled to, but not yet receiving, benefits	22
Active employees	40
Total	97

Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 7.18% and 6.89% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2019 were $209,511 and were equal to the required contributions.

Net Pension Liability

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

Actuarial Assumptions

The TPL in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with 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 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 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 are summarized in the following table:

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

Discount Rate

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

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	**Plan Fiduciary Net Position (B)**	**Net Pension Liability/(Asset) (A) - (B)**
Changes for the year:			
Service cost	$ 366,289	$ -	$ 366,289
Interest	730,507	-	730,507
Changes in curent period benefits	-	-	-
Difference between expected and actual experience	(81,620)	-	(81,620)
Changes in assumptions	-	-	-
Contributions - employer	-	201,221	(201,221)
Contributions - employee	-	196,176	(196,176)
Net investment income	-	(329,801)	329,801
Benefit payments, including refunds of employee contributions	(583,816)	(583,816)	-
Administrative expense	-	(6,375)	6,375
Other changes	-	(333)	333
Net Changes	431,360	(522,928)	954,288
Balance at December 31, 2017	10,931,085	11,011,582	(80,497)
Balance at December 31, 2018	$ 11,362,445	$ 10,488,654	$ 873,791

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	**Discount Rate (6.75%)**	**1% Increase in Discount Rate (7.75%)**
City's Net Pension Liability	$ 2,238,146	$ 873,791	$ (266,099)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

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

For the fiscal year ended September 30, 2019, the City recognized pension expense of $415,390.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 83,146
Changes in actuarial assumptions	13,753	-
Difference between projected and actual investment earnings	568,793	-
Contributions subsequent to the measurement date	160,966	-
Total	$ 743,512	$ 83,146

$160,966 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase to the NPL for the fiscal year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30	Pension Expense
2020	$ 177,867
2021	50,826
2022	56,092
2023	214,615
Thereafter	-
Total	$ 499,400

D. Other Postemployment Benefits

TMRS Supplemental Death Benefits

Plan Description

The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75. *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TMRS Act requires the PTF to allocate a 5% interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

Benefits

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 OPEB and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

Participation in the SDBF as of December 31, 2018 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to, but not yet receiving, benefits	6
Active employees	40
Total	68

Total OPEB Liability

The City's total OPEB liability of $124,118 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 10.50% including inflation
Discount rate*	3.71%
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB Statement No. 68.
Mortality - 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 - disabled 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.

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.

Changes in the Total OPEB Liability

		Total OPEB Liability
Changes for the year:		
Service cost	$	5,325
Interest		4,506
Change of benefit terms		-
Difference between expected and actual experience		(9,783)
Changes of assumptions		(8,848)
Benefit payments		(1,121)
Net Changes		(9,921)
Balance at December 31, 2017		134,039
Balance at December 31, 2018	$	124,118

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.71%)	Discount Rate (3.71%)	1% Increase (4.71%)
City's Total OPEB Liability	$ 148,064	$ 124,118	$ 105,375

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

For the year ended September 30, 2019, the City recognized OPEB expense of $8,352. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 7,988
Changes in actuarial assumptions	6,690	7,225
Contributions subsequent to the measurement date	934	-
Total	$ 7,624	$ 15,213

$934 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the of total OPEB liability for the fiscal year ending September 30, 2020.

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

Year Ended September 30	OPEB Expense Amount
2020	$ (1,479)
2021	(1,479)
2022	(1,479)
2023	(2,545)
2024	(1,541)
Thereafter	-
Total	$ (8,523)

E. Revenue Allocation Agreement

Effective October 1, 2014, the City entered into an amended Congestion Mitigation/Traffic Management Agreement (the "Agreement") with METRO, which continues through December 31, 2025, unless terminated earlier per the provisions of the Agreement. Under the terms of the Agreement, the City will receive periodic payments in amounts equal to one-half of all available sales and use tax revenues collected by or for METRO within the corporate limits of the City. The City may utilize the funds for traffic-related projects and costs. The funds are accounted for in the general fund.

F. Related Organizations and Joint Ventures

Fire Protection

The City has entered into an interlocal agreement (the "Agreement") with the cities of Bunker Hill Village, Hedwig Village, Hunters Creek Village, Piney Point Village, and Hilshire Village, Texas, to create the Village Fire Department (VFD). The Agreement automatically renews for a period of five years unless terminated by at least one of the contracting cities. Under the terms of this Agreement, the City is liable for 16.25% of VFD's approved budget.

Consolidated financial information extracted from the VFD's audited financial statements for the year ended December 31, 2018, on which the VFD's auditors expressed an unmodfied opinion, is as follows:

	VFD Total		City's Portion (16.25%)	
	Net Position	**Balance Sheet**	**Net Position**	**Balance Sheet**
Total assets and deferred outflows	$ 3,589,646	$ 1,034,467	$ 583,317	$ 168,100
Total liabilities and deferred inflows	1,773,076	223,076	288,125	36,250
Total Participants' Equity	$ 1,816,570	$ 811,391	$ 295,192	$ 131,850
	Change in Net Position	**Revenues and Expenditures**	**Change in Net Position**	**Revenues and Expenditures**
Total revenues	$ 6,336,038	$ 6,171,896	$ 1,029,606	$ 1,002,933
Total expenditures/expenses	6,069,323	5,857,505	986,265	951,845
Revenues (under) expenditures/expenses	266,715	314,391	43,341	51,089
Other financing sources	-	164,142	-	26,673
Beginning participants' equity	1,549,855	332,858	251,851	54,088
Ending Participants' Equity	$ 1,816,570	$ 811,391	$ 295,192	$ 131,850
Unfunded Actuarial Accrued				
Liability at 12/31/18 with TMRS - Pension	$ 164,746		$ 26,771	
Liability at 12/31/18 with TMRS - OPEB	$ 142,870		$ 23,216	

G. Prior Period Adjustment

Beginning net position for governmental and business-type activities and beginning fund balance for the capital improvements fund were restated to recognize an adjustment for accounts payable.

	Capital Improvements	Governmental Activities	Business-Type Activities
Beginning fund balance/net position reported	$ 1,580,379	$ 39,236,926	$ 6,602,451
Prior year accounts payable adjustment	238,996	238,996	39,135
Restated Beginning Fund Balance/Net Position	$ 1,819,375	$ 39,475,922	$ 6,641,586

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Spring Valley Village, Texas

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

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 4,378,867	$ 4,378,867	$ 4,269,760	$ (109,107)
Sales taxes	1,275,600	1,275,600	1,535,394	259,794
Franchise fees	352,267	352,267	370,171	17,904
Fines and forfeitures	482,800	482,800	615,636	132,836
Licenses and permits	200,150	200,150	355,933	155,783
Charges for services	310,000	310,000	324,432	14,432
Hilshire police contract	470,898	470,898	470,898	-
Investment income	65,000	65,000	235,101	170,101
Intergovernmental	630,000	630,000	746,199	116,199
Other	99,301	99,301	113,867	14,566
Total Revenues	8,264,883	8,264,883	9,037,391	772,508
Expenditures				
General government				
Mayor and council	8,520	8,520	7,354	1,166
General government	795,183	795,183	754,239	40,944
Contractual and city-wide	773,367	773,367	725,990	47,377
Municipal court	298,422	306,922	275,967	30,955
Parks and recreation	91,073	92,272	85,936	6,336
Total general government	1,966,565	1,976,264	1,849,486	126,778
Public safety				
Police	3,385,094	3,370,094	3,180,803	189,291
Fire	987,394	1,014,014	1,014,013	1
Total public safety	4,372,488	4,384,108	4,194,816	189,292
Public works				
Streets and drainage	542,149	542,149	426,402	115,747
Total Expenditures	6,881,202	6,902,521	6,470,704	431,817
Excess of Revenues Over Expenditures	1,383,681	1,383,681	2,566,687	340,691
Other Financing Sources (Uses)				
Transfers (out)	(2,349,882)	(2,855,448)	(1,932,884)	922,564
Sale of capital assets	15,000	15,000	7,200	(7,800)
Total Other Financing (Uses)	(2,334,882)	(2,840,448)	(1,925,684)	914,764
Net Change in Fund Balance	$ (951,201)	$ (1,478,086)	641,003	$ 2,119,089
Beginning fund balance			7,465,952	
Ending Fund Balance			$ 8,106,955	

Notes to Required Supplementary Information:

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

CITY OF SPRING VALLEY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2019

	Measurement Year*			
	2018	**2017**	**2016**	**2015**
Total Pension Liability				
Service cost	$ 366,289	$ 355,629	$ 345,789	$ 317,389
Interest (on the total pension liability)	730,507	698,883	675,456	647,576
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(81,620)	(10,553)	(69,514)	(239)
Change of assumptions	-	-	-	275,713
Benefit payments, including refunds of employee contributions	(583,816)	(577,758)	(641,405)	(356,533)
Net Change in Total Pension Liability	431,360	466,191	310,326	883,906
Beginning total pension liability	10,931,085	10,464,894	10,154,568	9,270,662
Ending Total Pension Liability	$ 11,362,445	$ 10,931,085	$ 10,464,894	$ 10,154,568
Plan Fiduciary Net Position				
Contributions - employer	$ 201,221	$ 201,756	$ 155,593	$ 164,572
Contributions - employee	196,176	188,306	179,431	175,076
Net investment income	(329,801)	1,364,168	643,013	14,056
Benefit payments, including refunds of employee contributions	(583,816)	(577,768)	(641,405)	(356,533)
Administrative expense	(6,375)	(7,070)	(7,261)	(8,561)
Other	(333)	(358)	(391)	(423)
Net Change in Plan Fiduciary Net Position	(522,928)	1,169,034	328,980	(11,813)
Beginning plan fiduciary net position	11,011,582	9,842,548	9,513,568	9,525,381
Ending Plan Fiduciary Net Position	$ 10,488,654	$ 11,011,582	$ 9,842,548	$ 9,513,568
Net Pension Liability/(Asset)	$ 873,791	$ (80,497)	$ 622,346	$ 641,000
Plan Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)	92.31%	100.74%	94.05%	93.69%
Covered Payroll	$ 2,802,521	$ 2,690,083	$ 2,563,301	$ 2,501,093
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	31.18%	(2.99%)	24.28%	25.63%

*Only five years of information is currently available. The City will build this schedule over the next five-year period.

Measurement Year*
2014
$ 262,594
612,560
-
(49,336)
-
(349,425)
476,393
8,794,269
$ 9,270,662
$ 168,939
161,113
516,782
(349,425)
(5,396)
(444)
491,569
9,033,812
$ 9,525,381
$ (254,719)
102.75%
$ 2,301,618
(11.07%)

City of Spring Valley, Texas

SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2019

	Fiscal Year*			
	2019	**2018**	**2017**	**2016**
Actuarially determined contribution	$ 209,511	$ 195,848	$ 194,112	$ 167,012
Contributions in relation to the actuarially determined contribution	209,511	195,848	194,112	167,012
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 3,012,340	$ 2,711,205	$ 2,691,643	$ 2,690,588
Contributions as a percentage of covered payroll	6.96%	7.22%	7.21%	6.21%

*Only six years of information is currently available. The City will build this schedule over the next four-year period.

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. 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	3.5% to 10.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 103% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

There were no benefit changes during the year.

Fiscal Year*	
2015	2014
$ 164,572	$ 168,939
164,572	168,939
$ -	$ -
$ 2,501,093	$ 2,301,618
6.58%	7.34%

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City of Spring Valley, Texas

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2019

	Measurement Year*	
	2018	**2017**
Total Pension Liability		
Service cost	$ 5,325	$ 4,573
Interest (on the total OPEB liability)	4,506	4,429
Changes of benefit terms	-	-
Difference between expected and actual experience	(9,783)	-
Change of assumptions	(8,848)	10,568
Benefit payments**	(1,121)	(807)
Net Change in Total Pension Liability	(9,921)	18,763
Beginning total pension liability	134,039	115,276
Ending Total Pension Liability	$ 124,118	$ 134,039
Covered Payroll	$ 2,802,521	$ 2,690,083
Total OPEB Liability as a Percentage of Covered Payroll	4.43%	4.98%

* Only two years of information is currently available. The City will build this schedule over the next eight-year period.
** Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated being equal to the employer's yearly contributions for retirees.

Notes to Required Supplementary Information:

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
Inflation	2.5%
Salary increases	3.5% to 10.5% including inflation
Discount rate	3.71%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.
Mortality - 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 - disabled 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.

Other Information:

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

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

Changes in assumptions is the annual change in the municipal bond index rate.

There were no benefit changes during the year.

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SUPPLEMENTARY INFORMATION

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CITY OF SPRING VALLEY VILLAGE, TEXAS

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

For the Year Ended September 30, 2019

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 915,668	$ 915,668	$ 882,285	$ (33,383)
Total Revenues	915,668	915,668	882,285	(33,383)
Expenditures				
Principal	1,090,000	1,090,000	550,000	540,000
Interest and fiscal charges	742,919	742,919	473,072	269,847
Total Expenditures	1,832,919	1,832,919	1,023,072	809,847
(Deficiency) of Revenues (Under) Expenditures	(917,251)	(917,251)	(140,787)	(843,230)
Other Financing Sources (Uses)				
Transfers in	920,000	920,000	110,153	(809,847)
Total Other Financing Sources	920,000	920,000	110,153	(809,847)
Net Change in Fund Balance	$ 2,749	$ 2,749	(30,634)	$ (33,383)
Beginning fund balance			4,792	
Ending Fund Balance			$ (25,842)	

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STATISTICAL SECTION

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

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City of Spring Valley Village, Texas

NET POSITION BY COMPONENT

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Governmental Activities				
Net investment in capital assets	$ 20,112,126	$ 20,562,889	$ 23,227,286	$ 25,437,372
Restricted	791,523	720,777	75,118	121,848
Unrestricted	5,784,809	6,582,772	5,825,609	5,065,577
Total Governmental Activities Net Position	$ 26,688,458	$ 27,866,438	$ 29,128,013	$ 30,624,797
Business-Type Activities				
Net investment in capital assets	$ 8,194,572	$ 7,822,043	$ 7,416,956	$ 7,201,090
Restricted	-	-	-	-
Unrestricted	(1,226,981)	(744,008)	(364,877)	(259,161)
Total Business-Type Activities Net Position	$ 6,967,591	$ 7,078,035	$ 7,052,079	$ 6,941,929
Primary Government				
Net investment in capital assets	$ 28,306,698	$ 28,384,932	$ 30,644,242	$ 32,638,462
Restricted	791,523	720,777	75,118	121,848
Unrestricted	4,557,828	5,838,764	5,460,732	4,806,416
Total Primary Government Net Position	$ 33,656,049	$ 34,944,473	$ 36,180,092	$ 37,566,726

Fiscal Year					
2014	**2015**	**2016**	**2017**	**2018**	**2019**
$ 24,859,774	$ 25,354,855	$ 26,621,889	$ 28,189,939	$ 28,879,559	$ 28,275,487
150,437	154,588	160,271	4,924,112	4,371,682	4,468,641
7,973,362	9,970,921	9,662,867	4,707,722	5,985,685	6,357,435
$ 32,983,573	$ 35,480,364	$ 36,445,027	$ 37,821,773	$ 39,236,926	$ 39,101,563
$ 7,484,141	$ 6,429,975	$ 6,446,443	$ 5,764,333	$ 5,057,352	$ 8,641,742
1,612,394	1,004,614	965,480	871,778	331,411	443,928
(2,241,483)	(963,461)	(1,042,151)	(328,932)	1,213,688	(1,599,244)
$ 6,855,052	$ 6,471,128	$ 6,369,772	$ 6,307,179	$ 6,602,451	$ 7,486,426
$ 32,343,915	$ 31,784,830	$ 33,068,332	$ 33,954,272	$ 33,936,911	$ 36,917,229
150,437	1,159,202	1,125,751	5,795,890	4,703,093	4,912,569
5,731,879	9,007,460	8,620,716	4,378,790	6,157,050	4,758,191
$ 38,226,231	$ 41,951,492	$ 42,814,799	$ 44,128,952	$ 45,839,377	$ 46,587,989

City of Spring Valley Village, Texas

CHANGES IN NET POSITION

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental activities				
General government	$ 1,211,535	$ 1,225,535	$ 1,229,504	$ 1,590,735
Public safety	2,906,948	2,837,702	2,786,639	2,648,646
Public works	1,270,439	1,164,949	1,324,918	1,153,278
Interest and fiscal agent fees	19,261	-	-	-
Total Governmental Activities Expenses	5,408,183	5,228,186	5,341,061	5,392,659
Business-Type Activities				
Water, sewer, and solid waste	2,344,054	2,635,600	2,442,239	2,675,934
Total Business-Type Activities Expenses	2,344,054	2,635,600	2,442,239	2,675,934
Total Expenses	$ 7,752,237	$ 7,863,786	$ 7,783,300	$ 8,068,593
Program Revenues				
Governmental activities				
Charges for services				
General government	$ 219,210	$ 210,123	$ 219,074	$ 236,953
Public safety	918,499	922,068	814,509	800,772
Operating grants and contributions	165,080	154,000	154,000	154,000
Total Governmental Activities Program Revenues	1,302,789	1,286,191	1,187,583	1,191,725
Business-Type Activities				
Charges for services				
Water, sewer, and solid waste	2,114,736	2,909,044	2,709,775	2,859,499
Total Business-Type Activities Program Revenues	2,114,736	2,909,044	2,709,775	2,859,499
Total Program Revenues	$ 3,417,525	$ 4,195,235	$ 3,897,358	$ 4,051,224
Net (Expense)/Revenue				
Governmental activities	$ (4,105,394)	$ (3,941,995)	$ (4,153,478)	$ (4,200,934)
Business-type activities	(229,318)	273,444	267,536	183,565
Total Net Expense	$ (4,334,712)	$ (3,668,551)	$ (3,885,942)	$ (4,017,369)

	Fiscal Year					
	2014	2015	2016	2017	2018	2019
	$ 1,320,245	$ 1,247,843	$ 800,723	$ 903,011	$ 1,726,894	$ 2,144,920
	2,738,631	3,036,137	3,880,246	3,922,109	3,992,287	4,880,263
	1,278,240	1,354,685	1,906,985	1,818,890	1,730,944	1,846,313
	-	337,430	432,200	307,683	350,842	590,374
	5,337,116	5,976,095	7,020,154	6,951,693	7,800,967	9,461,870
	2,658,992	2,614,157	2,848,278	3,058,370	2,795,072	2,982,655
	2,658,992	2,614,157	2,848,278	3,058,370	2,795,072	2,982,655
	$ 7,996,108	$ 8,590,252	$ 9,868,432	$ 10,010,063	$ 10,596,039	$ 12,444,525
	$ 214,713	$ 397,023	$ 265,706	$ 260,442	$ 196,591	$ 680,365
	1,127,801	1,133,967	938,409	880,102	1,193,648	1,086,534
	154,000	438,493	661,046	620,005	702,846	746,199
	1,496,514	1,969,483	1,865,161	1,760,549	2,093,085	2,513,098
	2,730,542	2,708,075	2,720,856	2,940,857	3,069,771	2,676,454
	2,730,542	2,708,075	2,720,856	2,940,857	3,069,771	2,676,454
	$ 4,227,056	$ 4,677,558	$ 4,586,017	$ 4,701,406	$ 5,162,856	$ 5,189,552
	$ (3,840,602)	$ (4,006,612)	$ (5,154,993)	$ (5,191,144)	$ (5,707,882)	$ (6,948,772)
	71,550	93,918	(127,422)	(117,512)	274,699	(306,201)
	$ (3,769,052)	$ (3,912,694)	$ (5,282,415)	$ (5,308,657)	$ (5,433,183)	$ (7,254,973)

City of Spring Valley Village, Texas

CHANGES IN NET POSITION (Continued)

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
General Revenues and Other Changes in Net Position				
Governmental activities				
Property taxes	$ 3,356,982	$ 3,548,991	$ 3,685,289	$ 3,812,544
Sales taxes	786,042	929,607	934,790	1,082,352
Franchise fees	317,905	312,958	332,619	357,602
Investment income	37,644	32,876	25,176	19,163
Other	141,288	132,543	124,179	111,057
Gain on sale of capital assets	7,220	-	-	-
Transfers	162,999	163,000	313,000	315,000
Total Governmental Activities	4,810,080	5,119,975	5,415,053	5,697,718
Business-type activities				
Other	-	-	19,508	21,285
Transfers	(162,999)	(163,000)	(313,000)	(315,000)
Total Business-Type Activities	(162,999)	(163,000)	(293,492)	(293,715)
Total Primary Government	$ 4,647,081	$ 4,956,975	$ 5,121,561	$ 5,404,003
Change in Net Position				
Governmental activities	$ 704,686	$ 1,177,980	$ 1,261,575	$ 1,496,784
Business-type activities	(392,317)	110,444	(25,956)	(110,150)
Total Change in Net Position	$ 312,369	$ 1,288,424	$ 1,235,619	$ 1,386,634

Fiscal Year					
2014	**2015**	**2016**	**2017**	**2018**	**2019**
$ 3,904,606	$ 4,245,518	$ 4,402,210	$ 4,693,922	$ 5,142,514	$ 5,171,426
1,106,384	1,191,356	1,197,292	1,262,647	1,430,561	1,535,394
331,764	339,321	353,381	339,607	326,582	370,171
19,659	21,502	30,566	57,565	124,225	320,856
132,760	136,451	136,207	214,149	196,729	272,109
-	-	-	-	-	-
676,025	75,000	-	-	-	(1,095,543)
6,171,198	6,009,148	6,119,656	6,567,890	7,220,611	6,574,413
23,343	89	26,066	54,920	32,694	55,498
(676,025)	(75,000)	-	-	-	1,095,543
(652,682)	(74,911)	26,066	54,920	32,694	1,151,041
$ 5,518,516	$ 5,934,237	$ 6,145,722	$ 6,622,810	$ 7,253,305	$ 7,725,454
$ 2,330,596	$ 2,002,536	$ 964,663	$ 1,376,746	$ 1,512,729	$ (374,359)
(581,132)	19,007	(101,356)	(62,593)	307,393	844,840
$ 1,749,464	$ 2,021,543	$ 863,307	$ 1,314,153	$ 1,820,122	$ 470,481

CITY OF SPRING VALLEY VILLAGE, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	Fiscal Year			
	2010	**2011***	**2012**	**2013**
General Fund				
Reserved	$ 791,523	$ -	$ -	$ -
Unreserved and designated	2,413,781	-	-	-
Unserved and undesignated	3,485,628	-	-	-
Nonspendable	-	-	-	385
Committed	-	4,815,560	3,817,458	-
Restricted	-	720,777	75,118	121,848
Assigned	-	-	-	359,267
Unassigned	-	1,918,202	2,191,707	3,550,699
Total General Fund	$ 6,690,932	$ 7,454,539	$ 6,084,283	$ 4,032,199
All Other Governmental Funds				
Restricted	$ -	$ -	$ -	$ -
Assigned	-	-	-	1,321,366
Unassigned	-	-	-	-
Total All Other Governmental Funds	$ -	$ -	$ -	$ 1,321,366

* Note: In fiscal year 2011, the City implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions.*

	Fiscal Year 2014	2015	2016	2017	2018	2019
	$ -	$ -	$ -	$ -	$ -	$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	870	870	870	1,203	11,938	13,570
	-	-	-	-	-	-
	122,257	121,659	124,264	128,097	137,075	148,524
	359,267	359,267	359,267	359,267	359,267	359,267
	4,004,162	4,926,770	5,619,702	6,524,412	6,957,672	7,585,594
	$ 4,486,556	$ 5,408,566	$ 6,104,103	$ 7,012,979	$ 7,465,952	$ 8,106,955
	$ -	$ 13,135,970	$ 9,132,618	$ 16,105	$ 22,733	$ 5,798,882
	-	3,112,942	2,093,010	527,158	1,580,379	1,647,478
	-	-	(882)	177,707	4,792	(25,842)
	$ -	$ 16,248,912	$ 11,224,746	$ 720,970	$ 1,607,904	$ 7,420,518

City of Spring Valley Village, Texas

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Revenues				
Property taxes	$ 3,334,593	$ 3,538,671	$ 3,715,316	$ 3,792,043
Sales taxes	786,042	929,607	934,790	1,082,352
Franchise fees	317,905	312,958	332,619	357,602
Fines and forfeitures	609,344	602,246	506,233	470,225
Licenses and permits	219,210	210,123	219,074	236,953
Charges for services	-	-	-	-
Hilshire police contract	309,155	319,822	308,276	330,547
Investment income	37,644	32,876	25,176	19,163
Intergovernmental	165,080	154,000	154,000	154,000
Other	141,288	122,638	121,604	111,057
Total Revenues	5,920,261	6,222,941	6,317,088	6,553,942
Expenditures				
General government	1,297,268	1,145,736	1,188,587	1,262,101
Public safety	2,910,260	2,841,154	2,786,166	2,886,525
Public works	695,234	1,645,349	4,028,166	181,440
Capital outlay	-	-	-	3,269,594
Debt service				
Bond issuance costs	-	-	-	-
Principal	103,253	-	-	-
Interest	19,261	-	-	-
Total Expenditures	5,025,276	5,632,239	8,002,919	7,599,660
Excess (Deficiency) of Revenues Over (Under) Expenditures	894,985	590,702	(1,685,831)	(1,045,718)
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	-
Premium on debt	-	-	-	-
Sale of capital assets	7,220	9,905	2,575	-
Transfers in	162,999	163,000	313,000	2,065,000
Transfers out	-	-	-	(1,750,000)
Total Other Financing Sources (Uses)	170,219	172,905	315,575	315,000
Net Change in Fund Balances	$ 1,065,204	$ 763,607	$ (1,370,256)	$ (730,718)
Debt service as a percentage of noncapital expenditures	2.44%	-	-	-

	Fiscal Year					
	2014	2015	2016	2017	2018	2019
	$ 3,936,160	$ 4,159,264	$ 4,508,707	$ 4,690,696	$ 5,128,547	$ 5,152,045
	1,106,384	1,191,356	1,197,292	1,262,647	1,430,561	1,535,394
	331,764	339,321	353,381	339,607	326,582	370,171
	772,834	752,084	540,494	460,809	745,884	615,636
	214,713	397,023	265,706	260,442	196,591	355,933
	-	-	-	-	-	324,432
	354,967	381,883	397,915	419,293	447,764	470,898
	19,659	21,502	30,566	57,565	124,225	320,856
	154,000	438,493	661,046	620,005	702,846	746,199
	132,760	132,090	136,439	231,811	108,408	136,900
	7,023,241	7,813,016	8,091,546	8,342,875	9,211,408	10,028,464
	1,355,108	1,337,875	1,287,658	1,427,121	1,509,517	1,849,486
	3,002,128	3,201,065	3,397,221	3,405,232	3,653,799	4,199,438
	262,499	286,142	393,737	305,642	314,546	426,402
	439,623	2,114,494	6,288,546	11,414,618	2,060,288	2,117,640
	-	104,614	-	-	-	-
	-	-	400,000	510,000	530,000	550,000
	-	-	524,336	399,819	379,019	581,801
	5,059,358	7,044,190	12,291,498	17,462,432	8,447,169	9,724,767
	1,963,883	768,826	(4,199,952)	(9,119,557)	764,239	303,697
	-	13,475,000	-	-	-	6,600,000
	-	134,363	-	-	-	248,176
	84,352	5,310	4,320	751	35,093	7,200
	1,930,766	2,217,000	1,250,000	2,335,849	1,524,042	988,432
	(2,161,767)	(2,142,000)	(1,382,997)	(2,192,011)	(1,603,399)	(1,932,884)
	(146,649)	13,689,673	(128,677)	144,589	(44,264)	5,910,924
	$ 1,817,234	$ 14,458,499	$ (4,328,629)	$ (8,974,968)	$ 719,975	$ 6,214,621
	-	2.18%	15.01%	16.96%	13.06%	14.65%

City of Spring Valley Village, Texas
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Years

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Residential	$ 658,509,304	$ 682,799,385	$ 727,362,843	$ 749,621,556
Vacant	22,296,426	18,988,324	16,467,688	16,340,891
Commercial and industrial	49,480,422	48,897,421	48,724,472	50,298,328
Utilities	12,735,134	12,368,450	11,291,453	10,776,364
Real properties	24,541,306	23,956,770	22,184,491	23,043,294
Governmental and charities	126,487,069	121,839,666	114,230,914	114,503,217
Total assessed value (1)	894,049,661	908,850,016	940,261,861	964,583,650
Less: Tax exempt property	(252,438,683)	(255,559,740)	(258,228,448)	(261,606,047)
Total Taxable Assessed Valuation	$ 641,610,978	$ 653,290,276	$ 682,033,413	$ 702,977,603
Taxable value as a percentage of assessed value	72%	72%	73%	73%
Total tax rate	$ 0.539760	$ 0.539760	$ 0.539760	$ 0.539760

Source: Tax department of the Spring Branch ISD.

(1) All property is assessed at 100% of actual taxable value.

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ 816,582,662	$ 938,839,232	$ 1,057,666,553	$ 1,147,232,344	$ 1,234,212,313	$ 1,286,137,521
16,982,310	23,119,734	22,897,005	20,219,114	26,911,668	20,302,787
54,623,908	71,949,422	69,321,629	104,087,202	127,616,169	120,709,222
10,542,288	4,250,555	10,289,952	11,484,003	11,433,668	11,602,774
23,360,586	8,625	25,945,101	23,553,054	22,199,610	25,674,830
117,469,367	138,803,675	147,694,988	151,935,233	155,927,423	159,391,800
1,039,561,121	1,176,971,243	1,333,815,228	1,458,510,950	1,578,300,851	1,623,818,934
(280,032,062)	(312,592,100)	(355,139,172)	(373,888,856)	(392,449,852)	(404,345,840)
$ 759,529,059	$ 864,379,143	$ 978,676,056	$ 1,084,622,094	$ 1,185,850,999	$ 1,219,473,094
73%	73%	73%	74%	75%	75%
$ 0.512843	$ 0.487843	$ 0.450000	$ 0.433500	$ 0.433500	$ 0.430000

City of Spring Valley Village, Texas

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

	Fiscal Year			
City of Spring Valley Village:	**2010**	**2011**	**2012**	**2013**
Operating tax rate	$ 0.539760	$ 0.539760	$ 0.539760	$ 0.539760
Debt service tax rate	-	-	-	-
Total Direct Rates	$ 0.539760	$ 0.539760	$ 0.539760	$ 0.539760
Spring Branch Independent School District	$ 1.394500	$ 1.394500	$ 1.394500	$ 1.394500
Harris County	0.388050	0.391170	0.400210	0.414550
Harris County Flood Control	0.029230	0.028090	0.028090	0.028270
Port of Houston Authory	0.020540	0.018560	0.019520	0.017160
Harris County Hospital District	0.192160	0.192160	0.182160	0.170000
Harris County Education Department	0.006580	0.006580	0.006620	0.006360
Total Overlapping Rates	$ 2.031060	$ 2.031060	$ 2.031100	$ 2.030840
Total Direct and Overlapping Rates	$ 2.570820	$ 2.570820	$ 2.570860	$ 2.570600

Note: The basis for property tax rates is per $100 of the assessed valuation.

Source: Tax department records of the various governments.

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ 0.512843	$ 0.487843	$ 0.356160	$ 0.350711	$ 0.3546410	$ 0.3562740
-	-	0.093840	0.082789	0.0788590	0.0737260
$ 0.512843	$ 0.487843	$ 0.450000	$ 0.433500	$ 0.4335000	$ 0.4300000
$ 1.394500	$ 1.394500	$ 1.394500	$ 1.394500	$ 1.394500	$ 1.394500
0.414550	0.417310	0.419230	0.416560	0.418010	0.418580
0.028270	0.027360	0.027330	0.028290	0.028290	0.028770
0.017160	0.015310	0.013420	0.013340	0.013340	0.011550
0.170000	0.170000	0.170000	0.171790	0.171900	0.171080
0.006358	0.005999	0.005422	0.005200	0.005200	0.005190
$ 2.030838	$ 2.030479	$ 2.029902	$ 2.029680	$ 2.031240	$ 2.029670
$ 2.543681	$ 2.518322	$ 2.479902	$ 2.463180	$ 2.464740	$ 2.459670

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City of Spring Valley Village, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

	2019			2010		
Property Taxpayer	**Taxable Assessed Valuation**	**Rank**	**% of Total Assessed Valuation**	**Taxable Assessed Valuation**	**Rank**	**% of Total Assessed Valuation**
SV Physician Properties I LP	$ 27,105,000	1	2.21%	$ -	-	0.00%
Campbell Project Partners LLC	26,100,000	2	2.15%	-	-	-
Ten Voss Ltd	20,555,638	3	2.02%	37,017,175	1	5.77%
HD Development Properties	19,428,050	4	1.73%	13,220,029	2	2.06%
Spring Valley One Center Ltd	18,216,093	5	1.45%	-	-	-
Memorial Design Center Ltd	12,916,346	6	1.07%	-	-	-
Southwestern Bell	8,986,792	7	0.92%	10,897,018	3	1.70%
Managed Rehabilitation Inc	6,471,837	8	0.78%	5,760,426	4	0.90%
Wellington Fidelis Campbell I LP	5,556,300	9	0.68%	4,410,450	6	0.69%
Spring Valley Shopping Center II Ltd	5,417,515	10	0.52%	-	-	-
Baker O N	-	-	-	5,543,419	5	0.86%
Arbor Windsor Court Ltd	-	-	-	2,444,878	8	0.38%
Spring Valley Memorial Real	-	-	-	2,209,840	9	0.34%
Campbell I10 Ltd	-	-	-	3,676,480	7	0.57%
Stonebridge Homes Ltd	-	-	-	1,625,536	10	0.25%
Subtotal	150,753,571		12.67%	86,805,251		13.53%
Other Taxpayers	1,068,719,523		87.33%	554,805,727		86.47%
Total (1)	$ 1,219,473,094		100.00%	$ 641,610,978		100.00%

Source: Tax department of the Spring Branch ISD.

(1) Net of exemptions and abatements

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City of Spring Valley Village, Texas

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

Fiscal Year	Tax Year	Tax Rate	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy: Amount Collected	Collected Within the Fiscal Year of the Levy: Percentage of Levy	Delinquent Tax Collected: Amount Collected	Total Collections to Date: Amount Collected	Total Collections to Date: Percentage of Levy
2010	2009	$ 0.539760	$ 3,464,268	$ 3,433,357	99.11%	$ 28,535	$ 3,461,892	99.93%
2011	2010	$ 0.539760	$ 3,525,346	$ 3,499,080	99.25%	$ 24,494	$ 3,523,574	99.95%
2012	2011	$ 0.539760	$ 3,681,702	$ 3,663,573	99.51%	$ 16,013	$ 3,679,586	99.94%
2013	2012	$ 0.539760	$ 3,795,231	$ 3,770,251	99.34%	$ 22,718	$ 3,792,969	99.94%
2014	2013	$ 0.512843	$ 3,893,084	$ 3,881,284	99.70%	$ 7,747	$ 3,889,031	99.90%
2015	2014	$ 0.487843	$ 4,212,362	$ 4,100,837	97.35%	$ 24,979	$ 4,125,816	97.95%
2016	2015	$ 0.450000	$ 4,509,649	$ 4,392,632	97.41%	$ 91,129	$ 4,483,761	99.43%
2017	2016	$ 0.433500	$ 4,688,384	$ 4,687,314	99.69%	$ (28,559)	$ 4,658,755	99.08%
2018	2017	$ 0.433500	$ 5,140,951	$ 5,126,946	99.73%	$ (3,921)	$ 5,123,025	99.65%
2019	2018	$ 0.430000	$ 5,243,735	$ 5,215,475	99.46%	$ (85,502)	$ 5,129,973	97.83%

Source: Tax department of the Spring Branch ISD.

City of Spring Valley Village, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Governmental Activities:				
General obligation bonds	$ -	$ -	$ -	$ -
Certified obligation bonds	-		-	-
Subtotal	-		-	-
Business-Type Activities:				
Revenue bonds	-	-	-	-
Subtotal	-	-	-	-
Government-Wide:				
Revenue bonds	-	-	-	-
General obligation bonds	-	-	-	-
Certified Obligation bonds	-	-	-	-
Total Government-Wide	$ -	$ -	$ -	$ -
Estimated Full Property Value	$ 894,049,661	$ 908,850,016	$ 940,261,861	$ 964,583,650
Percentage of Full Property Value:				
Government-wide	-	-	-	-
Population	3,715	3,843	3,941	3,852
Debt Per Capita:				
Governmental activities	$ -	$ -	$ -	$ -
Government-wide	$ -	$ -	$ -	$ -

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

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ -	$ 13,602,965	$ 13,196,567	$ 12,680,169	$ 12,143,771	$ 11,485,000
-	-	-	-	-	6,600,000
-	13,602,965	13,196,567	12,680,169	12,143,771	18,085,000
3,000,000	2,835,000	2,665,000	2,490,000	2,310,000	4,525,000
3,000,000	2,835,000	2,665,000	2,490,000	2,310,000	4,525,000
3,000,000	2,835,000	2,665,000	2,490,000	2,310,000	4,525,000
-	13,602,965	13,196,567	12,680,169	12,143,771	11,485,000
-	-	-	-	-	6,600,000
$ 3,000,000	$ 16,437,965	$ 15,861,567	$ 15,170,169	$ 14,453,771	$ 22,610,000
$ 1,039,561,121	$ 1,176,971,243	$ 1,333,815,228	$ 1,458,510,950	$ 1,578,300,851	$ 1,623,818,934
-	1.40%	1.19%	1.04%	0.92%	1.39%
4,013	4,135	4,191	4,328	4,336	4,333
$ -	$ 3,290	$ 3,149	$ 2,930	$ 2,801	$ 4,174
$ 748	$ 3,975	$ 3,785	$ 3,505	$ 3,333	$ 5,218

City of Spring Valley Village, Texas

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Years

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Estimated Actual Taxable Value of Property	$ 641,610,978	$ 653,209,276	$ 682,033,413	$ 702,977,603
Net Bonded Debt				
Gross bonded debt	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -
Percentage of Estimated Actual Taxable Value of Property	-	-	-	-
Population	3,715	3,843	3,941	3,852
Per Capita	$ -	$ -	$ -	$ -

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

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ 759,529,059	$ 864,379,143	$ 978,676,056	$ 1,084,622,094	$ 1,185,850,999	$ 1,219,473,094
$ -	$ 13,602,965	$ 13,196,567	$ 12,680,169	$ 12,143,771	$ 18,085,000
$ -	$ 13,602,965	$ 13,196,567	$ 12,680,169	$ 12,143,771	$ 18,085,000
-	1.57%	1.35%	1.17%	1.02%	1.48%
4,013	4,135	4,191	4,328	4,336	4,333
$ -	$ 3,290	$ 3,149	$ 2,930	$ 2,801	$ 4,174

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City of Spring Valley Village, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2019

Government Unit	Net Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Spring Branch Independent School District	$ 622,770,000	4.060%	$ 25,284,462
Harris County	$ 2,042,497,125	0.290%	5,923,242
Harris County Flood Control District	$ 83,075,000	0.290%	240,918
Harris County Hospital District	$ 57,300,000	0.290%	166,170
Harris County Department of Education	$ 6,320,000	0.290%	18,328
Port of Houston Authority	$ 593,754,397	0.290%	1,721,888
Subtotal, overlapping debt			33,355,007
City Direct Debt	$ 18,085,000	100.00%	18,085,000
Total Direct and Overlapping Debt			$ 51,440,007

Source: Municipal Advisory Council of Texas

City of Spring Valley Village, Texas

LEGAL DEBT MARGIN INFORMATION

Last Ten Years

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Debt limit [1]	$ 64,161,098	$ 65,329,028	$ 68,203,341	$ 70,297,760
Total net debt applicable to limit	-	-	-	-
Legal debt margin	$ 64,161,098	$ 65,329,028	$ 68,203,341	$ 70,297,760
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-
Legal Debt Margin Calculation				
Assessed value	$ 641,610,978	$ 653,290,276	$ 682,033,413	$ 702,977,603
Debt limit (10% of assessed value)	64,161,098	65,329,028	68,203,341	70,297,760
Debt applicable to limit:				
Gross bonded debt	-	-	-	-
obligation debt	-	-	-	-
Total net debt applicable to limit	-	-	-	-
Legal debt margin	$ 64,161,098	$ 65,329,028	$ 68,203,341	$ 70,297,760

(1) Note: There is no debt limit established by law; therefore, the limit is governed by the City's ability to levy and collect taxes to service the debt. The Attorney General of the State of Texas will not approve more than $1.00 of the tax rate for debt service. The City's maximum legal tax rate is $2.50 per $100 valuation assessed at 100% of the market value. Ten percent (10%) of the assessed value has been applied as a "rule of thumb" procedure.

Fiscal Year					
2014	2015	2016	2017	2018	2019
$ 75,952,906	$ 86,437,914	$ 97,867,606	$ 108,462,209	$ 118,585,101	$ 121,947,309
-	13,598,216	13,196,567	12,680,169	12,138,979	18,085,000
$ 75,952,906	$ 72,839,698	$ 84,671,039	$ 95,782,040	$ 106,446,121	$ 103,862,309
-	15.58%	13.48%	11.69%	10.24%	14.83%
$ 759,529,059	$ 864,379,143	$ 978,676,056	$ 1,084,622,094	$ 1,185,850,999	$ 1,219,473,094
75,952,906	86,437,914	97,867,606	108,462,209	118,585,100	121,947,309
-	13,602,965	13,196,567	12,680,169	12,143,771	18,085,000
-	-	-	-	4,792	-
-	13,602,965	13,196,567	12,680,169	12,138,979	18,085,000
$ 75,952,906	$ 72,834,949	$ 84,671,039	$ 95,782,040	$ 106,446,121	$ 103,862,309

City of Spring Valley Village, Texas

PLEDGED-REVENUE COVERAGE

Last Ten Years*

	Fiscal Year			
	2014	**2015**	**2016**	**2017**
Gross Revenues (1)	$ 2,753,885	$ 2,708,164	$ 2,746,922	$ 2,995,777
Operating Expenses (2)	2,146,586	2,059,433	2,297,918	2,464,746
Net Revenues Available for Debt Service	$ 607,299	$ 648,731	$ 449,004	$ 531,031
Debt Service Requirements (3)				
Principal	$ 165,000	$ 170,000	$ 175,000	$ 180,000
Interest	78,000	74,561	70,090	65,487
Total	$ 243,900	$ 244,561	$ 245,090	$ 245,487
Coverage	2.49	2.65	1.83	2.16

(1) Gross revenues as defined in the revenue bond ordinances include operating and nonoperating revenue and exclude capital contributions, grant revenues, and capital recovery fees.

(2) Total operating expenses as defined in the revenue bond ordinances do not include amortization, bond interest, and fiscal charges.

(3) Debt service requirements are based on the expected debt service payments for the following fiscal year.

*The City did not have revenue bonds prior to fiscal year 2014.

Fiscal Year	
2018	2019
$ 3,102,465	$ 2,731,952
2,173,587	2,263,747
$ 928,878	$ 468,205
$ 185,000	$ 300,000
60,753	104,339
$ 245,753	$ 404,339
3.78	1.16

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City of Spring Valley Village, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Fiscal Year Ended Sept. 30	Population[1]	Personal Income[1]	Per Capita Personal Income[1]	Median Age[1]	Public School Enrollment[2]	Unemployment Rate[1]	Education Level in Years of Formal Schooling[1]
2010	3,715	N/A	N/A	N/A	773	N/A	N/A
2011	3,843	N/A	N/A	N/A	812	N/A	N/A
2012	3,941	N/A	N/A	N/A	839	N/A	N/A
2013	3,852	N/A	N/A	N/A	732	N/A	N/A
2014	4,013	$ 266,584	$ 66,430	44.0	905	4.7%	78%
2015	4,142	$ 266,584	$ 68,839	43.0	910	4.7%	79%
2016	4,191	$ 201,496	$ 75,372	42.0	280	1.2%	78%
2017	4,328	$ 242,866	$ 88,899	42.0	905	1.2%	78%
2018	4,336	$ 241,139	$ 88,258	43.0	908	1.2%	78%
2019	4,333	$ 239,996	$ 99,286	40.6	915	1.2%	82%

Data sources:
(1) World Population Review
(2) Spring Branch ISD

Information not presented is not available.

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City of Spring Valley Village, Texas

PRINCIPAL EMPLOYERS

Current Year and Two Years Ago

	2019			2016		
Employer	**Employees**	**Percentage of Total Employment(1)**	**Rank**	**Employees**	**Percentage of Total Employment(1)**	**Rank**
Spring Branch Independent School District	276	38.17%	1	281	37.72%	1
Home Depot	154	21.30%	2	157	20.67%	2
East West Bank	61	8.44%	3	62	8.46%	3
Spring Branch Presbyterian Church	43	5.95%	4	44	5.37%	4
Stoller Group	38	5.26%	5	39	5.23%	5
Starbucks Corporation	35	4.84%	6	36	4.83%	6
Houston Plastic & Craniofacial Surgeons	34	4.70%	7	34	4.70%	8
SSI	32	4.43%	8	34	4.70%	7
Specs	29	4.01%	9	27	4.56%	9
Peli Peli	21	2.90%	10	20	3.76%	10
	723	100.00%		745	100.00%	

Source: Human Resource Department of each company

Note: The requirement is for the current year and nine years ago;
however, only the current year and three years ago information is available.

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City of Spring Valley Village, Texas

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION

Last Ten Years

	Fiscal Year									
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Governmental Activities:										
General government	8	8	8	8	8	8	8	8	8	9
Public safety	21	21	21	23	23	24	24	24	24	24
Public works	2	2	2	3	3	3	3	3	3	3
Business-Type Activities:										
Water, sewer, and solid waste	4	4	4	4	4	4	4	4	4	4
Total City Positions	35	35	35	38	38	39	39	39	39	40

Source: City Finance Department

CITY OF SPRING VALLEY VILLAGE, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
City of Spring Valley Village				
Budgeted full-time employees	35	35	35	38
Function				
Police				
Arrests	540	402	293	508
Accident reports	124	125	134	155
Citations	5,655	5,760	4,137	5,190
Offense reports	1,082	918	988	1,183
Calls for service	15,922	21,838	22,587	19,560
Municipal court				
Traffic violations	8,093	5,714	3,725	9,585
Non-traffic violations	225	470	484	302
Community Development				
Residential building permits issued	36	32	23	38
Residential building permits-value	$ 13,518,000	$ 13,813,000	$ 10,681,000	$ 17,061,800
Commercial building permits issued	11	11	12	15
Commercial building permits-value	$ 1,061,000	$ 496,084	$ 742,000	$ 1,090,500
Water				
Average daily gallons pumped-combined water (millions of gallons)	0.74	0.95	0.78	0.79
Average daily gallons pumped-surface water (millions of gallons)	0.16	0.02	-	0.05
Average daily gallons pumped-well water (millions of gallons)	0.58	0.93	0.78	0.75
Number of connections	2,041	2,059	2,045	2,130

Source: Various City departments

Fiscal Year					
2014	2015	2016	2017	2018	2019
39	39	39	39	40	40
719	697	460	300	205	130
160	165	157	208	192	108
8,043	8,061	4,417	5,487	5,689	7,437
1,530	1,094	962	913	1,070	717
36,254	36,638	33,351	29,068	23,307	21,150
12,352	8,519	5,147	6,442	4,884	5,226
1,472	1,442	528	963	373	456
19	29	37	37	44	17
$ 9,353,990	$ 16,780,178	$ 21,569,270	$ 17,376,892	$ 12,635,734	$ 13,827,867
9	12	30	2	5	12
$ 1,343,000	$ 47,985,000	$ 58,788,170	$ 125,000	$ 1,014,790	$ 22,832,015
0.71	0.68	0.72	0.72	0.75	0.74
-	0.05	0.40	0.44	0.34	0.33
0.71	0.68	0.32	0.60	0.57	0.59
2,135	2,137	2,204	2,138	2,138	2,139

City of Spring Valley Village, Texas

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

	Fiscal Year			
	2010	**2011**	**2012**	**2013**
Function				
General government				
Municipal buildings	1	1	1	1
Public safety				
Police protection				
Stations	1	1	1	1
Public works				
Streets (lane miles)	-	-	-	-
Community services				
Parks	-	-	-	-
Pavilions	-	-	-	-
Park acreage developed	-	-	-	-
Water				
Water wells	1	1	1	1
Ground/elevated storage tanks	-	-	-	-
Water mains (miles)	-	-	-	-
Fire hydrants	157	157	157	157
Wastewater				
Sanitary sewers (miles)	-	-	-	-
Sewer manholes	-	-	-	-

Source: Various City departments

Fiscal Year					
2014	2015	2016	2017	2018	2019
1	1	1	1	1	1
1	1	1	1	1	1
20.01	20.01	20.01	20.01	20.01	20.01
1	1	1	1	1	1
1	1	1	1	1	1
2.62	2.62	2.62	2.62	2.62	2.62
1	1	1	1	1	1
3	3	3	3	3	3
26	26	26	26	26	26
157	157	206	206	206	206
16	16	16	16	16	16
389	389	389	389	389	389

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Required Auditor Disclosure Letter

March 6, 2020

To the Honorable Mayor and
City Council Members of the
City of Spring Valley Village, Texas:

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Spring Valley Village, (the "City") as of and for the year ended September 30, 2019 and have issued our report thereon dated March 6, 2020. Professional standards require that we provide the City Council (the "governing body") with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit.

I. Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 22, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with its oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve the governing body or management of its responsibilities.

II. Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to the governing body in our engagement letter dated May 22, 2019.

III. Significant Audit Findings

1. Qualitative Aspects of Accounting Practices

A. Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

B. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

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

    Estimates are used in the calculation of the pension liability and the required annual contribution. The Texas Municipal Retirement System (TMRS) hires a licensed actuary to make key assumptions and to perform calculations, as well as an independent auditor to review those assumptions and calculations. We evaluated the reasonableness of the employee data provided by the City to TMRS.

    Estimates are used in the calculation of the health care liability for other postemployment benefits. TMRS hires a licensed actuary to make key assumptions and to perform calculations, as well as an independent auditor to review those assumptions and calculations. We evaluated the reasonableness of the employee data provided by the City to TMRS.

C. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

    The disclosure of the City's long-term debt in the financial statements is significant to financial statement users because it discloses the City's long-term financial obligations.

2. Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

3. Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes both material and immaterial misstatements detected as a result of our audit procedures.

4. Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

5. Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 6, 2020.

6. Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

7. Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

IV. Other Matters

We applied certain limited procedures to the Required Supplementary Information (RSI), as identified on the table of contents, which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, as identified on the table of contents, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

V. Restrictions on Use

This information is intended solely for the use of the Mayor, City Council, and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Belt Harris Pechacek, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas

Client: *City of Spring Valley Village, Texas*
Engagement: *4.1 - Spring Valley 9/30/19*
Period Ending: *9/30/2019*
Trial Balance: *2.2.01 - TB*
Workpaper: *2.5.06 - Adjusting Journal Entries Report*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		**F.06**		
GASB Entry 1: To reverse pripor year deferred outflows-contributions after the measurement date.				
20-10-4115	PENSION EXPENSES - GASB 68 ADJUSTMENTS		22,635.65	
20-00-3501	DEFERRED OUTFLOW-Pension			22,635.65
Total			**22,635.65**	**22,635.65**
Adjusting Journal Entries JE # 2		**F.06**		
GASB 68 Entry 2: To recognize current year amortization of prior year deferred items.				
20-00-3500	DEFERRED INFLOW-Pension		2,946.72	
20-10-4115	PENSION EXPENSES - GASB 68 ADJUSTMENTS		1,875.73	
20-10-4115	PENSION EXPENSES - GASB 68 ADJUSTMENTS		9,077.17	
20-00-3502	DEF. OUTFLOWS-DIFF. IN PROJ-Pension			1,875.73
20-00-3503	DEFERRED OUTLOWS - CHANGE IN-Pension			9,077.17
20-10-4115	PENSION EXPENSES - GASB 68 ADJUSTMENTS			2,946.72
Total			**13,899.62**	**13,899.62**
Adjusting Journal Entries JE # 3		**F.06**		
GASB 68 Entry 3: To recognize beginning balances of new deferred items.				
20-00-3502	DEF. OUTFLOWS-DIFF. IN PROJ-Pension		148,733.55	
20-00-3403	NET PENSION OBLIGATION			137,420.69
20-00-3500	DEFERRED INFLOW-Pension			11,312.86
Total			**148,733.55**	**148,733.55**
Adjusting Journal Entries JE # 4		**F.06**		
GASB 68 Entry 4: To recognize pension expense and current year amortization.				
20-00-3403	NET PENSION OBLIGATION		5,152.60	
20-00-3500	DEFERRED INFLOW-Pension		2,915.67	
20-10-4115	PENSION EXPENSES - GASB 68 ADJUSTMENTS		21,678.50	
20-00-3502	DEF. OUTFLOWS-DIFF. IN PROJ-Pension			29,746.77
Total			**29,746.77**	**29,746.77**
Adjusting Journal Entries JE # 5		**F.06**		
GASB 68 Entry 5: To recognize current year deferred outflows contributions after measurement date.				
20-00-3501	DEFERRED OUTFLOW-Pension		22,310.51	
20-10-4115	PENSION EXPENSES - GASB 68 ADJUSTMENTS			22,310.51
Total			**22,310.51**	**22,310.51**
Adjusting Journal Entries JE # 6		**F.08**		
To adjust for GASB 75.				
20-00-3405	NET OPEB OBLIGATION		1,375.05	
20-00-3504	DEF. OUTFLOWS-CONTRI AFT.MEASU-OPEB		2.87	
20-10-4116	OPEB expense		999.36	
20-00-3505	DEF. OUTFLOWS-CHANGE IN ASSUMP-OPEB			268.75
20-00-3506	DEFERRED INFLOWS- Diff. Expect and Actual Exp.-OPEB			1,107.14
20-00-3507	DEFERRED INFLOWS -CHANGES IN ASSUM.-OPEB			1,001.39
Total			**2,377.28**	**2,377.28**

Client: *City of Spring Valley Village, Texas*
Engagement: *4.1 - Spring Valley 9/30/19*
Period Ending: *9/30/2019*
Trial Balance: *2.2.01 - TB*
Workpaper: *2.5.06 - Adjusting Journal Entries Report*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 7		**C.01**		
To adjust property taxes to match collector's report.				
10-00-1220	AD VALOREM TAXES-PRIOR YEAR		20,106.70	
10-01-5100	AD VALOREM-CURRENT YEAR		21,985.29	
10-01-5102	AD VALOREM-PRIOR YEARS		36,947.68	
30-00-1220	DEFERRED TAX RECEIVABLE		5,328.23	
30-01-5100	AD VALOREM - CURRENT YEAR		4,549.43	
30-01-5102	AD VALOREM - PRIOR YEARS		7,805.29	
10-00-3109	Refund to Taxpayer			58,932.97
10-00-3500	DEFERRED INCOME - TAX REVENUE			20,106.70
30-00-3109	Refund to Taxpayer			12,354.72
30-00-3500	DEFERRED TAX REVENUE			5,328.23
Total			**96,722.62**	**96,722.62**
Adjusting Journal Entries JE # 8				
To restate beginning fund balance for utility fund and capital improvement fund.				
20-00-3001	AP PENDING (DUE TO POOL)		39,134.77	
25-00-3001	AP PENDING (DUE TO POOL)		238,996.05	
20-00-4120	PRIOR YEAR UNRESERVED AND UNDE			39,134.77
25-00-4120	PRIOR YEAR UNRESERVED AND UNDE			238,996.05
Total			**278,130.82**	**278,130.82**
Adjusting Journal Entries JE # 9		**2.4.11**		
PBC - To adjust fixed assets, depreciation, and accumulated depreciation in the utility fund.				
20-00-2015	CONSTRUCTION IN PROGRESS		452,173.34	
20-00-2050	WATER DISTRIBUTION SYSTEM		1,250,291.56	
20-00-2060	SEWER SYSTEM		12,000.00	
20-10-7700	UTILITY - DEPRECIATION EXPENS		536,083.81	
20-00-2999	ACCM. DEPREC.-UTILITY FUND			536,083.81
20-60-4525	WATER SUPPLIES			28,549.68
20-60-4607	WELL REPAIRS			219,882.00
20-60-5536	PROFESSIONAL FEES - ENGINEERI			35,973.34
20-60-7004	WATER METERS			983,199.88
20-60-7101	WATER SYSTEM			18,660.00
20-60-7401	CAPITAL-GROUND WTR WELL			416,200.00
20-70-4608	SEWER DEPT. - MATERIAL & LABO			12,000.00
Total			**2,250,548.71**	**2,250,548.71**
Adjusting Journal Entries JE # 10		**2.4.11**		
PBC - To adjust fixed assets, depreciation, and accumulated depreciation for general fixed assets.				
40-00-2015	CONSTRUCTION IN PROGRESS		1,542,894.32	
40-00-2040	OFFICE FURNITURE AND EQUIPMENT		172,851.48	
40-00-2300	VEHICLES		83,149.94	
40-00-2610	INFRASTRUCTURE - PAVING		124,484.95	
40-00-4210	FUND BAL.-INVESTMENT IN GFA		2,005,230.58	
40-00-2026	ACCUMULATED DEPRECIATION - BUI			206,589.91
40-00-2045	ACCUMULATED DEPRECIATION - FUR			273,187.38
40-00-2105	ACCUMULATED DEPRECIATION - PAR			70,944.50
40-00-2305	ACCUMULATED DEPRECIATON - VEHI			83,995.17
40-00-2505	ACCUMULATED DEPRECIATION - MAC			55,808.28
40-00-2615	ACCUMULATED DEPRECIATION - INF			1,314,705.34
40-00-4210	FUND BAL.-INVESTMENT IN GFA			1,923,380.69
Total			**3,928,611.27**	**3,928,611.27**

Client: ***City of Spring Valley Village, Texas***
Engagement: ***4.1 - Spring Valley 9/30/19***
Period Ending: ***9/30/2019***
Trial Balance: ***2.2.01 - TB***
Workpaper: ***2.5.06 - Adjusting Journal Entries Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 11		**2.4.11**		
PBC - To adjust for garbage reallocation.				
10-01-5203	GARBAGE SERVICE FEES		12,524.10	
20-00-1290	ACCOUNTS REC.-UTILITY SERVICE		12,524.10	
10-00-1261	AR - MISC			12,524.10
20-01-5280	BILLING FOR SERVICE - GARBAGE			12,524.10
Total			**25,048.20**	**25,048.20**
Adjusting Journal Entries JE # 12		**2.4.11**		
PBC - Miscellaneous prior year adjustments.				
10-00-1294	DUE FROM COURT RESTRICT FUND		56.00	
10-00-3106	A/P COURT - COLLECTION AGENCY		2,463.92	
10-30-4526	GENERAL EXPENSE		0.60	
10-40-4110	EMPLOYEE BEN-T.M.R.S.		1,180.62	
10-40-4120	EMPLOYEE BEN-FICA/MEDICARE TA		662.24	
20-10-4120	EMPLOYEE BEN. FICA EMP. TAX		0.01	
35-01-5316	JUDICIAL FEES		9.00	
35-01-5320	TIME PAYMENT (TPLC)		40.00	
35-01-5322	MUNICIPAL COURT - SECURITY FEE		3.00	
35-01-5323	MUNICIPAL COURT-TECHNOLOGY FEE		4.00	
10-00-3105	A/P - COURT			2,463.92
10-00-3120	A/P COURT - CHILD SAFETY SEAT			0.60
10-00-3310	EMP TAX/DED/WH INCOME TAX			662.24
10-00-3360	EMP/DED/TMRS(EMP PORT)			613.41
10-00-3370	EMP/BEN/TMRS(CITY PORT)			567.21
10-01-5316	MUNICIPAL COURT-JUDICIAL FEES			9.00
10-01-5319	MUNICIPAL COURT-TIME PAYMENT			40.00
10-01-5322	MUNICIPAL COURT-SECUITY FEE			3.00
10-01-5323	MUNICIPAL COURT-TECHNOLOGY FEE			4.00
20-00-3340	EMP.TAX/BEN.PAY-LTD INSURANCE			0.01
35-00-3010	DUE TO GENERAL FUND			56.00
Total			**4,419.39**	**4,419.39**
Adjusting Journal Entries JE # 13		**2.4.11**		
PBC - To adjust cash in asset forfeiture fund.				
36-00-1003	CASH IN BANK		2,948.41	
36-01-5401	ASSETS FORFEITURE			2,948.41
Total			**2,948.41**	**2,948.41**
Adjusting Journal Entries JE # 14		**F.03**		
To correct compensated absences in utility fund.				
20-00-3400	ACCRUED VAC LIAB-(YR.END ONLY)		1,521.88	
20-10-4010	SALARIES EXEMPT REGULAR			1,521.88
Total			**1,521.88**	**1,521.88**
Adjusting Journal Entries JE # 15		**H.02**		
To adjust utility capital assets for water meter deletions.				
20-60-7004	WATER METERS		117,830.12	
20-00-2050	WATER DISTRIBUTION SYSTEM			117,830.12
Total			**117,830.12**	**117,830.12**

Client: ***City of Spring Valley Village, Texas***
Engagement: ***4.1 - Spring Valley 9/30/19***
Period Ending: ***9/30/2019***
Trial Balance: ***2.2.01 - TB***
Workpaper: ***2.5.06 - Adjusting Journal Entries Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 16				
To reclass prepaid expenses from prior year.				
10-11-4605	COMPUTER COST-SOFTWARE		135.00	
10-11-4605	COMPUTER COST-SOFTWARE		870.00	
10-11-5600	COMPUTER SERVICE & MAINTENANC		2,650.00	
10-11-5600	COMPUTER SERVICE & MAINTENANC		2,650.00	
10-40-5600	COMPUTER SERVICE & MAINTENANC		5,300.00	
10-00-1250	PREPAID SERVICE CONTRACTS			11,605.00
Total			**11,605.00**	**11,605.00**

MEETING DATE:	March 24, 2020
TOPIC:	**Resolution Number 20-XX** **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROPOSAL FOR SAFETY AND MOBILITY STUDY FOR SPRING VALLEY VILLAGE, TEXAS, TO BE CONDUCTED BY TRAFFIC ENGINEERS, INC. THROUGH IDS ENGINEERING GROUP; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING IDS ENGINEERING GROUP TO EXECUTE SUCH PROPOSAL ON BEHALF OF THE CITY OF SPRING VALLEY VILLAGE; AND PROVIDING AN EFFECTIVE DATE.**
BACKGROUND:	During the June 25, 2019 regular meeting, the City Council received a presentation from resident Brian Schmulen concerning a request for a traffic signal at Bingle Road and Burkhart Road. While the Council decided not to pursue a traffic signal at the requested location, it was the consensus of the Council for City staff to work with the City's engineer to take an overall look at traffic patterns on Bingle Road and develop options for addressing traffic concerns raised by Mr. Schmulen as well as the Council. During the July 23, 2019 meeting, the Council approved the selection of four engineering firms for the City to use for various projects, and IDS Engineering Group ("IDS") was one of the approved engineering firms. City staff met with IDS in September to discuss both the Loeser-Traweek-Lone Star-W. Tex-Lariat Drive Project and a traffic safety and mobility study for the Bingle Road Corridor. City staff then met with IDS and Traffic Engineers, Inc. ("TEI"), the firm that IDS typically uses for traffic studies, in October to discuss the issues with the Bingle Road Corridor and also the issues with the Westview Drive and Voss Road intersection and begin developing a scope for the overall traffic safety and mobility study. A Proposal for Safety and Mobility Study to be conducted by TEI through IDS is presented for the Council's consideration. The Study will focus on assessing the proposed alternatives to enhance pedestrian safety and mitigate traffic congestion for the identified locations and provide findings and recommendations that will be presented to the City of Spring Valley Village. The Proposal breaks the Study into two phases: • <u>Phase I</u>: Localized Mitigations (Based on hourly rate – not to exceed $34,192.00) (7 Weeks) This Phase includes data collection, traffic monitoring, recommendation development and study submittals for: • Westview Drive at Voss Road • Bingle Road at Merlin Drive • Campbell Road at W. Tex Drive It also includes Signage Recommendations for Major Thoroughfares.

<table>
<tr><td></td><td>

- Phase II: Study of Bingle Road Corridor from Westview Drive to I-10 (Based on Fixed Rate - $35,220.00) (11 Weeks)

  This Phase includes data collection, traffic monitoring, recommendations and mitigation development and the final report development for the Bingle Road Corridor.

The total cost of the Study is $69,412.00. The City Council allocated $20,000 from the FY 2018 General Fund Unassigned Fund Balance on October 15, 2019 for a traffic study of the Bingle Road Corridor. At that time, the City had not obtained a proposal for the traffic study, but some funding was set aside knowing that we would be seeking a proposal. In the event that the Council approves the Proposal, additional funding of $49,412.00 is needed, and this funding could be allocated from the FY 2019 General Fund Unassigned Fund Balance.

This Resolution approves the Proposal for Traffic Safety and Mobility Study to be conducted by Traffic Engineers, Inc. through IDS Engineering Group for the City of Spring Valley Village and authorizes IDS to execute the Proposal.
</td></tr>
<tr><td>RECOMMENDATION:</td><td>Staff recommends approval of the Resolution and allocation of the additional funding of $49,412.00 needed for the Study from the FY 2019 General Fund Unassigned Fund Balance.</td></tr>
<tr><td>ATTACHMENTS:</td><td>• Resolution Number 20-XX</td></tr>
<tr><td>FUNDING ISSUES:</td><td>☐ Not applicable – no dollars are being spent or received.
☐ Full amount already budgeted in Acct/Project #
☒ Not budgeted, if approved, the following will be included in the next Budget Amendment:
☐ $_______ from Acct/Project# __________ will be transferred to Acct/Project# __________
☐ $_______ from unassigned fund balance will be used and added to Acct/Project# _____
☒ $49,412 will be added to Revenue Acct# 25-01-5710 and $69,412 added to Expenditure Acct/Project# _25-50-5548_</td></tr>
<tr><td colspan="2">FINANCE VERIFICATION OF FUNDING:</td></tr>
</table>

SUBMITTING STAFF MEMBER:	**CITY ADMINISTRATOR APPROVAL:**
Pat Riley, Director of Public Works	

RESOLUTION NUMBER 20-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROPOSAL FOR SAFETY AND MOBILITY STUDY FOR SPRING VALLEY VILLAGE, TEXAS, TO BE CONDUCTED BY TRAFFIC ENGINEERS, INC. THROUGH IDS ENGINEERING GROUP; PROVIDING FOR THE INCORPORATION OF PREAMBLE; AUTHORIZING IDS ENGINEERING GROUP TO EXECUTE SUCH PROPOSAL ON BEHALF OF THE CITY OF SPRING VALLEY VILLAGE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council has been presented a proposed Proposal for Safety and Mobility Study for Spring Valley Village, Texas, to be conducted by Traffic Engineers, Inc. through IDS Engineering Group, one of the City of Spring Valley Village's approved engineering firms (hereinafter called "Proposal"), a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, upon full review and consideration of the Proposal and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that IDS Engineering Group should be authorized to execute the Proposal on behalf of the City of Spring Valley Village;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, THAT:

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The terms and conditions of the Proposal, having been reviewed by the City Council of the City of Spring Valley Village and found to be acceptable and in the best interests of the City of Spring Valley Village and its citizens, are hereby in all things approved.

Section 3. IDS Engineering Group is hereby authorized to execute the Proposal for and on behalf of the City.

Section 4. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED on this the ___ day of ___________, 2020.

____
Tom Ramsey, Mayor
City of Spring Valley Village, Texas

ATTEST:

____
Roxanne Benitez, City Secretary
City of Spring Valley Village, Texas

EXHIBIT “A”

TO

RESOLUTION NUMBER 20-XX

TEI TRAFFIC ENGINEERS, INC.
INNOVATIVE TRANSPORTATION SOLUTIONS

801 Congress, Suite 325
Houston, TX 77002

Voice (713) 270-8145
www.trafficengineers.com

Texas Registration Number F-003158

March 9, 2020

Travis S. Sellers, P.E., ENV SP
Senior Vice President
IDS Engineering Group
13430 Northwest Freeway, Suite 700
Houston, Texas 77040
P: 832.590.7196
tsellers@idseg.com

RE: Proposal for Safety and Mobility Study for Spring Valley Village, Texas

Dear Mr. Sellers:

Traffic Engineers, Inc. (TEI) is pleased to provide this proposal for conducting a traffic safety and mobility study for multiple locations and the Bingle Road corridor within Spring Valley Village, Texas. The study will focus on assessing the proposed alternatives to enhance pedestrian safety and mitigate traffic congestions for the study locations. This study will summarize findings and recommendations into reports to be presented to the City of Spring Valley Village for approval of the preferred alternative and an action list of executable recommendations. General metrics of success of the project will include:

- Improved vehicle, pedestrian, and bicycle safety for the residents of Spring Valley Village
- Minimized impacts and shortcutting traffic on residential streets
- Improved access for the city residents to get in and out of subdivisions
- Acceptable level of operational impacts on City's major thoroughfares

Phase 1: Localized Mitigations

Task 1.1 Data Collection

Data collection for Phase 1 will include 13-hour turning movement counts (TMCs). TMCs are to count vehicles, pedestrians, and bicycles that are moving towards an intersection. The main purpose is to gather the data to determine the traffic flow in each movement. TMC is used to determine the left turn, right turn, or straight-moving traffic volumes. The data will be collected through camera-cording and compiled by image-based software. The Thirteen-hour counts are typically needed to fulfill the requirements for standardized warrant analyses of traffic/pedestrian signals as per the Texas Manual on Uniform Traffic Control Devices (TMUTCD).

All counts will be scheduled for a date approved by the City that should be representative of normal operations of the locations, factoring in weather, seasonal, and day of week. The Thirteen-hour TMCs will be conducted at:

- Westview Drive at Voss Road/Bracher Street
- Bingle Road at Merlin Drive

Task 1.2 Study of Westview Drive at Voss Road

This task was initiated in response to residents' concern regarding drivers running the STOP signs. The task will include the following steps:

- Observe the non-compliance rate of the existing STOP signs on Westview Drive approaches for AM and PM peak hours and off-peak hours up to a total of twenty (20) hours. Recorded videos from Task 1.1 will be used and reviewed in office to identify STOP sign runners and the rate.

In case that the percentage of STOP sign runners (neither complete stop or rolling stop) exceeds ten (10) percent and/or deemed unacceptably high by the City, the following steps will be performed:

- Perform a traffic signal warrant study in accordance with the Texas Manual on Uniform Traffic Control Devices (TMUTCD).
- In case that signalization is warranted, develop traffic models that include this location and the intersection of Westview Drive at Bingle Road to study feasibility to install traffic signal at Voss Road. The model will be used to quantify the impacts of this signalization on the existing signal operations at Westview Drive at Bingle Road. Recommendations on signal timing will be made to minimize negative impacts, if any.
- If signalization warrants are not met, other mitigations will be recommended to address concerns. Findings will be documented, and a preferred alternative will be recommended. The deliverable will also include a copy of the developed models for future possible use by the City.

Task 1.3 Study of Bingle Road at Merlin Drive

This task was considered in response to residents' concern regarding drivers not yielding to crossing pedestrians at the location. The task will include the following steps:

- Study whether the crosswalk is needed, or whether the current location is an appropriate location to provide the crosswalk. In case the study might have showed it is not needed or endangers pedestrians, TEI would recommend removal of the pedestrian crossing and there would be no need for further evaluation. The following steps are contingent on the findings of this step.
- Study feasibility of potential improvements for crossing pedestrian safety. The improvements to be investigated will range from low-cost, incremental alternatives (e.g., luminated signs and colored crosswalk) to installation of a Pedestrian Hybrid Beacon (HAWK) or a full traffic signal.
- Provide a high-level cost estimate alongside with each studied alternative.
- Findings will be documented, and a preferred alternative will be recommended.

Task 1.4 Study of Campbell Road at W Tex Drive

The City will provide an existing sight distance study for vehicles egress from W Tex Drive that TEI can reference. The task will include the following steps:

- Propose schematic for signs and pavement markings to improve safety of egress vehicles from W Tex Drive.
- Evaluate other alternatives to improve safety of egress vehicles from W Tex Drive (such as right-of-way acquisition or technologies)
- Findings will be documented, and a preferred alternative will be recommended. The recommendations will factor in the upcoming development at the southwest quadrant of the intersection.

Task 1.5 Signage Recommendation for Major Thoroughfares

The City has four major thoroughfares including Westview Drive, Campbell Road, Bingle Road, and Interstate Highway 10 (mainlanes and the frontage roads).

The steps of this task include:

- Review sign inventory and the dashcam videos that the City will provide for both directions on all the thoroughfares under study
- Recommend removal, correction, and/or addition of signs as per TMUTCD to address the City's concern regarding sign applications and sign pollutions.

Phase 2: Study of Bingle Road Corridor from Westview to IH 10

Task 2.1 Data Collection

Data collection for Phase 2 will include four-peak-hour turning movement counts (TMCs) and twenty-four-hour ADT and speed data. All intersection TMCs will include vehicle, pedestrian, and bicycle counts. Four-peak-hour turning movement counts are typically needed for the peak-hour traffic analysis and less expensive to collect as opposed to 13-hour TMCs mentioned in Phase 1. The data will be collected through camera-recording and compiled by image-based software.

All counts will be scheduled for a date approved by the City that should be representative of normal operations of the locations.

The four-hour TMCs will be conducted at the following nine locations:

- Westview Drive at Bingle Road
- Burkhart Drive at Bingle Road
- W Memorial Park Drive at Bingle Road
- IH 10 Eastbound Frontage Road at Bingle Road
- IH 10 Westbound Frontage Road at Bingle Road

- IH 10 Eastbound Frontage Road at Campbell Road
- IH 10 Westbound Frontage Road at Campbell Road
- Westview Drive at Campbell Road
- Westview Drive at Fries Road

TMC counts from Phase 1 will be reused for Merlin Drive at Bingle Road.

The twenty-four-hour speed data and ADT will be conducted using air pressure tubes at the following locations. The purpose of the collection is to identify current operating speed and daily traffic throughput on Bingle Road.

- Bingle Road just south of Merlin Drive
- Bingle Road just north of W Memorial Park Drive

Task 2.2 Traffic Modeling

TEI will develop traffic networks models for an area bounded by Bingle Road, IH 10 Westbound Frontage Roads, Campbell Road, and Westview Drive. The traffic models will be developed in Synchro and used to assess existing conditions and future scenarios and quantify the impacts of future scenarios.

Three scenarios will be modeled as follow. Each scenario will include one AM Peak and PM Peak sub scenarios:

- Baseline – replicating the existing conditions during AM and PM Peaks
- Road Diet Scenario – assessing traffic and signal operations with 3-lane cross-section during AM and PM Peaks. The typical cross-section would include one travel lane each direction, an eleven-foot-wide center turn lane, and one five-foot-wide bicycle lanes on each edge. A finalized Road Diet Scenario model will incorporate all the comments received from IDS and the City. The analysis will investigate how this option may spill traffic to residential streets and how to mitigate it if needed.
- Signalization Scenario – assessing traffic and signal operations with new signals constructed to transform Bingle Road into a coordinated signal corridor during AM and PM Peaks. A finalized Signalization Scenario model will incorporate all the comments received from IDS and the City

Metrics of success will include:

- Improved vehicle, pedestrian, and bicycle safety for the residents of Spring Valley Village
- Minimized impacts and shortcutting traffic on residential streets
- Improved access for the city residents to get in and out of subdivisions
- Improved corridor progression and capacity (the model will be used to calculate the parameters of signal timing such as cycle, phasing, and offset)
- Acceptable level of impacts on major thoroughfares within the City limit

Task 2.2 incorporates optimization of the preferred alternative model based on findings. This task also includes any modifications or additional review of the model to account for feedback from the City of Spring Valley Village.

Task 2.3 Recommendations/Mitigation Development

Draft recommendations will be developed based on findings from Task 2.2. Recommendations will be presented to IDS Engineering Group for discussion and refinement prior to presentation to the City. Task 2.3 includes recommendations refinement based on input from IDS Engineering Group and feedback from the City.

Task 2.4 Draft Report & Final Report Development

A draft report will be prepared documenting the study process, findings, and recommendations related to the projected traffic impacts of the preferred alternative for the Bingle Road Corridor. The draft report will be submitted to IDS Engineering Group for review prior to meeting with the City. The final report will only be developed after full review of draft report by both IDS Engineering Group and the City.

The deliverable will be an executable action list ready for the City to use.

The deliverable will also include a copy of the developed models for future, possible use by the City in a format the City can use.

SCHEDULE AND FEE

A detailed breakdown of proposed fee for the outlined traffic safety and mobility study is included in **Attachment A**. The table below summarizes the proposed fee and schedule for each task. This schedule does not include review time by IDS Engineering Group and the City.

Task	Timeline	Fee	Fee Type
Task 1.1 Data Collection	2 Week	$1,300.00	Subconsultant
Task 1.2 Study of Westview Drive at Voss Road	3 Week	$13,224.00	Hourly, not to exceed
Task 1.3 Study of Bingle Road at Merlin Drive	3 Week	$9,174.00	Hourly, not to exceed
Task 1.4 Study of Campbell Road at W Tex	2 Week	$8,844.00	Hourly, not to exceed
Task 1.5 Signage Recommendation for Major Thoroughfares	2 Week	$1,650.00	Hourly, not to exceed
Phase 1 Total (Hourly)			**$34,192.00**
Task 2.1 Data Collection	2 Week	$3,950.00	Subconsultant
Task 2.2 Traffic Modeling	5 Weeks	$23,730.00	Fixed
Task 2.3 Recommendations/Mitigation Development	2 weeks	$4,704.00	Fixed
Task 2.4 Draft Report & Final Report Development	3 Weeks	$2,836.00	Fixed
Phase 2 Total (Fixed)			**$35,220.00**

TASK DESCRIPTION	DURATION	Weeks (1–15)
Phase 1	7 Weeks	
Task 1.1 Data Collection	2 Weeks	
Task 1.2 Study of Westview Dr at Voss Rd	3 Weeks	
Task 1.3 Study of Bingle Rd at Merlin Dr	3 Weeks	
Task 1.4 Study of Campbell Rd at W Tex Dr	2 Weeks	
Task 1.5 Signage Recommendations	2 Weeks	
Studies and Recommendations		▲ Studies Submittal
Phase 2	11 Weeks	
Task 2.1 Data Collection	2 Weeks	
Task 2.2 Traffic Modeling	5 Weeks	
Task 2.3 Recommendations/Mitigation Development	2 Weeks	
Task 2.4 Draft Report & Final Report Development	3 Weeks	
Final Report		Final Report Submittal ▲

This proposal is valid for 60 days from the date of this letter. If you have any questions, or need additional information, please e-mail me at sammychen@trafficengineers.com or call me at (281) 606-0288.

Sincerely,

, PhD PE PTOE

Sammy Chen, PhD, PE, PTOE
Principal
Traffic Engineers, Inc.

ATTACHMENT A

Sammy Chen
TRAFFIC ENGINEERS, INC.

COST SPREADSHEET
SUMMARY OF MANHOURS BY CLASSIFICATION
AND MAJOR TASK ANALYSIS

Spring Valley Village Traffic Safety and Mobility Study

DESCRIPTION OF WORK TASK**	SENIOR PRINCIPAL	PRINCIPAL	PRINCIPAL ASSOCIATE	SENIOR ASSOCIATE	ASSOCIATE	ENGINEER ASSISTANT	CADD TECHNICIAN	SENIOR ASSISTANT	TOTAL HOURS PER TASK	Subconsultant	COST PER TASK
	COST/HR	***COST/HR***	***COST/HR***	***COST/HR***	***COST/HR***	***COST/HR***	***COST/HR***	***COST/HR***			
	$210.00	$165.00	$145.00	$126.00	$111.00	$111.00	$96.00	$75.00			
Task 1.1: Data Collection											
Thirteen-hour TMCs - Westview Drive at Voss Road/Bracher Street										**$650.00**	
Thirteen-hour TMCs - Bingle Road at Merlin Drive										**$650.00**	**$1,300.00**
Task 1.2: Study of Westview Drive at Voss Road											**$13,224.00**
Observe the non-compliance of STOP signs								20	20		$1,500.00
Perform a traffic signal warrant study (Contingent upon Step 1 results)		8			32				40		$4,872.00
Develop traffic models (Contingent upon Step 1 results)		16			24				40		$5,304.00
Final Recommendations Development		4			8				12		$1,548.00
Task 1.3: Study of Bingle Road at Merlin Drive											**$9,174.00**
Evaluate the need for the crosswalk		16			16				32		$4,416.00
Potential improvements alternatives (Contingent upon Step 1 results)		4			16				20		$2,436.00
High-level cost estimate (Contingent upon Step 1 results)		2			4				6		$774.00
Final Recommendations Development (Contingent upon Step 1 results)		4			8				12		$1,548.00
Task 1.4: Study of Campbell Road at Anne Street											**$8,844.00**
Propose schematic for signs and pavement markings		12			20				32		$4,200.00
Evaluate other alternatives to improve safety of egress vehicles		8			16				24		$3,096.00
Final Recommendations Development		4			8				12		$1,548.00
Task 1.5: Signage Recommendation for Major Thoroughfares											**$1,650.00**
Review sign inventory and the dashcam videos that the City will provide		4									$660.00
Final Recommendations Development		6									$990.00
										Phase 1 Total	**$34,192.00**
Task 2.1: Data Collection											**$3,950.00**
Four-hour TMCs x 9 Locations										**$3,150.00**	
Twenty-four-hour speed data x 2 Locations										**$800.00**	
Task 2.2: Traffic Modeling											**$23,730.00**
Baseline Model - Calibrated		32		10	40				82		$10,980.00
Alternative 1 - Road Diet Scenario		8		25	20				53		$6,690.00
Alternative 2 - Signalization Scenario		8		20	20				48		$6,060.00
Task 2.3: Recommendations/Mitigation Development		6	6	12	12				36		**$4,704.00**
Task 2.4: Draft Report & Final Report Development		2	4	10	6				22		**$2,836.00**
Hours Total	0	144	10	77	250	0	0	20	491		
PERCENT OF TOTAL HOURS	0.00%	29.33%	2.04%	15.68%	50.92%	0.00%	0.00%	4.07%	100.00%		
										Phase 2 Total	**$35,220.00**

MEETING DATE:	March 24, 2020
TOPIC:	**CONDUCT A PUBLIC HEARING CONCERNING:** **AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS BY DELETING SECTION 05:03, BUILDING MATERIALS AND ARCHITECTURAL STANDARDS, OF EXHIBIT "A" OF CHAPTER 12 PLANNING AND ZONING, OF THE CODE OF ORDINANCES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED $2,000.00 FOR ANY VIOLATION OF THIS ORDINANCE WITH EACH DAY CONSTITUTING A SEPARATE VIOLATION; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE AND AN EFFECTIVE DATE.**
BACKGROUND:	House Bill 2439, enacted by the Texas Legislature on May 23, 2019 and signed into law by the Governor on June, 14, 2019, requires that a municipality may not adopt or enforce a rule, charter provision, ordinance, order, building code, or other regulation that prohibits or limits the installation of a building product or material in the construction, renovation, maintenance, or other alteration of a residential or commercial building, if the building product or material is approved for use by a national model code. The proposed zoning text amendment would delete Section 05:03, Building Materials and Architectural Standards, of Exhibit "A", of Chapter 12, Planning and Zoning, of the Code of Ordinances in order to comply with House Bill 2439.
RECOMMENDATION:	Not applicable
ATTACHMENTS:	• Ordinance No. 2020-XX • House Bill 2439 Bill Text • Copy of Public Hearing Notice
FUNDING ISSUES:	☒ Not applicable – no dollars are being spent or received. ☐ Full amount already budgeted in Acct/Project# ___________ ☐ Not budgeted, if approved, the following will be included in the next Budget Amendment: ☐ $_______ from Acct/Project# ___________ will be transferred to Acct/Project# ___________ ☐ $_______ from unassigned fund balance will be used and added to Acct/Project# ___________ ☐ $_______ will be added to Revenue Acct# __-____ and $_______ added to Expenditure Acct/Project# ___________

ACTIONS TAKEN

APPROVAL	READING PASSED	OTHER
❑YES ❑NO		

FINANCE VERIFICATION OF FUNDING:	

SUBMITTING STAFF MEMBER:	**CITY ADMINISTRATOR APPROVAL:**
Zachary Meadows, Director of Community Development	

ACTIONS TAKEN

APPROVAL	READING PASSED	OTHER
❑YES ❑NO		

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ORDINANCE NO. 2020-XX

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS BY DELETING SECTION 05:03, BUILDING MATERIALS AND ARCHITECTURAL STANDARDS, OF EXHIBIT "A" OF CHAPTER 12 PLANNING AND ZONING, OF THE CODE OF ORDINANCES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED $2,000.00 FOR ANY VIOLATION OF THIS ORDINANCE WITH EACH DAY CONSTITUTING A SEPARATE VIOLATION; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE AND AN EFFECTIVE DATE.

* * * * *

WHEREAS, House Bill 2439, enacted by the Texas Legislature on May 23, 2019 and signed into law by the Governor on June, 14, 2019, requires that a municipality may not adopt or enforce a rule, charter provision, ordinance, order, building code, or other regulation that prohibits or limits the installation of a building product or material in the construction, renovation, maintenance, or other alteration of a residential or commercial building, if the building product or material is approved for use by a national model code; and

WHEREAS, the City Council finds it necessary to delete Section 05:03, Building Materials and Architectural Standards, of Exhibit "A", of Chapter 12, Planning and Zoning, of the Code of Ordinances in order to comply with House Bill 2439 as set out herein;

NOW, THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, THAT:

Section 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. Section 05:03, Building Materials and Architectural Standards, of Exhibit "A", of Chapter 12 Planning and Zoning, of the City's Code of Ordinances is hereby deleted in its entirety.

Section 3. All provisions of the ordinances of the City of Spring Valley Village, Texas, codified or uncodified, in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the ordinances of the City of Spring Valley Village, Texas, codified or uncodified, not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

Section 4. In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Spring Valley Village, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

Section 5. All rights and remedies of the City of Spring Valley Village are expressly saved as to any and all violations of the provisions of any Ordinances affecting and which have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such Ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

Section 6. Any person who shall intentionally, knowingly, recklessly or with criminal negligence violate any provision of this Ordinance shall be deemed guilty of a misdemeanor and upon conviction, shall be fined in an amount not to exceed $2,000. Each day of violation shall constitute a separate offense.

Section 7. This ordinance shall be effective immediately upon adoption and publication of this ordinance or a caption that summarizes the purpose of this ordinance and the penalty for violating this ordinance in every issue of the official newspaper for two days, or one issue of the newspaper if the official newspaper is a weekly paper, in accordance with section 52.011 of the Texas Local Government Code.

DULY PASSED AND APPROVED on this _____ day of _________________, 2020.

____
Tom Ramsey, Mayor
City of Spring Valley Village, Texas

ATTEST:

____
Roxanne Benitez, City Secretary
City of Spring Valley Village, Texas

DIVIDER PAGE

AN ACT

relating to certain regulations adopted by governmental entities for the building products, materials, or methods used in the construction or renovation of residential or commercial buildings.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 10, Government Code, is amended by adding Subtitle Z to read as follows:

SUBTITLE Z. MISCELLANEOUS PROVISIONS PROHIBITING CERTAIN GOVERNMENTAL ACTIONS

CHAPTER 3000. GOVERNMENTAL ACTION AFFECTING RESIDENTIAL AND COMMERCIAL CONSTRUCTION

Sec. 3000.001. DEFINITIONS. In this chapter:

(1) "National model code" has the meaning assigned by Section 214.217, Local Government Code.

(2) "Governmental entity" has the meaning assigned by Section 2007.002.

Sec. 3000.002. CERTAIN REGULATIONS REGARDING BUILDING PRODUCTS, MATERIALS, OR METHODS PROHIBITED. (a) Notwithstanding any other law and except as provided by Subsection (d), a governmental entity may not adopt or enforce a rule, charter provision, ordinance, order, building code, or other regulation that:

(1) prohibits or limits, directly or indirectly, the use or installation of a building product or material in the construction, renovation, maintenance, or other alteration of a residential or commercial building if the building product or material is approved for use by a national model code published within the last three code cycles that applies to the construction, renovation, maintenance, or other alteration of the building; or

(2) establishes a standard for a building product, material, or aesthetic method in construction, renovation, maintenance, or other alteration of a residential or commercial building if the standard is more stringent than a standard for the product, material, or aesthetic method under a national model code published within the last three code cycles that applies to the construction, renovation, maintenance, or other alteration of the building.

(b) A governmental entity that adopts a building code governing the construction, renovation, maintenance, or other alteration of a residential or commercial building may amend a provision of the building code to conform to local concerns if the amendment does not conflict with Subsection (a).

(c) This section does not apply to:

(1) a program established by a state agency that requires particular standards, incentives, or financing arrangements in order to comply with requirements of a state or federal funding source or housing program;

(2) a requirement for a building necessary to consider the building eligible for windstorm and hail insurance coverage under Chapter 2210, Insurance Code;

(3) an ordinance or other regulation that regulates outdoor lighting that is adopted for the purpose of reducing light pollution and that:

(A) is adopted by a governmental entity that is certified as a Dark Sky Community by the International Dark-Sky Association as part of the International Dark Sky Places Program; or

(B) applies to outdoor lighting within five miles of the boundary of a military base in which an active training program is conducted;

(4) an ordinance or order that:

(A) regulates outdoor lighting; and

(B) is adopted under Subchapter B, Chapter 229, Local Government Code, or Subchapter B, Chapter 240, Local Government Code;

(5) a building located in a place or area designated for its historical, cultural, or architectural importance and significance that a municipality may regulate under Section 211.003(b), Local Government Code, if the municipality:

(A) is a certified local government under the National Historic Preservation Act (54 U.S.C. Section 300101 et seq.); or

(B) has an applicable landmark ordinance that meets the requirements under the certified local government program as determined by the Texas Historical Commission;

(6) a building located in a place or area designated for its historical, cultural, or architectural importance and significance by a governmental entity, if designated before April 1, 2019;

(7) a building located in an area designated as a historic district on the National Register of Historic Places;

(8) a building designated as a Recorded Texas Historic Landmark;

(9) a building designated as a State Archeological Landmark or State Antiquities Landmark;

(10) a building listed on the National Register of Historic Places or designated as a landmark by a governmental entity;

(11) a building located in a World Heritage Buffer Zone; and

(12) a building located in an area designated for development, restoration, or preservation in a main street city under the main street program established under Section 442.014.

(d) A municipality that is not a municipality described by Subsection (c)(5)(A) or (B) may adopt or enforce a regulation described by Subsection (a) that applies to a building located in a place or area designated on or after April 1, 2019, by the municipality for its historical, cultural, or architectural importance and significance, if the municipality has the voluntary consent from the building owner.

(e) A rule, charter provision, ordinance, order, building code, or other regulation adopted by a governmental entity that conflicts with this section is void.

Sec. 3000.003. INJUNCTION. (a) The attorney general or an aggrieved party may file an action in district court to enjoin a violation or threatened violation of Section 3000.002.

(b) The court may grant appropriate relief.

(c) The attorney general may recover reasonable attorney's fees and costs incurred in bringing an action under this section.

(d) Sovereign and governmental immunity to suit is waived and abolished only to the extent necessary to enforce this chapter.

Sec. 3000.004. OTHER PROVISIONS NOT AFFECTED. This chapter does not affect provisions regarding the installation of a fire sprinkler protection system under Section 1301.551(i), Occupations Code, or Section 775.045(a)(1), Health and Safety Code.

Sec. 3000.005. SEVERABILITY. If any provision of a rule, charter provision, ordinance, order, building code, or other regulation described by Section 3000.002(a) is held invalid under this chapter, the invalidity does not affect other provisions or applications of the rule, charter provision, ordinance, order, building code, or other regulation that can be given effect without the invalid provision or application, and to this end the provisions of the rule, charter provision, ordinance, order, building code, or other regulation are severable.

SECTION 2. This Act takes effect September 1, 2019.

______________________________ President of the Senate

______________________________ Speaker of the House

I certify that H.B. No. 2439 was passed by the House on April 30, 2019, by the following vote: Yeas 124, Nays 21, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2439 on May 23, 2019, by the following vote: Yeas 133, Nays 9, 1 present, not voting.

______________________________ Chief Clerk of the House

I certify that H.B. No. 2439 was passed by the Senate, with amendments, on May 19, 2019, by the following vote: Yeas 26, Nays 5.

______________________________ Secretary of the Senate

APPROVED: __________________ Date

__________________ Governor

DIVIDER PAGE

PUBLIC NOTICE
CITY OF SPRING VALLEY VILLAGE, TEXAS
NOTICE OF PUBLIC HEARING

Notice Is Hereby Given To Hear Comments And Testimony Concerning The Following Proposed Ordinance:

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS BY DELETING SECTION 05:03, BUILDING MATERIALS AND ARCHITECTURAL STANDARDS, OF EXHIBIT "A" OF CHAPTER 12 PLANNING AND ZONING, OF THE CODE OF ORDINANCES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED $2,000.00 FOR ANY VIOLATION OF THIS ORDINANCE WITH EACH DAY CONSTITUTING A SEPARATE VIOLATION; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE AND AN EFFECTIVE DATE.

The **Planning and Zoning Commission** of the City of Spring Valley Village will hold a public hearing regarding this request to provide all interested parties the right to appear and request information on:

Date: Tuesday, March 10, 2020
Time: 7:00 p.m.
Location: Council Chambers
Spring Valley Village City Hall
1025 Campbell Road
Houston, TX 77055

The **City Council** of the City of Spring Valley Village will hold a public hearing regarding this request to provide all interested parties the right to appear and request information on:

Date: Tuesday, March 24, 2020
Time: 6:00 p.m.
Location: Council Chambers
Spring Valley Village City Hall
1025 Campbell Road
Houston, TX 77055

For additional information regarding these public hearings, please contact the Director of Community Development, Zachary Meadows at (713) 465-8308.

City of Spring Valley Village City Council
Agenda Item Data Sheet

MEETING DATE:	March 24, 2020
TOPIC:	**ORDINANCE NO. 2020-XX** **AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS BY DELETING SECTION 05:03, BUILDING MATERIALS AND ARCHITECTURAL STANDARDS, OF EXHIBIT "A" OF CHAPTER 12 PLANNING AND ZONING, OF THE CODE OF ORDINANCES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED $2,000.00 FOR ANY VIOLATION OF THIS ORDINANCE WITH EACH DAY CONSTITUTING A SEPARATE VIOLATION; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE AND AN EFFECTIVE DATE.**
BACKGROUND:	In the previous agenda item, the Planning and Zoning Commission held a public hearing concerning the deletion of Section 05:03, Building Materials and Architectural Standards, of Exhibit "A", of Chapter 12, Planning And Zoning, of the Code of Ordinances. If approved, this Ordinance would implement the proposed revisions to Chapter 12, Planning and Zoning, of the City's Code of Ordinances.
RECOMMENDATION:	On March 10, 2020, the Planning and Zoning Commission recommended approval of the Ordinance.
ATTACHMENTS:	• Ordinance No. 2020-XX • Recommendation from the Planning & Zoning Commission
FUNDING ISSUES:	☒ Not applicable – no dollars are being spent or received. ☐ Full amount already budgeted in Acct/Project# ___________ ☐ Not budgeted, if approved, the following will be included in the next Budget Amendment: ☐ $________ from Acct/Project# ___________ will be transferred to Acct/Project# ___________ ☐ $________ from unassigned fund balance will be used and added to Acct/Project# ___________ ☐ $________ will be added to Revenue Acct# __-____ and $________ added to Expenditure Acct/Project# ___________
FINANCE VERIFICATION OF FUNDING:	
SUBMITTING STAFF MEMBER: Zachary Meadows, Director of Community Development	**CITY ADMINISTRATOR APPROVAL:**

ACTIONS TAKEN

APPROVAL	READING PASSED	OTHER
❑YES ❑NO		

ORDINANCE NO. 2020-XX

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS BY DELETING SECTION 05:03, BUILDING MATERIALS AND ARCHITECTURAL STANDARDS, OF EXHIBIT "A" OF CHAPTER 12 PLANNING AND ZONING, OF THE CODE OF ORDINANCES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED $2,000.00 FOR ANY VIOLATION OF THIS ORDINANCE WITH EACH DAY CONSTITUTING A SEPARATE VIOLATION; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE AND AN EFFECTIVE DATE.

* * * * *

WHEREAS, House Bill 2439, enacted by the Texas Legislature on May 23, 2019 and signed into law by the Governor on June, 14, 2019, requires that a municipality may not adopt or enforce a rule, charter provision, ordinance, order, building code, or other regulation that prohibits or limits the installation of a building product or material in the construction, renovation, maintenance, or other alteration of a residential or commercial building, if the building product or material is approved for use by a national model code; and

WHEREAS, the City Council finds it necessary to delete Section 05:03, Building Materials and Architectural Standards, of Exhibit "A", of Chapter 12, Planning and Zoning, of the Code of Ordinances in order to comply with House Bill 2439 as set out herein;

NOW, THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, THAT:

Section 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. Section 05:03, Building Materials and Architectural Standards, of Exhibit "A", of Chapter 12 Planning and Zoning, of the City's Code of Ordinances is hereby deleted in its entirety.

Section 3. All provisions of the ordinances of the City of Spring Valley Village, Texas, codified or uncodified, in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the ordinances of the City of Spring Valley Village, Texas, codified or uncodified, not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

Section 4. In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Spring Valley Village, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

Section 5. All rights and remedies of the City of Spring Valley Village are expressly saved as to any and all violations of the provisions of any Ordinances affecting and which have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such Ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

Section 6. Any person who shall intentionally, knowingly, recklessly or with criminal negligence violate any provision of this Ordinance shall be deemed guilty of a misdemeanor and upon conviction, shall be fined in an amount not to exceed $2,000. Each day of violation shall constitute a separate offense.

Section 7. This ordinance shall be effective immediately upon adoption and publication of this ordinance or a caption that summarizes the purpose of this ordinance and the penalty for violating this ordinance in every issue of the official newspaper for two days, or one issue of the newspaper if the official newspaper is a weekly paper, in accordance with section 52.011 of the Texas Local Government Code.

DULY PASSED AND APPROVED on this _____ day of _________________, 2020.

____
Tom Ramsey, Mayor
City of Spring Valley Village, Texas

ATTEST:

____
Roxanne Benitez, City Secretary
City of Spring Valley Village, Texas

DIVIDER PAGE

EST. 1955
SPRING VALLEY
VILLAGE

PLANNING & ZONING COMMISSION VOTING FORM

DATE: MARCH10, 2020

AGENDA ITEM #5:

CONSIDERATION AND POSSIBLE ACTION CONCERNING: Ordinance No. 2020-XX – REVISIONS TO BUILDING MATERIALS. AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS BY DELETING SECTION 05:03, BUILDING MATERIALS AND ARCHITECTURAL STANDARDS, OF EXHIBIT "A" OF CHAPTER 12 PLANNING AND ZONING, OF THE CODE OF ORDINANCES; PROVIDING FOR THE INCORPORATION OF PREAMBLE; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED $2,000.00 FOR ANY VIOLATION OF THIS ORDINANCE WITH EACH DAY CONSTITUTING A SEPARATE VIOLATION; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, A SAVINGS CLAUSE AND AN EFFECTIVE DATE.

MEMBER NAME	MOTIONED	SECONDED	AYE	NAY	ABSTAINED
CHARLIE CALDERWOOD	✓		✓		
TREY HOFFMAN			✓		
PATRICK JOHNSON			✓		
MARYELLEN MCGLOTHLIN		✓	✓		
ANNE-MARIE MCMICHAEL			✓		
LOUISE RICHMAN			✓		
AMY WINSTEAD			✓		
JOHN LISENBY, ALTERNATE	alternate				

MOTION CARRIED ✓ 7-0.

MOTION DENIED ________

W.K. Hoffman III.

TREY HOFFMAN, CHAIRMAN
PLANNING & ZONING COMMISSION

MEETING DATE:	March 24, 2020
TOPIC:	Discussion and Direction Concerning Possible Mobile App for City Website
BACKGROUND:	This is a Parking Lot item that Staff discussed with the City Council on December 10, 2019. At that time, Council directed Staff to undertake additional research with regard to the features that would be best suited to a mobile app and present the findings at a future Council meeting.

As I began the additional research for a possible mobile app, I quickly realized that many of the larger cities that have apps such as Houston, Fort Worth, and San Antonio have developed their mobile apps in-house using their internal IT Departments, and the IT Departments continuously monitor and maintain the mobile app. Spring Valley Village does not have an internal IT Department that could develop and continuously support a mobile app. Consequently, two potential app developers were identified based on the services they currently provide for the City and their ability to integrate with the City's existing software systems: CivicPlus and Tyler Techology.

- <u>CivicPlus</u> - CivicPlus manages our website and has developed mobile apps for other cities in Texas both large and small such as Mesquite and Taylor. CivicPlus would charge a one-time fee of $6,000.00 to develop and implement a mobile app, and then $6,000.00 annually to maintain and support it.

  One of the value-added functions that Council wanted to provide through a mobile app was the ability for residents to pay their utility bill through the mobile app. After discussing the mobile app with CivicPlus, I learned that their mobile app would not be able to integrate with our utility billing software. Consequently, a CivicPlus mobile app would not allow utility payments through the app platform. Residents would need to pay their utility bills through the City website as they currently do. The City's website is already mobile-friendly, so there would be no value-added benefit from the mobile app.

- Tyler Techology - Tyler Techology currently provides and manages the City's utility billing software and portal on the City's website, as well as several other software systems utilized by the City. Tyler Techology would be able to develop a mobile app that allows residents to pay their utility bill directly from the app as opposed to going through the City's website and accessing the portal. Tyler

	Technology would charge a one-time fee of $3,000.00 to develop and implement a mobile app, and then $6,000.00 annually to maintain and support it. Tyler Technology recently developed a mobile app for City of Jersey Village. Tyler Tech's app allows for integration with the City's utility billing software and would allow residents to pay utility bills from the app. The app would not have any additional function or value added over our website. Residents can currently pay utility bills on their phone through the website. Any one-time fee associated with a mobile app could be funded out of the anticipated FY 2019 Unexpended General Fund Fund Balance. Annual recurring costs would have to be included in the City's annual budget.
RECOMMENDATION:	Staff requests additional direction from the Council regarding whether it wishes to proceed with the development of a mobile app, and, if so, which company to use for the project and how it wishes to fund the one-time development and implementation fees.
ATTACHMENTS:	NA
FUNDING ISSUES:	☒ Not applicable – no dollars are being spent or received. ☐ Full amount already budgeted in Acct/Project# ___________ ☐ Not budgeted, if approved, the following will be included in the next Budget Amendment: ☐ $_______ from Acct/Project# ___________ will be transferred to Acct/Project# ___________ ☐ $_______________ from unassigned fund balance will be used and added to Acct/Project# _10-11-4605___ ☐ $_______ will be added to Revenue Acct# __-____ and $_______ added to Expenditure Acct/Project# ___________
FINANCE VERIFICATION OF FUNDING:	

SUBMITTING STAFF MEMBER: Matthew Hitt, Assistant to The City Administrator	**CITY ADMINISTRATOR APPROVAL:**