



Regular City Council Meeting
April 23, 2024
6:00 p.m.



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, April 23, 2024, beginning at 6:00 p.m., For the Purpose of Considering and Acting upon the Following Items of Business:

A quorum of the Mayor and Council Members will be physically present. Some Council Members may participate by videoconference in accordance with the provisions of Section 551.127 of the Texas Government Code.

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

In accordance with Texas Government Code, Sec. 551.127, on a regular, non-emergency basis, Councilmember may attend and participate in a meeting remotely by video conference. Should such attendance transpire, a quorum of the Council will be physically present at the location noted above on this agenda.

The video link to this meeting is: <https://us02web.zoom.us/j/82134302051>

The public toll-free dial-in numbers to participate in the telephonic meeting are 1-346-248-7799 (Houston), 1-253-215-8782 (US), and 1-301-715-8592 (US); enter the Meeting ID: 821 3430 2051 and #.

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.

1. CALL THE ROLL AND ANNOUNCE A QUORUM IS PRESENT

2. PLEDGE OF ALLEGIANCE

- 2.1 American Flag
- 2.2 Texas Flag – *Honor the Texas Flag. I pledge allegiance to thee, Texas, one state, under God, one, and indivisible.*

3. INTRODUCTIONS

4. PROCLAMATIONS / ANNOUNCEMENTS / SWEARING-IN

- 4.1 Municipal Clerks Week
- 4.2 Police Week

4.3 Public Works Week

5. **PUBLIC COMMENTS**

- 5.1 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.**

6. **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 a separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.

- 6.1 Minutes for Regular Called City Council Meeting on March 26, 2024

OLD BUSINESS

7. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** March 2024 Police Department Staff Report (Chief Schulze):
1. Number of Calls for Service
 2. Number of Traffic Violations
8. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Briefing by City Staff:
1. Status of Brighton Place Pavement & Utility Improvement
 2. Status of Cedarspur (West of Bingle) and Burkhart (East of Bingle) Pavement & Utility Improvement
 3. Water System Connections, TCEQ waiver
 4. American Rescue Plan Act (ARPA) Water Plant Upgrades
9. **UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Activities of the Village Fire Department Commissioners Meeting on March 20, 2024, and Any Special Meetings That May Have Occurred since March 20, 2024. (Mayor Pro-Tem Carpenter / Council Member Lisenby)

NEW BUSINESS

10. **BRIEFING AND DISCUSSION CONCERNING:** Quarterly Investment Report For Period Ending March 31, 2024.
11. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Presentation and Acceptance of Fiscal Year 2022-2023 Audited Comprehensive Annual Financial Report Prepared by Belt, Harris Pechacek, LLLP, Certified Public Accountants.

12. **DISCUSSION AND POSSIBLE ACTION CONCERNING:** A Memorandum of Understanding between the City of Spring Valley Village, Texas and Girl Scout Troop 124019 for the installation of a Gaga Ball Pit at City Park.
13. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance No. 2024-XX – AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, BY DELETING FROM APPENDIX "A" THEREOF SECTION 6.004; ESTABLISHING A SCHEDULE OF FEES FOR SANITARY SEWER SERVICES; AND REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH.
14. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Resolution Number 24-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AMENDING THE AGREEMENT FOR ENGINEERING REVIEW SERVICES FOR DRAINAGE PLAN REVIEWS BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND COBB, FENDLEY & ASSOCIATES, INC.; PROVIDING FOR INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.
15. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance No. 2024-XX – AN ORDINANCE OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AMENDING CHAPTER 8 OF ITS CODE OF ORDINANCES, PERSONNEL AND ADMINISTRATION, ARTICLE 8.400, POLICE DEPARTMENT, SECTION 8.404, EXECUTIVE OFFICE OF DEPARTMENT, TO REQUIRE THE POLICE CHIEF TO REPORT TO THE CITY ADMINISTRATOR RELATED TO ALL ADMINISTRATIVE MATTERS NOT RELATED TO LAW ENFORCEMENT OPERATIONS PROVIDING FOR THE INCORPORATION OF PREAMBLE; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, AND A SAVINGS CLAUSE.
16. **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:
 - 16.1 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 a closed meeting.
 - 16.2 Section 551.087 – Deliberation Regarding Economic Development Negotiations: (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).
17. **RECONVENE**
18. **CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Matters Discussed in Executive Session.

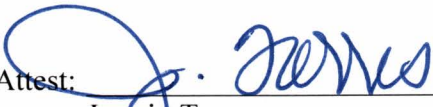
19. ADJOURNMENT

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 April 23, 2024 agenda of items to be considered by City Council was posted on or before the 19th day of April 2024, at 5:00 p.m. pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code.

Attest:


Jasmin Torres
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 jtorres@springvalleytx.com for further information.

Consent Agenda Items

**MINUTES OF THE REGULAR CITY COUNCIL MEETING
CITY OF SPRING VALLEY VILLAGE, TEXAS
TUESDAY, MARCH 26, 2024 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 Vajdos at 6:03 p.m.

Members Present:

Mayor Marcus Vajdos
Mayor Pro Tem Allen Carpenter
Council Member Steve Bass
Council Member John Lisenby
Council Member Joy McCormack

Members Absent:

Council Member David Dominy

2. PLEDGE OF ALLEGIANCE

- 2.1 American Flag
- 2.2 Texas Flag

During the Regular City Council Meeting, Luke Frisbee of Troop 478 City Council, City staff, and visitors in the Pledge of Allegiance.

3. INTRODUCTIONS

John McDonald, City Administrator
Loren Smith, City Attorney
Jasmin Torres, City Secretary
Brent Walker, City Treasurer
Susan Thornhill, Assistant City Treasurer
Kristina Watson, Public Works Director
Jose Gomez, Development Services Manager
Mark Schulze, Chief of Police
David Dixon, Police Commissioner
Justin Lane, Police Captain
Carlos Menchaca, Lieutenant

4. PROCLAMATIONS / ANNOUNCEMENTS / SWEARING-IN

None.

5. 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.

None.

6. 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.

6.1 Minutes for Regular Called City Council Meeting on February 27, 2024

6.3 Resolution 24-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 Lisenby made a motion to approve all items on the Consent Agenda, and Council Member Carpenter seconded the motion. Motion carried 4-0.

OLD BUSINESS

7. UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING: December 2023 Police Department Staff Report (Chief Schulze):

Captain Lane provided the Police Department Staff Report to the Council.

1. Number of Calls for Service – 3,587
2. Number of Traffic Violations – 1,198

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

1. Status of Brighton Place Pavement & Utility Improvement

Public Works Director Kristina Watson informed the Council that City staff, CobbFendley, and Conrad Construction held a pre-construction meeting today. It is anticipated that the notice to proceed will be issued April 29, 2024. Based on previous issues with streetlights in other projects, City staff is working on a proposal with CenterPoint to coordinate street light removal and reinstallation in the project area and hope to have this to Council in the April meeting.

2. Status of Cedarspur (West of Bingle) and Burkhart (East of Bingle) Pavement & Utility Improvement

Public Works Director Kristina Watson informed the Council that the notice to proceed was issued March 6, 2024. On Par Civil Services has begun mobilization and preparation of the Right-Of-Way for construction.

At this time, Council Member Carpenter requested for Agenda Item 9 to be taken up at a later part of the meeting so that Chief Miller could be present to give his report. Council Member Bass made a motion to take Agenda Item 9 out of order and later in the meeting, and Council Member McCormack seconded the motion. Motion carried 4-0.

NEW BUSINESS

- 10. CONDUCT A PUBLIC HEARING CONCERNING:** Tract 1: Lot 8, in Bloc 2 of Spring Valley Addition, Section 2, a subdivision in Harris County, Texas, according to the Map or Plat thereof, record in Volume 57, Page 34 of the Map Records of Harris County, Texas, and Tract 2: Being a portion of Lot 5 in the C.H. Bingle Subdivision in the A.H. Osborne Survey, Abstract No. 610 in Harris County, Texas, according to the Map or Plat thereof recorded in Volume 998, Page 223 of the Deed Records of Harris County, Texas.

Mayor Vajdos opened the Public Hearing at 6:31 p.m.

A. Presentation of Replat

City Administrator John McDonald gave the City Council a brief presentation, historical background, and general information about the replat request.

B. Those in Favor

Charles White of 3307 Wildridge Drive spoke in favor of the presented replat request.

C. Those Opposed

Alyssa Anderson of 5111 Spring Forest spoke against the presented replat request.

D. Adjourn Public Hearing

Mayor Vajdos adjourned the Public Hearing at 6:38 p.m.

- 11. CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Tract 1: Lot 8, in Bloc 2 of Spring Valley Addition, Section 2, a subdivision in Harris County, Texas, according to the Map or Plat thereof, record in Volume 57, Page 34 of the Map Records of Harris County, Texas, and Tract 2: Being a portion of Lot 5 in the C.H. Bingle Subdivision in the A.H. Osborne Survey, Abstract No. 610 in Harris County, Texas, according to the Map or Plat thereof recorded in Volume 998, Page 223 of the Deed Records of Harris County, Texas.

Council Member Carpenter made a motion to approve the proposal for the replat request, Council Member Bass seconded the motion. Motion carried 4-0.

- 9. UPDATE, DISCUSSION AND POSSIBLE DIRECTION CONCERNING:** Activities of the Village Fire Department Commissioners Meeting on February 28, 2024, and Any Special Meetings That May Have Occurred since February 28, 2024. (Mayor Pro-Tem Carpenter / Council Member Lisenby)

At this time, Interim Chief Miller presented his monthly update and report to the City Council regarding the Village Fire Department. Chief Miller has been officially named the Fire Chief for the Village Fire Department. Regarding staffing, Captain Nepal is working light duty. Jeremy Rosyter has surgery on his knee. New hire process is underway and the deadline for applications was extended for more applicants. For apparatus and equipment, engine one (1) is currently in the shop and the ladder one (1) had a flat tire that has been replaced. There were no major events for Spring Valley Village in the month of February. In January, Spring Valley Village had a total of thirty-seven (37) incidents. Of which, twelve (12) were fire-related, twenty-four (24) were EMS and one (1) were non-emergency with a total response time of four (4) minutes and twenty-four (24) seconds.

12. CONDUCT A PUBLIC HEARING AND POSSIBLE ACTION CONCERNING: A Complaint Filed By The City Administrator Regarding A Substandard Structure At 1109 Loeser Drive Owned By Mr. Clement R. Valigura

Mayor Vajdos opened the Public Hearing at 7:22 p.m.

A. Presentation of Substandard Structure at 1109 Loeser Drive

City Administrator John McDonald informed the Council about the issues of the substandard structure at 1109 Loeser Drive and that they declare it so, so that the structure be demolished and condemned.

B. Those in Favor

None.

C. Those Opposed

None.

D. Adjourn Public Hearing

Mayor Vajdos adjourned the Public Hearing at 7:24 p.m.

Council Member Carpenter made a motion to declare 1109 Loeser Drive a substandard structure that is not repairable and will be demolished in thirty (30) days, Council Member Bass seconded the motion. Motion carried 4-0.

13. CONSIDERATION AND POSSIBLE ACTION CONCERNING: Resolution Number 24-XX – RESOLUTION OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS SUSPENDING THE APRIL 10, 2024 EFFECTIVE DATE OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC’S REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING CONTINUED COOPERATION WITH THE GULF COAST COALITION OF CITIES; HIRING LLOYD GOSSELINK ATTORNEYS AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; REQUIRING REIMBURSEMENT OF

CITIES' RATE CASE EXPENSES; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL FOR THE GULF COAST COALITION OF CITIES

Mayor Vajdos read the Resolution by caption only. Council Member Lisenby made a motion to suspend the CenterPoint rate increase, Council Member Bass seconded the motion. Motion carried 4-0.

- 14. CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Resolution Number 24-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AMENDING THE AGREEMENT FOR ENGINEERING REVIEW SERVICES FOR DRAINAGE PLAN REVIEWS BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND COBB, FENDLEY & ASSOCIATES, INC.; PROVIDING FOR INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.

Mayor Vajdos read the Ordinance by caption only. No action.

- 15. CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance No. 2024-XX – AN ORDINANCE OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AMENDING CHAPTER 8 OF ITS CODE OF ORDINANCES, PERSONNEL AND ADMINISTRATION, ARTICLE 8.400, POLICE DEPARTMENT, SECTION 8.404, EXECUTIVE OFFICE OF DEPARTMENT, TO REQUIRE THE POLICE CHIEF TO REPORT TO THE CITY ADMINISTATOR RELATED TO ALL ADMINISTRATIVE MATTERS NOT RELATED TO LAW ENFORCEMENT OPERATIONS PROVIDING FOR THE INCORPORATION OF PREAMBLE; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, AND A SAVINGS CLAUSE.

Mayor Vajdos read the Ordinance by caption only. No action.

- 16. CONSIDERATION AND POSSIBLE ACTION CONCERNING:** Ordinance No. 2024-XX – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AMENDING CHAPTER 1, GENERAL PROVISIONS, OF THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, BY DELETING ARTICLE 1.1800, RULES AND REGULATIONS OF PUBLIC PARKS, ARTICLE 1.1900, CITY PARK FUND, AND ARTICLE 1.2100, RULES AND REGULATIONS OF GREENSPACE, IN THEIR ENTIRETY; AND CREATING A NEW CHAPTER 14, PARKS AND GREENSPACE, OF THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS; PROVIDING FOR SEVERABILITY; PROVIDING A SAVINGS CLAUSE; AND PROVIDING A PENALTY FOR EACH VIOLATION OF ANY PROVISION HEREOF.

Mayor Vajdos read the Ordinance by caption only. Council Member Carpenter made a motion to approve creating a parks and greenspace, and Council Member Lisenby seconded the motion. Motion carried 4-0.

- 17. 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:

17.1 Section 551.074 – Personnel Matters to deliberate the evaluations and duties of the City Administrator.

18. RECONVENE

The City Council meeting reconvened at 8:56 p.m.

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

No action.

20. ADJOURNMENT

Council Member McCormack motioned to adjourn the meeting at 8:57 p.m., and Council Member Bass seconded the motion. Motion carried 4-0.

Signed: _____
Marcus Vajdos
Mayor

Attest: _____
Jasmin Torres
City Secretary

Police Department Staff Report

SPRING VALLEY POLICE DEPARTMENT

Calls - By Type

03\01\2024
thru 03\31\2024
Zone is: SPRING VALLEY

Type	Description	# Of Calls
21	911 HANG UP	2
6	ACCIDENT	26
145	ACCIDENT - FSGI	3
22	ALARM	29
23	AMBULANCE CALL	13
24	ANIMAL CALL	10
43	ASSIST OUTSIDE AGENCY	5
135	BUSINESS CHECK	3,223
48	CITY CREW REPAIRS	4
53	DEBRIS IN ROADWAY	7
60	FIRE CALL	4
68	HOUSE CHECK	104
70	INFORMATION	63
71	INVESTIGATION	9
76	LOUD NOISE	4
159	MOTORIST ASSIST	8
81	OPEN DOOR	14
86	PUBLIC RELATIONS	256
96	SOLICITOR	4
97	SPECIAL ASSIGNMENT	7
99	STALLED VEHICLE	17
103	SUSPICIOUS ACTIVITY	5
104	SUSPICIOUS PERSON	13
105	SUSPICIOUS VEHICLE	18
11	TRAFFIC STOP	578
111	VEHICLE BLOCKING ROADWAY	4
112	VEHICLE CHECK	7
163	VIOLATION OF CITY ORDINANCE	3
42	WARRANT SERVICE	1
117	WELFARE CONCERN	1
Total		4,442

Spring Valley Village, TX PD

Citation Violation Audit by Offense

Violation Count

March 1, 2024 - March 31, 2024

Official: All

Official Assignment:

Type of Stop: All

Stop Result: All

STEP: NONE

CHANGE NAME/MAILING ADDRESS LATER THAN 30 DAYS (CDL)	1
CHILD (4-17) NOT SECURED BY SAFETY BELT	2
CITY ORDINANCE - UNLAWFUL TRESPASSING	1
CRIMINAL TRESPASSING	8
DEFECTIVE EQUIPMENT - WHITE LIGHT TO THE REAR	4
DEFECTIVE EQUIPMENT / NO LICENSE PLATE LIGHT	62
DEFECTIVE HEAD LAMPS	66
DEFECTIVE HEAD LIGHTS	22
DEFECTIVE PARKING LAMP(S)	1
DEFECTIVE STOP LAMP(S)	33
DEFECTIVE TAIL LAMP(S)	21
DISPLAY FICTITIOUS/WRONG/UNCLEAN LICENSE PLATES	7
DISPLAY/ EXPIRED REGISTRATION	312
DRIVING WHILE LICENSE INVALID UNDER PROVISIONS OF DL LAWS	7
DROVE WITHOUT LIGHTS (WHEN REQUIRED)	30
EXPIRED BUYER TAG	9
EXPIRED DEALER TAG	2
EXPIRED DRIVERS LICENSE	14
FAIL TO CONTROL SPEED	1
FAIL TO DISPLAY DRIVERS LICENSE	7
FAIL TO MAINTAIN FINANCIAL RESPONSIBILITY	135
FAIL TO REPORT CHANGE OF ADDRESS	5
FAILED TO DIM HEADLIGHTS - FOLLOWING	3
FAILED TO DIM HEADLIGHTS - MEETING	9
FAILED TO DRIVE IN A SINGLE LANE	1
FAILED TO SIGNAL INTENT TO TURN	1
FAILED TO SIGNAL TURN	1
FAILED TO SIGNAL TURN / LANE CHANGE	4
FAILED TO STOP AT DESIGNATED POINT (STOP SIGN)	29
FAILED TO STOP AT PROPER PLACE (TRAFFIC LIGHT)	2
FAILED TO STOP FOR SCHOOL BUS (OR REMAIN STOPPED)	1
FAILED TO YIELD ROW TO EMERGENCY VEHICLE	1
ILLEGAL BUYERS TAGS	1

Spring Valley Village, TX PD

Citation Violation Audit by Offense

Violation Count

March 1, 2024 - March 31, 2024

Official: All

Official Assignment:

Type of Stop: All

Stop Result: All

STEP: NONE

ILLEGAL PARKING - FIRE LANE - SHOP CTR	1
ILLEGAL PARKING - NO PARKING ANY TIME	3
ILLEGAL PARKING - PARKING IN PRIVILEGED	7
ILLEGAL PASSING - 100FT OF INTERSECTION	2
ILLEGAL WINDOW TINT	4
IMPEDING TRAFFIC	1
IMPROPER RIGHT HAND TURN	1
NO DRIVERS LICENSE	97
NO FRONT LICENSE PLATE	16
OPEN CONTAINER	1
OPERATE MOTOR VEHICLE WITHOUT LICENSE PLATES OR WITH ONE LICENSE ..	5
OPERATE UNREGISTERED MOTOR VEHICLE	4
PARK OR STAND WITHIN 30 FT OF A TRAFFIC CONTROL DEVICE	1
PARKED IN PROHIBITED AREA	1
PASSING/DISREGARD NO PASSING ZONE	1
PUBLIC INTOXICATION	1
RAN RED LIGHT	3
RAN STOP SIGN	34
SPEEDING >10% ABOVE POSTED LIMIT	152
SPEEDING IN SCHOOL ZONE	14
TURNED WHEN UNSAFE	1
UNAUTHORIZED USE OF DEALER TEMP TAG - (DEALER OR EMPLOYEE)	2
UNAUTHORIZED USE OF DEALER TEMP TAG (NOT DEALER OR EMPLOYEE)	3
UNRESTRAINED CHILD 5 YEARS OF AGE TO 17	1
VIOLATE DL RESTRICTION B	2
WRONG LICENSE PLATE OR INSIGNIA	1
WRONG/ALTERED/OBSCURED LICENSE PLATE	6
Grand Total	1,168

**Spring Valley Village City Council
Agenda Item Data Sheet**

MEETING DATE: April 23, 2024

TOPIC: **Briefing And Discussion Concerning Quarterly Investment Report For Period Ending March 31, 2024.**

BACKGROUND:

Per the City's Investment Policy, the Investment Officer shall prepare an investment report at least quarterly. Attached is detailed investment report for the quarter ending March 31, 2024.

RECOMMENDATION: N/A

ATTACHMENTS:

- Quarterly Investment Report for FY 2024-2025 Period Ending March 31, 2024.

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:

Brent Walker, City Treasurer

CITY ADMINISTRATOR APPROVAL:



ACTIONS TAKEN

APPROVAL ☐ YES ☐ NO	READING PASSED	OTHER
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FUND-ACCT. NO.	ACCOUNT NAME	CASH	INVESTMENTS	FUND TOTAL
<u>10 -GENERAL FUND</u>				
10-00-1001	CASH IN BANK - WELLS FARGO	2,675,936.26		
10-00-1010	PETTY CASH	660.00		
10-00-1030	SAVINGS - CHILD SAFETY		11,557.28	
10-00-1040	SAVING - WELLS FARGO		7,635.51	
10-00-1043	CASH IN BANK - MUNICIPAL COURT		12,922.30	
10-00-1111	CERTIFICATES OF DEPOSIT - VARI		0.00	
10-00-1120	INVESTMENT IN TEXPOOL		5,177,923.74	
10-00-1121	TEXASCLASS		4,690,473.77	
TOTAL 10	-GENERAL FUND	<u>2,676,596.26</u>	<u>9,900,512.60</u>	<u>12,577,108.86</u>
<u>15 -CAPITAL REPLACEMENT FUND</u>				
15-00-1001	CASH	320,679.06		
15-00-1120	TEXPOOL		1,311,564.26	
TOTAL 15	-CAPITAL REPLACEMENT FUND	<u>320,679.06</u>	<u>1,311,564.26</u>	<u>1,632,243.32</u>
<u>20 -UTILITIES</u>				
20-00-1001	CASH IN BANK - WELLS FARGO	506,261.36		
20-00-1010	PETTY CASH	200.00		
20-00-1040	BOND RESERVE - WELLS FARGO		358,408.47	
20-00-1120	INVESTMENT IN TEXPOOL		1,595,996.49	
TOTAL 20	-UTILITIES	<u>506,461.36</u>	<u>1,954,404.96</u>	<u>2,460,866.32</u>
<u>26 -CLFRF FUND</u>				
26-00-1001	CASH IN THE BANK	(55,679.40)		
26-00-1121	TEXASCLASS		1,119,184.09	
TOTAL 26	-CLFRF FUND	<u>(55,679.40)</u>	<u>1,119,184.09</u>	<u>1,063,504.69</u>
<u>25 -CIP FUND</u>				
25-00-1001	CASH IN BANK - WELLS FARGO	503,124.16		
25-00-1002	BONDS - WELLS FARGO	36,099.26		
25-00-1120	TEXPOOL		2,642,184.61	
25-00-1130	TEXAS CLASS - CO BOND		7,844,065.17	
25-00-1140	TEXPOOL - BOND		5,816.58	
TOTAL 25	-CIP FUND	<u>539,223.42</u>	<u>10,492,066.36</u>	<u>11,031,289.78</u>
TOTAL CASH & INVESTMENTS		<u>3,987,280.70</u>	<u>24,777,732.27</u>	<u>28,765,012.97</u>

*** END OF REPORT ***

**Spring Valley Village City Council
Agenda Item Data Sheet**

MEETING DATE: April 23, 2024

TOPIC:	Presentation and Acceptance of Fiscal Year 2022-2023 Audited Annual Comprehensive Financial Report Prepared by Belt, Harris Pechacek, LLLP, Certified Public Accountants.
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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 Annual Comprehensive Financial Report (ACFR) 3 years. Contract extensions have occurred in May of 2017 for 2 years, June 2019 for 2 years, and March 2021 for 2 years. In April 2023 Council extended the contract to include FY 2022-2023 and FY 2023-2024. Managing Partner, Robert Belt, with Belt, Harris Pechacek will present the Report.
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RECOMMENDATION:	Staff recommends acceptance of the Report.
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ATTACHMENTS:	• Annual Comprehensive Financial Report for FY 2022-2023 • Required Auditor Disclosure Letter • Management Letter
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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:	CITY ADMINISTRATOR APPROVAL:
---------------------------------	-------------------------------------

Brent Walker, City Treasurer



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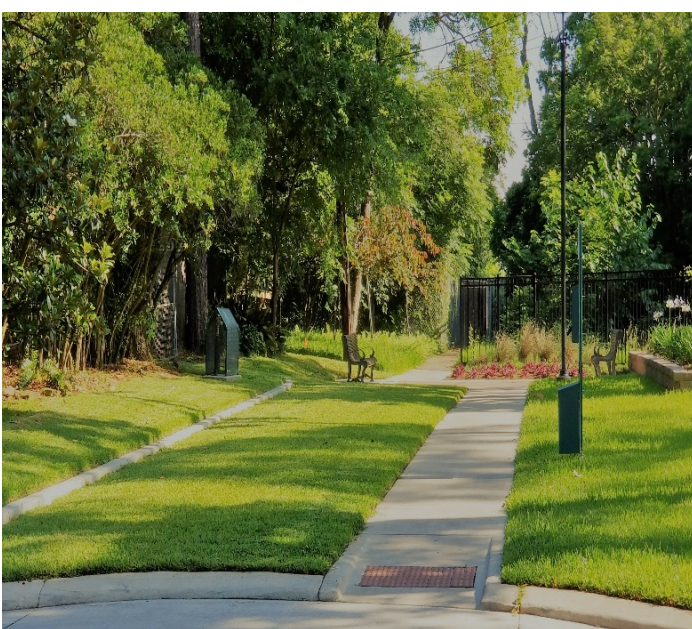


SPRING VALLEY VILLAGE, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING

SEPTEMBER 30, 2023



*ANNUAL
COMPREHENSIVE
FINANCIAL REPORT*

of the

**CITY OF SPRING
VALLEY VILLAGE, TEXAS**

**For the Year Ended
September 30, 2023**

Prepared by:

**John McDonald
City Administrator**

**Brent Walker
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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INTRODUCTORY SECTION

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EST. 1955

SPRING VALLEY VILLAGE

March 22, 2024

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

The Finance Department is pleased to submit the Annual Comprehensive Financial Report for the City of Spring Valley Village, Texas (the “City”) for the fiscal year (FY) ended September 30, 2023. 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, 2023. The independent auditors’ report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The City was incorporated under the laws of the State of Texas (the “State”) 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 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 is located ten miles west of downtown Houston. As of September 30, 2023, the City has a land area of 1.6 square miles and an estimated population of approximately 4,222. 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.

City Ordinance establishes the fiscal year as October 1 through September 30. City Ordinance also 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 which 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 4,222 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 a stable outlook with property taxable value, and its property taxable value reached over \$1 billion in the 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 Texas Medical Center, 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 residential property values and a new medical building completed in 2022.

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 2024. 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 one cent lower property tax rate for tax year 2023 (fiscal year 2024).

LONG-TERM FINANCIAL PLANNING

Capital improvement projects are funded with general governmental revenues and proceeds of general obligation and certificates of obligation debt issues. The City annually updates a five-year Capital Improvement Plan (the "Plan") and regularly prepares short-term improvement plans for water, wastewater, drainage, municipal facilities, and parks. The Plan is prepared by staff and presented to the City Council for review and acceptance. The Plan requires funding sources to be identified for each project.

In FY 2019, the Council's policy on capital projects funding changed from pay-as-you-go with cash to the use of certificates of obligation bonds in order to undertake a greater number of capital projects. A portion of general fund revenues is allocated to the Debt Service Fund each year to cover bond payments, and a portion is allocated to the Capital Improvements Fund each year to fund those capital projects that will be funded by cash.

MAJOR INITIATIVES

FY 2023 was a year of accomplishments for the City of Spring Valley Village. The list below highlights some of the significant City activities:

- The Winningham, Cedarspur, and Burkhart (all east of Voss) paving and utility improvement project was completed in June of 2023.
- The Cedarspur (west of Bingle) and Burkhart (east of Bingle) paving and utility improvement project went out for bid in 2023 and was awarded to On Par Civil Services in December 2023. Construction will begin in early 2024 and will be completed by late 2024 or early 2025.
- The Brighton Place paving and utility improvement project went out for bid in late 2023 and will be awarded in 2024. Construction will begin mid-2024 and will be completed in 2025.
- Design began on the Water Plant Upgrades in 2023, and will be completed in 2024. The project will go out to bid late 2024 or early 2025.

ANNUAL BUDGET

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the General Fund, Utility Fund, and Debt Service Fund are included in the annual operating budget. 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

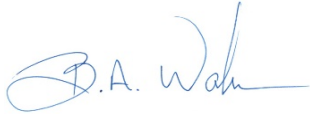
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Spring Valley Village for its annual comprehensive financial report for the fiscal year ending September 30, 2022. This was the eighth 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 annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

The preparation of this Annual Comprehensive Financial Report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. Appreciation is expressed to all City employees throughout the organization, especially to those who were instrumental in the successful completion of this report. Additionally, 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,

A handwritten signature in blue ink, appearing to read "B.A. Walker". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Brent Walker
City Treasurer

CITY OF SPRING VALLEY VILLAGE, TEXAS

LIST OF ELECTED OFFICIALS AND KEY STAFF

September 30, 2023

Elected Officials	Position
Marcus Vajdos	Mayor
Allen Carpenter	Mayor Pro-Tem
Joy McCormack	Council Member
John Lisenby	Council Member
David Dominy	Council Member
Steve Bass	Council Member
Key Staff	Position
John McDonald	City Administrator
Jasmin Torres	City Secretary
Brent Walker	City Treasurer
Mark Schulze	Chief of Police

CITY OF SPRING VALLEY VILLAGE, TEXAS
*CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING*



Government Finance Officers Association

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

Presented to

**City of Spring Valley Village
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

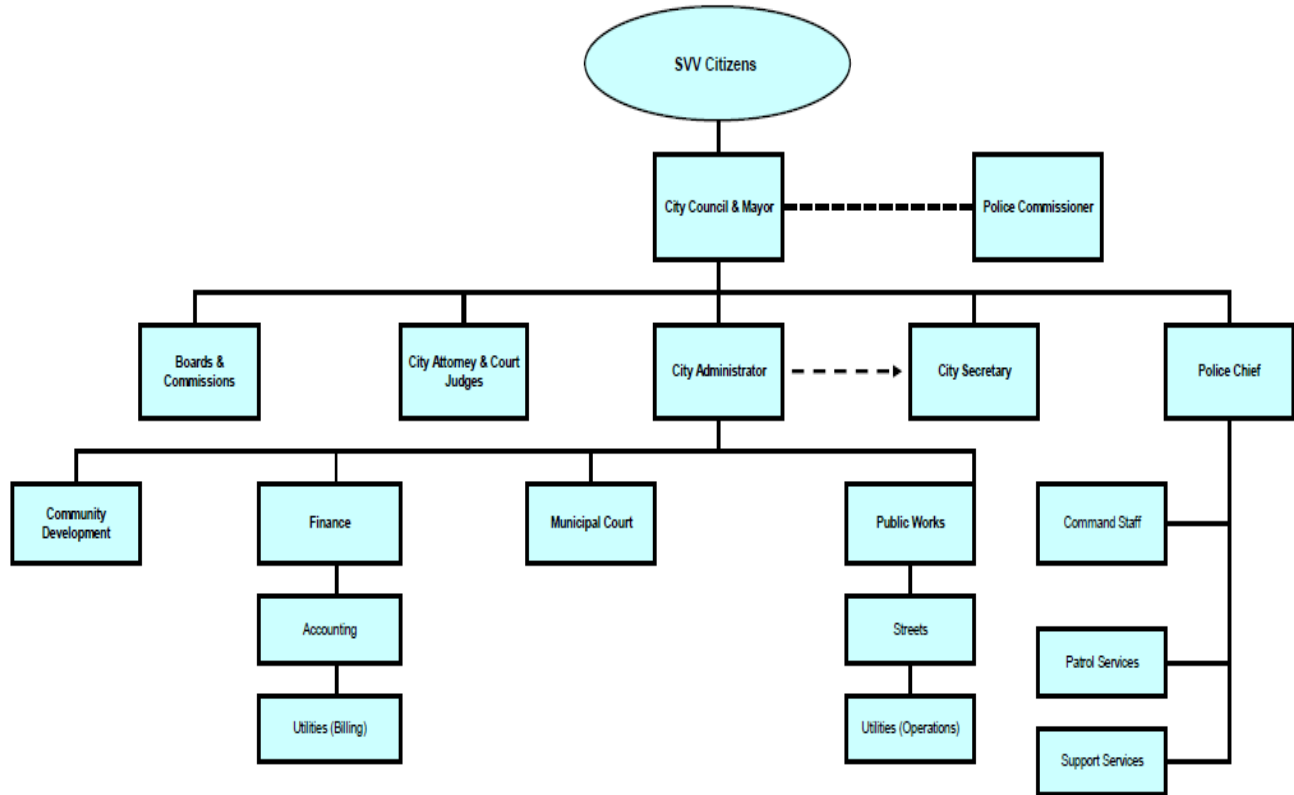
Christopher P. Morill

Executive Director/CEO

CITY OF SPRING VALLEY VILLAGE, TEXAS

ORGANIZATIONAL CHART

September 30, 2023



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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:

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note I.F.10. to the financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. Our opinion is not modified with respect to this matter.

Responsibility of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 total other postemployment 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 is the responsibility of management and, 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.

Supplementary 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 schedule listed as supplementary information on the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas
March 22, 2024

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

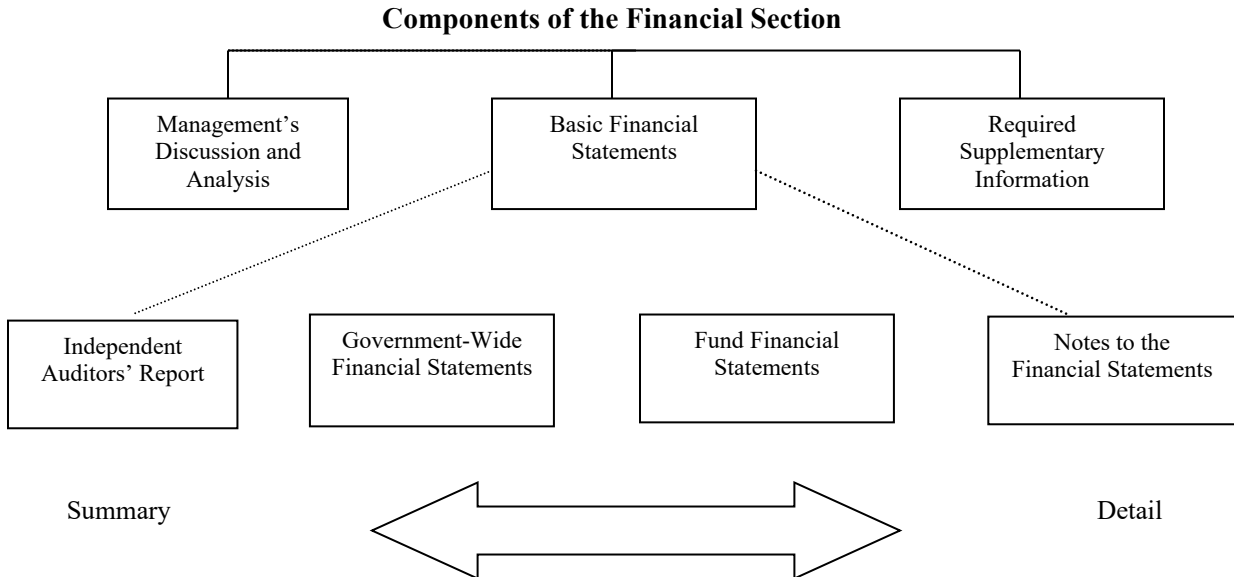
CITY OF SPRING VALLEY VILLAGE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2023

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, 2023. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis 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



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.

CITY OF SPRING VALLEY VILLAGE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended September 30, 2023

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 distribution and wastewater collection/treatment.

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 a 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 funds balance sheet and the governmental funds 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 funds balance sheet and in the governmental funds 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.

CITY OF SPRING VALLEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

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 and wastewater services. The proprietary fund financial statements provide separate information for the water distribution and wastewater collection/treatment operations. The 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. The capital replacement 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 postemployment 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 \$49,634,851 as of September 30, 2023. The largest portion of the City's net position (71%) 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.

CITY OF SPRING VALLEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	2023			2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 25,007,107	\$ 2,304,256	\$ 27,311,363	\$ 25,134,357	\$ 1,762,192	\$ 26,896,549
Capital assets, net	41,718,181	9,709,896	51,428,077	42,444,520	10,399,411	52,843,931
Total Assets	66,725,288	12,014,152	78,739,440	67,578,877	12,161,603	79,740,480
Deferred outflows - pensions	902,170	133,430	1,035,600	174,173	28,759	202,932
Deferred outflows - OPEB	23,121	3,747	26,868	32,916	5,196	38,112
Total Deferred Outflows of Resources	925,291	137,177	1,062,468	207,089	33,955	241,044
Long-term liabilities	24,283,828	3,438,578	27,722,406	24,915,482	3,649,561	28,565,043
Other liabilities	1,587,544	699,724	2,287,268	1,887,976	320,249	2,208,225
Total Liabilities	25,871,372	4,138,302	30,009,674	26,803,458	3,969,810	30,773,268
Deferred inflows - pensions	78,793	11,653	90,446	741,968	99,800	841,768
Deferred inflows - OPEB	58,176	8,761	66,937	5,649	992	6,641
Total Deferred Inflows of Resources	136,969	20,414	157,383	747,617	100,792	848,409
Net Position:						
Net investment in capital assets	28,734,093	6,419,896	35,153,989	28,167,543	6,789,411	34,956,954
Restricted	253,331	358,408	611,739	1,104,744	472,736	1,577,480
Unrestricted	12,654,814	1,214,309	13,869,123	10,962,604	862,809	11,825,413
Total Net Position	\$ 41,642,238	\$ 7,992,613	\$ 49,634,851	\$ 40,234,891	\$ 8,124,956	\$ 48,359,847

A portion of the City's net position, \$611,739, represents resources restricted to a specific purpose. The balance of unrestricted net position, \$13,869,123, may be used to meet the City's ongoing obligation to citizens and creditors. The City's total net position increased by \$1,275,004. Total assets decreased by \$1,001,040 which was primarily due to a decrease in capital assets as a result of depreciation and amortization of capital assets. Total liabilities decreased by a net \$763,594 as a result of an overall reduction in long-term liabilities of \$842,637. Total deferred outflows increased by \$821,424 for the differences between expected and actual economic experience related to the pension liability. Total deferred inflows decreased by \$691,026 from prior year due to the decrease in the differences between projected and actual investment earnings related to the pension liability.

CITY OF SPRING VALLEY VILLAGE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2023

Statement of Activities

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

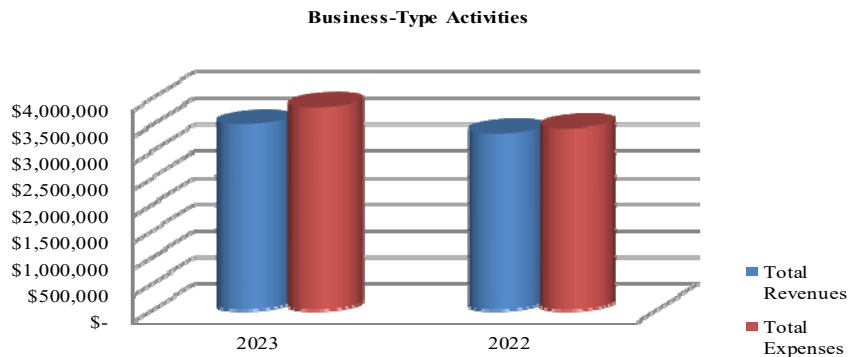
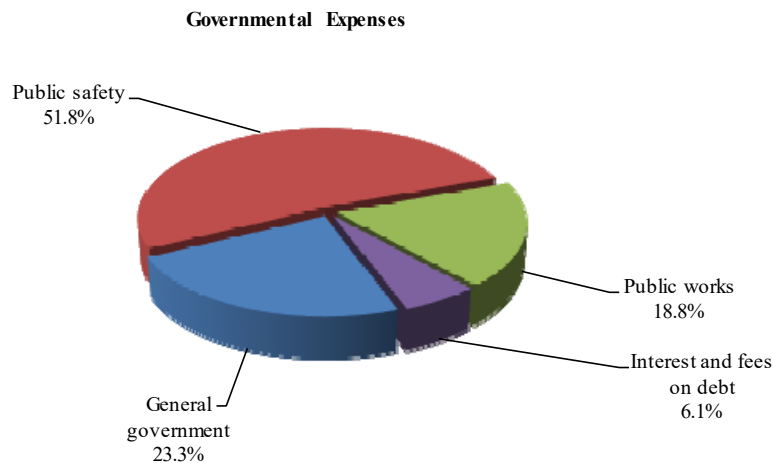
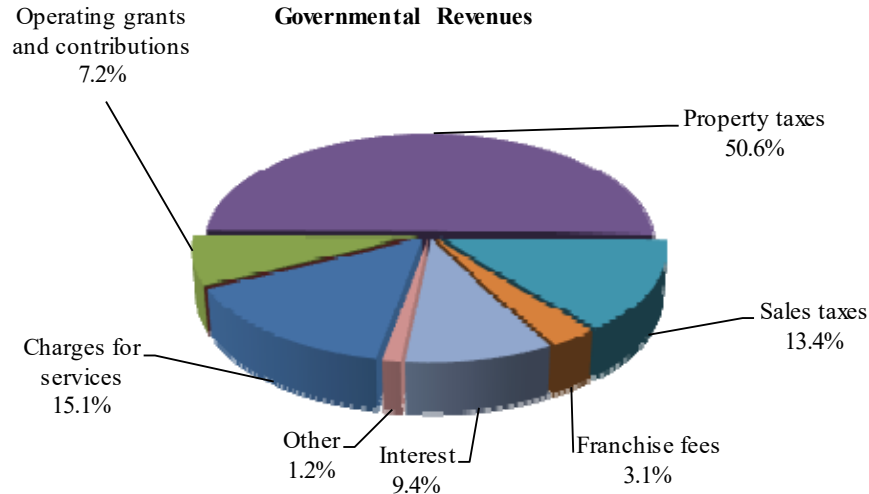
	For the Year Ended September 30, 2023			For the Year Ended September 30, 2022		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 1,777,167	\$ 3,501,583	\$ 5,278,750	\$ 2,169,412	\$ 3,330,052	\$ 5,499,464
Operating grants and Contributions	842,512	-	842,512	945,930	-	945,930
General revenues:						
Property taxes	5,935,937	-	5,935,937	5,625,596	-	5,625,596
Sales taxes	1,575,534	-	1,575,534	1,748,586	-	1,748,586
Franchise fees	368,487	-	368,487	296,152	-	296,152
Interest	1,104,948	68,824	1,173,772	164,499	10,723	175,222
Other	136,223	40,161	176,384	243,591	67,236	310,827
Total Revenues	<u>11,740,808</u>	<u>3,610,568</u>	<u>15,351,376</u>	<u>11,193,766</u>	<u>3,408,011</u>	<u>14,601,777</u>
Expenses						
General government	2,388,984	-	2,388,984	2,373,042	-	2,373,042
Public safety	5,306,712	-	5,306,712	4,786,732	-	4,786,732
Public works	1,930,573	-	1,930,573	2,262,530	-	2,262,530
Interest and fees on debt	621,120	85,120	706,240	652,416	109,437	761,853
Water and sewer	-	3,743,863	3,743,863	-	3,321,375	3,321,375
Total Expenses	<u>10,247,389</u>	<u>3,828,983</u>	<u>14,076,372</u>	<u>10,074,720</u>	<u>3,430,812</u>	<u>13,505,532</u>
Increase (Decrease) in Net Position Before Transfers	1,493,419	(218,415)	1,275,004	1,119,046	(22,801)	1,096,245
Transfers in (out)	(86,072)	86,072	-	(707,498)	707,498	-
Change in Net Position	1,407,347	(132,343)	1,275,004	411,548	684,697	1,096,245
Beginning net position	40,234,891	8,124,956	48,359,847	39,823,343	7,440,259	47,263,602
Ending Net Position	<u>\$ 41,642,238</u>	<u>\$ 7,992,613</u>	<u>\$ 49,634,851</u>	<u>\$ 40,234,891</u>	<u>\$ 8,124,956</u>	<u>\$ 48,359,847</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended September 30, 2023

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



Revenues for governmental activities increased \$547,042 or 5%. Property tax revenue increased \$310,341 or 6% due to an increase in property values within the City. Interest revenue increased \$940,449 due to increases in invested funds and higher interest rates on investments. Total governmental activities expenses increased by \$172,669 which was primarily due to an increase in public safety expenses from an increase in personnel costs related to an increase in the pension liability.

CITY OF SPRING VALLEY VILLAGE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended September 30, 2023

Revenues for business-type activities increased \$202,557 or 6% from the prior year as a result of an increase in charges for services due to additional consumption as well as additional sprinkler accounts. Business-type expenses increased by \$398,171 or 12% mainly due to an increase in groundwater charges and maintenance costs.

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 \$21,418,795. At the end of the current year, \$7,660,570 was unassigned, \$359,308 was assigned for capital outlay of equipment and capital improvements, and \$2,836,613 was assigned for 120 days' operating reserve. Total restricted fund balance includes \$10,292,898 for capital projects and \$253,331 for other various purposes, and \$16,075 was nonspendable for prepaid items.

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 \$7,660,570, while total fund balance reached \$11,053,434. 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 and total fund balance for the general fund exceeded general fund's expenditures. The fund balance for the general fund demonstrated an overall increase of \$1,384,930. This increase includes excess revenues over expenditures of \$2,658,423 and transfers out to other funds of \$1,311,590. The excess in revenues over expenditures is primarily the result of increases in property tax revenues from an increase in property values and an increase in investment income from higher interest rates.

The City's debt service fund had a fund balance of \$1,626, which was a decrease of \$1,616 due to debt service costs in excess of property tax collections and transfers from the general fund.

Overall, there was a decrease of \$720,020 in fund balance for the capital improvements fund as a result of the City's ongoing construction and investment in infrastructure. The fund balance was \$10,292,898, which is restricted to capital outlay and projects.

The asset forfeiture fund had a fund balance of \$19,054, which was unchanged from prior year.

The legacy fund had a fund balance of \$51,783, which was a decrease of \$26,712 due to a decrease in donations received as well as a transfer of \$38,097 to the general fund.

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

The City had planned an increase of \$89,583 in the general fund fund balance, but actually realized an increase of \$1,384,930. The activity resulted in a positive budget variance of \$1,295,347.

Actual general fund revenues exceeded budgeted revenues by a net \$21,875 during the year. This positive revenue budget variance is mainly due to increases in investment income, franchise fees, and property tax revenues that were higher than originally estimated.

CITY OF SPRING VALLEY VILLAGE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended September 30, 2023

Actual general fund expenditures were under the final budgeted expenditures by \$1,251,956. This positive expenditure budget variance is primarily due to a positive variance of \$727,955 for the police and fire department within public safety. This positive variance is a result of incurring less costs for personnel within the police department and contractual costs for interlocal agreements for the fire department than expected.

CAPITAL ASSETS

At the end of the year, the City's had invested \$51,428,077 in capital assets and infrastructure (net of accumulated depreciation) and software subscription assets for equipment (net of accumulated amortization). This represents a net decrease of \$1,415,854 from the prior year.

Major capital asset events during the year included the following:

- Pavement and utility improvement at Cedarspur, Burkhart, and Winningham for \$776,226
- Pavement and utility improvement at Brighton Place for \$398,989
- Krist Drive Outfall rehabilitation project for \$244,857

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 \$25,480,000. Of this amount, \$9,115,000 was general obligation bonds, \$13,075,000 was certificates of obligation debt, \$3,290,000 was revenue bond debt, and liabilities from software subscription arrangements of \$341,739.

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 property tax rate for the 2023 tax year (fiscal year 2024) is \$0.395 per \$100 of property valuation representing a one cent reduction in the tax rate. The total budget for general fund expenditures is \$10.3 million.

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 Brent Walker, 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, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents:			
Unrestricted	\$ 23,815,965	\$ 2,214,176	\$ 26,030,141
Restricted	119,638	358,408	478,046
Receivables, net	249,611	537,490	787,101
Internal balances	805,818	(805,818)	-
Prepaid items	16,075	-	16,075
	<u>25,007,107</u>	<u>2,304,256</u>	<u>27,311,363</u>
Noncurrent assets:			
Nondepreciable capital assets	2,697,177	5,207	2,702,384
Depreciable capital assets, net	38,683,689	9,704,689	48,388,378
Amortizable subscription assets, net	337,315	-	337,315
	<u>41,718,181</u>	<u>9,709,896</u>	<u>51,428,077</u>
Total Assets	<u>66,725,288</u>	<u>12,014,152</u>	<u>78,739,440</u>
<u>Deferred Outflows of Resources</u>			
Deferred outflows - pensions	902,170	133,430	1,035,600
Deferred outflows - OPEB	23,121	3,747	26,868
Total Deferred Outflows of Resources	<u>925,291</u>	<u>137,177</u>	<u>1,062,468</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	383,599	547,965	931,564
Accrued interest	79,991	8,186	88,177
Customer deposits	74,961	143,573	218,534
Unearned revenue	1,048,993	-	1,048,993
Long-term liabilities due within one year	1,418,569	336,681	1,755,250
	<u>3,006,113</u>	<u>1,036,405</u>	<u>4,042,518</u>
Noncurrent liabilities:			
Net pension liability	781,292	115,552	896,844
Total OPEB liability	114,034	20,047	134,081
Long-term liabilities due in more than one year	21,969,933	2,966,298	24,936,231
	<u>22,865,259</u>	<u>3,101,897</u>	<u>25,967,156</u>
Total Liabilities	<u>25,871,372</u>	<u>4,138,302</u>	<u>30,009,674</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS

STATEMENT OF NET POSITION (Continued)

September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Deferred Inflows of Resources</u>			
Deferred inflows - pensions	\$ 78,793	\$ 11,653	\$ 90,446
Deferred inflows - OPEB	58,176	8,761	66,937
Total Deferred Inflows of Resources	136,969	20,414	157,383
<u>Net Position</u>			
Net investment in capital assets	28,734,093	6,419,896	35,153,989
Restricted:			
Municipal court - security	119,364	-	119,364
Municipal court - technology	51,819	-	51,819
Harris County child safety	9,685	-	9,685
Debt service	1,626	358,408	360,034
Asset forfeitures	19,054	-	19,054
Legacy fund	51,783	-	51,783
Unrestricted	12,654,814	1,214,309	13,869,123
Total Net Position	\$ 41,642,238	\$ 7,992,613	\$ 49,634,851

See Notes to Financial Statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities			
General government	\$ 2,388,984	\$ 697,329	\$ -
Public safety	5,306,712	1,079,838	-
Public works	1,930,573	-	842,512
Interest and other charges on long-term debt	621,120	-	-
Total Governmental Activities	<u>10,247,389</u>	<u>1,777,167</u>	<u>842,512</u>
Business-Type Activities			
Water and sewer	3,828,983	3,501,583	-
Total Business-Type Activities	<u>3,828,983</u>	<u>3,501,583</u>	<u>-</u>
Total Primary Government	<u>\$ 14,076,372</u>	<u>\$ 5,278,750</u>	<u>\$ 842,512</u>
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
\$ (1,691,655)	\$ -	\$ (1,691,655)
(4,226,874)	-	(4,226,874)
(1,088,061)	-	(1,088,061)
(621,120)	-	(621,120)
(7,627,710)	-	(7,627,710)
-	(327,400)	(327,400)
-	(327,400)	(327,400)
(7,627,710)	(327,400)	(7,955,110)
5,935,937	-	5,935,937
1,575,534	-	1,575,534
368,487	-	368,487
1,104,948	68,824	1,173,772
136,223	40,161	176,384
(86,072)	86,072	-
9,035,057	195,057	9,230,114
1,407,347	(132,343)	1,275,004
40,234,891	8,124,956	48,359,847
<u>\$ 41,642,238</u>	<u>\$ 7,992,613</u>	<u>\$ 49,634,851</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2023

	General	Debt Service	Capital Improvements	Asset Forfeiture
<u>Assets</u>				
Cash and cash equivalents	\$ 11,901,985	\$ -	\$ 10,292,898	\$ 19,054
Receivables, net	239,644	9,967	-	-
Due from other funds	622,218	-	-	-
Prepaid items	16,075	-	-	-
Restricted cash	119,638	-	-	-
Total Assets	\$ 12,899,560	\$ 9,967	\$ 10,292,898	\$ 19,054
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 375,258	\$ 8,341	\$ -	\$ -
Deposits	74,961	-	-	-
Due to other funds	300,000	-	-	-
Unearned revenue	1,048,993	-	-	-
Total Liabilities	1,799,212	8,341	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	46,914	-	-	-
<u>Fund Balances</u>				
Nonspendable:				
Prepays	16,075	-	-	-
Restricted:				
Municipal court - security	119,364	-	-	-
Municipal court - technology	51,819	-	-	-
Harris County child safety	9,685	-	-	-
Debt service	-	1,626	-	-
Asset forfeitures	-	-	-	19,054
Legacy fund	-	-	-	-
Capital projects	-	-	10,292,898	-
Assigned:				
120 days' operating reserve	2,836,613	-	-	-
Capital outlay and projects	359,308	-	-	-
Unassigned	7,660,570	-	-	-
Total Fund Balances	11,053,434	1,626	10,292,898	19,054
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,899,560	\$ 9,967	\$ 10,292,898	\$ 19,054

See Notes to Financial Statements.

Legacy	Total Governmental Funds
\$ 51,783	\$ 22,265,720
-	249,611
-	622,218
-	16,075
-	119,638
<u>\$ 51,783</u>	<u>\$ 23,273,262</u>
\$ -	\$ 383,599
-	74,961
-	300,000
-	1,048,993
<u>-</u>	<u>1,807,553</u>
-	46,914
-	16,075
-	119,364
-	51,819
-	9,685
-	1,626
-	19,054
51,783	51,783
-	10,292,898
-	2,836,613
-	359,308
-	7,660,570
<u>51,783</u>	<u>21,418,795</u>
<u>\$ 51,783</u>	<u>\$ 23,273,262</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2023

Total fund balances for governmental funds	\$ 21,418,795
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	2,697,177
Capital assets, depreciable/amortizable	78,117,729
Accumulated depreciation/amortization	(39,096,725)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
	46,914
The capital replacement fund is 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.	
	2,033,845
Deferred outflows and deferred inflows related to pension and other postemployment benefits (OPEB) activity are not reported in the governmental funds.	
Deferred outflows - pensions	902,170
Deferred outflows - OPEB	23,121
Deferred inflows - pensions	(78,793)
Deferred inflows - OPEB	(58,176)
Net pension liability	(781,292)
Total OPEB liability	(114,034)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(79,991)
Noncurrent liabilities due in one year	(1,418,569)
Noncurrent liabilities due in more than one year	(21,969,933)
Net Position of Governmental Activities	\$ 41,642,238

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, 2023

<u>Revenues</u>	General	Debt Service	Capital Improvements	Asset Forfeiture
Property taxes	\$ 5,017,383	\$ 890,271	\$ -	\$ -
Sales taxes	1,575,534	-	-	-
Franchise fees	368,487	-	-	-
Fines and forfeitures	470,997	-	-	-
Licenses and permits	343,856	-	-	-
Charges for services	353,473	-	-	-
Hilshire police contract	608,841	-	-	-
Investment income	569,227	-	479,163	-
Intergovernmental	842,512	-	-	-
Other	124,838	-	-	-
Total Revenues	<u>10,275,148</u>	<u>890,271</u>	<u>479,163</u>	<u>-</u>
 <u>Expenditures</u>				
Current:				
General government	2,236,740	-	-	-
Public safety	4,838,540	-	-	-
Public works	478,945	-	-	-
Capital outlay	-	-	1,515,679	-
Debt service:				
Principal	51,796	1,225,000	-	-
Interest and fiscal charges	10,704	661,981	-	-
Total Expenditures	<u>7,616,725</u>	<u>1,886,981</u>	<u>1,515,679</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>2,658,423</u>	<u>(996,710)</u>	<u>(1,036,516)</u>	<u>-</u>
 <u>Other Financing Sources (Uses)</u>				
Transfers in	38,097	995,094	316,496	-
Transfers (out)	(1,311,590)	-	-	-
Total Other Financing Sources (Uses)	<u>(1,273,493)</u>	<u>995,094</u>	<u>316,496</u>	<u>-</u>
Net Change in Fund Balances	1,384,930	(1,616)	(720,020)	-
Beginning fund balances	<u>9,668,504</u>	<u>3,242</u>	<u>11,012,918</u>	<u>19,054</u>
Ending Fund Balances	<u>\$ 11,053,434</u>	<u>\$ 1,626</u>	<u>\$ 10,292,898</u>	<u>\$ 19,054</u>

See Notes to Financial Statements.

Legacy	Total Governmental Funds
\$ -	\$ 5,907,654
-	1,575,534
-	368,487
-	470,997
-	343,856
-	353,473
-	608,841
-	1,048,390
-	842,512
11,385	136,223
<u>11,385</u>	<u>11,655,967</u>
-	2,236,740
-	4,838,540
-	478,945
-	1,515,679
-	1,276,796
-	672,685
<u>-</u>	<u>11,019,385</u>
<u>11,385</u>	<u>636,582</u>
-	1,349,687
<u>(38,097)</u>	<u>(1,349,687)</u>
<u>(38,097)</u>	<u>-</u>
(26,712)	636,582
<u>78,495</u>	<u>20,782,213</u>
<u>\$ 51,783</u>	<u>\$ 21,418,795</u>

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, 2023

Net change in fund balances - total governmental funds	\$	636,582
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital asset acquisitions		1,561,244
Depreciation/amortization expense		(2,287,583)

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		28,283
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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. These amounts are the effect of these differences in the treatment of long-term debt and related items.

Accrued interest expense		5,150
Premium on debt		46,415
Principal payment		1,276,796

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		26,433
Net pension liability		(1,507,950)
Total OPEB liability		63,302
Deferred outflows - pensions		727,997
Deferred outflows - OPEB		(9,795)
Deferred inflows - pensions		663,175
Deferred inflows - OPEB		(52,527)

The capital replacement 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.

		229,825
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Change in Net Position of Governmental Activities	\$	1,407,347
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See Notes to Financial Statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2023

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise</u>	<u>Internal Service</u>
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	\$ 2,214,176	\$ 1,550,245
Restricted cash	358,408	-
Receivables, net	537,490	-
Due from other funds	-	483,600
Total Current Assets	<u>3,110,074</u>	<u>2,033,845</u>
Noncurrent Assets		
Capital assets:		
Nondepreciable capital assets	5,207	-
Net depreciable capital assets	9,704,689	-
Total Capital Assets, Net	<u>9,709,896</u>	<u>-</u>
Total Noncurrent Assets	<u>9,709,896</u>	<u>-</u>
Total Assets	<u>12,819,970</u>	<u>2,033,845</u>
<u>Deferred Outflows of Resources</u>		
Deferred outflows - pensions	133,430	-
Deferred outflows - OPEB	3,747	-
Total Deferred Outflows of Resources	<u>137,177</u>	<u>-</u>
<u>Liabilities</u>		
Current Liabilities		
Accounts payable and accrued liabilities	547,965	-
Due to other funds	805,818	-
Customer deposits	143,573	-
Accrued interest payable	8,186	-
Long-term liabilities due within one year	336,681	-
Total Current Liabilities	<u>1,842,223</u>	<u>-</u>
Noncurrent Liabilities		
Net pension liability	115,552	-
Total OPEB liability	20,047	-
Long-term liabilities due in more than one year	2,966,298	-
Total Noncurrent Liabilities	<u>3,101,897</u>	<u>-</u>
Total Liabilities	<u>4,944,120</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>		
Deferred inflows - pensions	11,653	-
Deferred inflows - OPEB	8,761	-
Total Deferred Inflows of Resources	<u>20,414</u>	<u>-</u>
<u>Net Position</u>		
Net investment in capital assets	6,419,896	-
Restricted for debt service	358,408	-
Unrestricted	1,214,309	2,033,845
Total Net Position	<u>\$ 7,992,613</u>	<u>\$ 2,033,845</u>

See Notes to Financial Statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS

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

For the Year Ended September 30, 2023

	Business-Type Activities	Governmental Activities
	Enterprise	Internal Service
<u>Operating Revenues</u>		
Water charges	\$ 1,948,984	\$ -
Sewer charges	1,552,599	-
Charges for services	-	177,646
Other	40,161	-
Total Operating Revenues	3,541,744	177,646
<u>Operating Expenses</u>		
General and administrative	797,795	4,379
Water	1,008,724	-
Sewer	1,096,089	-
Depreciation	841,255	-
Total Operating Expenses	3,743,863	4,379
Operating Income (Loss)	(202,119)	173,267
<u>Nonoperating Revenues (Expenses)</u>		
Investment earnings	68,824	56,558
Interest expense	(85,120)	-
Total Nonoperating Revenues (Expenses)	(16,296)	56,558
Income (Loss) Before Contributions and Transfers	(218,415)	229,825
Capital contributions	86,072	-
Total Contributions and Transfers	86,072	-
Change in Net Position	(132,343)	229,825
Beginning net position	8,124,956	1,804,020
Ending Net Position	\$ 7,992,613	\$ 2,033,845

See Notes to Financial Statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended September 30, 2023

	Business-Type Activities	Governmental Activities
	Enterprise	Internal Service
<u>Cash Flows from Operating Activities</u>		
Receipts from customers	\$ 3,529,502	\$ 177,646
Payments to suppliers	(1,715,950)	(6,379)
Payments to employees	(760,877)	-
Net Cash Provided by Operating Activities	1,052,675	171,267
<u>Cash Flows from Capital and Related Financing Activities</u>		
Capital purchases	(65,668)	-
Interest and fiscal agent fees paid	(85,120)	-
Debt payments	(320,000)	-
Net Cash (Used) by Capital and Related Financing Activities	(470,788)	-
<u>Cash Flows from Investing Activities</u>		
Interest on investments	68,824	56,558
Net Cash Provided by Investing Activities	68,824	56,558
Net Increase in Cash and Cash Equivalents	650,711	227,825
Beginning cash and cash equivalents	1,921,873	1,322,420
Ending Cash and Cash Equivalents	\$ 2,572,584	\$ 1,550,245
Ending Cash and Cash Equivalents		
Unrestricted cash and cash equivalents	\$ 2,214,176	\$ 1,550,245
Restricted cash and cash equivalents	358,408	-
	\$ 2,572,584	\$ 1,550,245
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ (202,119)	\$ 173,267
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	841,255	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts receivable	(5,681)	-
Deferred outflows - pensions	(104,671)	-
Deferred outflows - OPEB	1,449	-
Net pension asset	114,328	-
Increase (Decrease) in:		
Accounts payable and accrued liabilities	386,036	(2,000)
Net pension liability	115,552	-
Total OPEB liability	(9,362)	-
Deferred inflows - pensions	(88,147)	-
Deferred inflows - OPEB	7,769	-
Compensated absences	2,827	-
Customer deposits	(6,561)	-
Net Cash Provided by Operating Activities	\$ 1,052,675	\$ 171,267
Noncash investing, capital, and financing activities:		
Contributions of capital assets	\$ 86,072	-

See Notes to Financial Statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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 (the “State”) 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; parks and streets; sanitation, water, and sewer services; and general administration.

The City is an independent political subdivision of the State 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. 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

Spring Valley Legacy Fund, Inc.

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 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 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.

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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 fund. Separate financial statements are provided for governmental 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, 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 projects 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 funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The 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 the legacy fund is from private and corporate donations. The City has elected to report the legacy fund as a major fund for reporting purposes.

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

The City reports the following enterprise fund:

The *enterprise fund* is used to account for the operations that provide water and wastewater collection, and wastewater treatment. 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 capital replacement 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 fund) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

E. Measurement Focus and Basis of Accounting

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

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

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

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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 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 pools operate 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

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

3. 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) and 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 or state statute. Restricted assets of the enterprise fund are restricted by bond covenants for repayment of debt.

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:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
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 net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets 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 net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

net assets 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.

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

9. Leases

The City is a lessee for noncancellable leases of equipment. The City would recognize a lease liability and an intangible, right-to-use asset (the “lease asset”) in the government-wide financial statements. The City’s leases to report are immaterial to the financial statements as a whole and are not recognized as a lease liability or a lease asset.

10. Subscription-Based Information Technology Arrangements

The City has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The City recognizes a liability (the “subscription liability”) and an intangible, right-to-use subscription asset (the “subscription asset”) in the government-wide financial statements.

At the commencement of the SBITAs, the City initially measures the subscription liability at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using either the implicit rate or the City’s incremental borrowing rate if the interest rate is not readily determinable. The subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, plus payments made before the commencement of the subscription term and capitalizable implementation costs. The subscription asset is reduced for any vendor incentives received. The subscription asset is amortized on a straight-line basis over the subscription term.

Key estimates and judgments related to the SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) term of the subscription arrangements, and (3) subscription payments.

- The City uses the interest rate charged on the SBITAs as the discount rate. When the interest rate charged on the SBITAs is not provided, the City uses its estimated incremental borrowing rate as the discount rate.
- The term includes the noncancellable period of the SBITAs plus options periods, in which one party may exercise, that the City is reasonably certain will be exercised.
- The subscription payments included in the measurement of the subscription liability are composed of fixed or fixed in substance payments and other payments associated with the SBITA that the City is reasonably certain to make based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its subscription arrangements and will remeasure the subscription liability and asset if certain changes occur that are expected to significantly affect the amount of the subscription liability. The subscription liabilities are reported with long-term debt and the subscription assets are reported with other capital assets on the Statement of Net Position.

11. Net Position Flow Assumption

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

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

12. 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.

13. 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.

14. 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.

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

15. Pensions

For the 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' 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.

16. Other Postemployment Benefits

The City participates in a defined benefit group-term life insurance plan administered 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 employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

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 capital replacement 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 capital replacement fund include the cost of sales and services, administrative expenses,

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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 as defined by the City in the approved budget is the department level.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

As of September 30, 2023, the City had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	\$ 24,741,412	0.07

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 investments in investment pools were rated "AAAm" by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the U.S. 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, 2023, the market values of pledged securities and FDIC coverage exceeded the City's bank balances.

TexPool

TexPool was established as a trust company with the Treasurer of the State 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

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS' website at www.texasclass.com.

B. Receivables

The following comprises receivable balances at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Enterprise</u>
Property taxes	\$ 54,439	\$ 9,967	\$ -
Other taxes	187,261	-	-
Accounts	5,416	-	564,691
Less allowance	(7,472)	-	(27,201)
Total	<u>\$ 239,644</u>	<u>\$ 9,967</u>	<u>\$ 537,490</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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/ amortized:				
Land	\$ 1,966,307	\$ -	\$ -	\$ 1,966,307
Construction in progress	911,583	1,265,006	(1,445,719)	730,870
Total Capital Assets Not Being Depreciated/Amortized	<u>2,877,890</u>	<u>1,265,006</u>	<u>(1,445,719)</u>	<u>2,697,177</u>
Other capital assets:				
Infrastructure	63,020,172	1,690,577	-	64,710,749
Buildings	8,335,034	-	-	8,335,034
Furniture and fixtures	2,326,502	-	-	2,326,502
Machinery and equipment	797,318	-	(25,630)	771,688
Vehicles	1,528,841	51,380	-	1,580,221
Subscription assets for equipment	393,535	-	-	393,535
Total Other Capital Assets	<u>76,401,402</u>	<u>1,741,957</u>	<u>(25,630)</u>	<u>78,117,729</u>
Less accumulated depreciation/ amortization for:				
Infrastructure	(32,208,015)	(1,452,775)	-	(33,660,790)
Buildings	(1,250,070)	(238,283)	-	(1,488,353)
Furniture and fixtures	(1,691,098)	(234,964)	-	(1,926,062)
Machinery and equipment	(708,759)	(70,372)	25,630	(753,501)
Vehicles	(976,830)	(234,969)	-	(1,211,799)
Subscription assets for equipment	-	(56,220)	-	(56,220)
Total Accumulated Depreciation/ Amortization	<u>(36,834,772)</u>	<u>(2,287,583)</u>	<u>25,630</u>	<u>(39,096,725)</u>
Other capital assets, net	<u>39,566,630</u>	<u>(545,626)</u>	<u>-</u>	<u>39,021,004</u>
Governmental Activities Capital Assets, Net	<u>\$ 42,444,520</u>	<u>\$ 719,380</u>	<u>\$ (1,445,719)</u>	<u>41,718,181</u>
			Less associated debt	(23,276,986)
			Unspent bond proceeds	10,292,898
			Net Investment in Capital Assets	<u>\$ 28,734,093</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 323,537
Public safety	436,693
Public works	1,527,353
Total Governmental Activities Depreciation and Amortization Expense	<u>\$ 2,287,583</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 5,207	\$ -	\$ -	\$ 5,207
Total Capital Assets Not Being Depreciated	<u>5,207</u>	<u>-</u>	<u>-</u>	<u>5,207</u>
Other capital assets:				
Building	44,708	85	-	44,793
Infrastructure	26,892	-	-	26,892
Water system	14,674,930	6,853	-	14,681,783
Sewer system	5,753,776	82,503	-	5,836,279
Vehicles	45,895	59,160	-	105,055
Machinery and equipment	226,635	3,139	-	229,774
Total Other Capital Assets	<u>20,772,836</u>	<u>151,740</u>	<u>-</u>	<u>20,924,576</u>
Less accumulated depreciation for:				
Building	(35,386)	(696)	-	(36,082)
Infrastructure	(10,083)	(650)	-	(10,733)
Water system	(6,924,058)	(582,793)	-	(7,506,851)
Sewer system	(3,144,258)	(246,001)	-	(3,390,259)
Vehicles	(45,894)	(1,973)	-	(47,867)
Machinery and equipment	(218,953)	(9,142)	-	(228,095)
Total Accumulated Depreciation	<u>(10,378,632)</u>	<u>(841,255)</u>	<u>-</u>	<u>(11,219,887)</u>
Other capital assets, net	<u>10,394,204</u>	<u>(689,515)</u>	<u>-</u>	<u>9,704,689</u>
Business-Type Activities Capital Assets, Net	<u>\$ 10,399,411</u>	<u>\$ (689,515)</u>	<u>\$ -</u>	<u>9,709,896</u>
		Less associated debt		<u>(3,290,000)</u>
		Net Investment in Capital Assets		<u>\$ 6,419,896</u>

Depreciation was charged to business-type functions as follows:

Water	\$ 632,606
Sewer	<u>208,649</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 841,255</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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	\$ 9,735,000	\$ -	\$ (620,000)	\$ 9,115,000	* \$ 640,000
Certificates of obligation, series 2019	5,880,000	-	(260,000)	5,620,000	* 270,000
Certificates of obligation, series 2020	7,800,000	-	(345,000)	7,455,000	* 355,000
Premiums	791,662	-	(46,415)	745,247	* -
Subscription liability	393,535	-	(51,796)	341,739	* 53,205
Net pension liability	-	781,292	-	781,292	-
Total OPEB liability	177,336	-	(63,302)	114,034	-
Compensated absences	137,949	97,721	(124,154)	111,516	100,364
Total Governmental Activities	\$ 24,915,482	\$ 879,013	\$ (1,510,667)	\$ 24,283,828	\$ 1,418,569

Long-term liabilities due in more than one year \$ 22,865,259

*** Debt associated with governmental activities capital assets** \$ 23,276,986

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Direct borrowings/placements:					
Revenue bonds, series 2014	\$ 1,540,000	\$ -	\$ (205,000)	\$ 1,335,000	* \$ 210,000
Revenue bonds, series 2018	2,070,000	-	(115,000)	1,955,000	* 115,000
Net pension liability	-	115,552	-	115,552	-
Total OPEB liability	29,409	-	(9,362)	20,047	-
Compensated absences	10,152	11,964	(9,137)	12,979	11,681
Total Business-Type Activities	\$ 3,649,561	\$ 127,516	\$ (338,499)	\$ 3,438,578	\$ 336,681

Long-term liabilities due in more than one year \$ 3,101,897

*** Debt associated with business-type activities capital assets** \$ 3,290,000

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.

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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

	Amounts Outstanding	Interest Rates	Matures
General Obligation Bonds			
Series 2015	\$ 9,115,000	2.00% - 3.89%	2035
Certificates of Obligation			
Series 2019	5,620,000	3.00% - 4.00%	2039
Series 2020	7,455,000	2.00% - 4.00%	2040
Subscription Liability			
Subscription assets - cameras	341,739	2.72%	2029
Total Governmental Activities Long-Term Debt	<u>\$ 22,531,739</u>		

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

	Amounts Outstanding	Interest Rates	Matures
Revenue Bonds			
Series 2014	\$ 1,335,000	2.63%	2029
Series 2018	1,955,000	1.21% - 2.61%	2038
Total Business-Type Activities Long-Term Debt	<u>\$ 3,290,000</u>		

Pledged Revenues

The net revenue of the enterprise fund is for the payment of interest and principal on the outstanding revenue bonds, series 2014 and series 2018 (the "Revenue Bonds"). 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, 2023:

Gross Revenue (1)	Operating Expenses (2)	Net Revenue	Debt Service Requirement (3)	Revenue Bond Coverage (4)
\$ 3,610,568	\$ 2,902,608	\$ 707,960	\$ 402,305	1.76

(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, depreciation, bond interest, and fiscal charges.

(3) Debt service requirements are based on the expected debt service payments 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.

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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
2024	\$ 640,000	\$ 270,319	\$ 910,319
2025	660,000	250,819	910,819
2026	680,000	230,719	910,719
2027	700,000	210,019	910,019
2028	720,000	188,719	908,719
2029-2033	3,955,000	598,116	4,553,116
2034-2035	1,760,000	57,688	1,817,688
Total	\$ 9,115,000	\$ 1,806,399	\$ 10,921,399

Fiscal Year Ending Sept. 30	Governmental Activities		
	Certificates of Obligation		
	Principal Due	Interest Due	Total Due
2024	\$ 625,000	\$ 349,463	\$ 974,463
2025	640,000	331,313	971,313
2026	660,000	308,913	968,913
2027	685,000	282,013	967,013
2028	720,000	255,488	975,488
2029-2033	3,880,000	981,165	4,861,165
2034-2038	4,400,000	462,519	4,862,519
2039-2040	1,465,000	27,800	1,492,800
Total	\$ 13,075,000	\$ 2,998,674	\$ 16,073,674

Fiscal Year Ending Sept. 30	Business-Type Activities		
	Revenue Bonds (Direct Borrowings/Placements)		
	Principal Due	Interest Due	Total Due
2024	\$ 325,000	\$ 77,305	\$ 402,305
2025	330,000	69,965	399,965
2026	340,000	62,401	402,401
2027	345,000	54,539	399,539
2028	350,000	46,462	396,462
2029-2033	880,000	140,117	1,020,117
2034-2038	720,000	55,640	775,640
Total	\$ 3,290,000	\$ 506,429	\$ 3,796,429

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

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Subscription Liability

During the fiscal year, the City entered into subscription-based information technology arrangements (SBITAs) to control the right to use camera software that is recorded within the City's general fund. The SBITAs commenced or were in effect at the beginning of fiscal year 2023, and the term is for 7 years. Principal and interest payments are due annually and the estimated incremental borrowing rate for the SBITAs is 2.72%. The initial liability and subscription assets at commencement of the arrangement was \$393,535. The value of the subscription liability as of September 30, 2023 was \$341,739. The amortization of the subscription assets at September 30, 2023 was \$56,220. The remaining annual requirements to amortize the subscription liability from the SBITAs at year end were as follows:

Fiscal Year Ending Sept. 30	Governmental Activities Subscription Liability		
	Principal Due	Interest Due	Total Due
2024	\$ 53,205	\$ 9,295	\$ 62,500
2025	54,652	7,848	62,500
2026	56,138	6,362	62,500
2027	57,665	4,835	62,500
2028	59,234	3,266	62,500
2029	60,845	1,655	62,500
Total	\$ 341,739	\$ 33,261	\$ 375,000

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
Capital improvements fund	General fund	\$ 316,496
Debt service fund	General fund	995,094
General fund	Legacy fund	38,097
	Total	\$ 1,349,687

The transfers out from the general fund are made to the capital improvements fund for capital projects. Transfers into the debt service fund from the general fund are for supplemental funds to assist with debt service payments. Transfers out of the legacy fund to the general fund were to benefit the City's police department.

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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
General fund	Utility fund	622,218
Internal service fund	Utility fund	183,600
	Total	\$ 1,105,818

F. Fund Equity

Funds restricted by enabling legislation are \$171,183, which are related to municipal court security and technology.

G. Restatement

The City has restated beginning assets and liabilities for governmental activities for the implementation of GASB Statement 96, *Subscription-Based Information Technology Arrangements*. This restatement had no effect on beginning net position.

	Governmental Activities
Prior year ending net position as reported	\$ 40,234,891
Subscription asset	393,535
Subscription liability	(393,535)
Restated Beginning Net Position	\$ 40,234,891

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 2,824 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.

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 909 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the "TMRS Act") as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the "Board"); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at 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 member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions 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:

	<u>2023</u>	<u>2022</u>
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, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	41
Inactive employees entitled to, but not yet receiving, benefits	41
Active employees	41
Total	<u>123</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, 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 actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 6.33% and 6.13% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2023 were \$213,187 and were equal to the required contributions.

Net Pension Liability/(Asset)

The City's Net Pension Liability/(Asset) (NPL/(A)) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the NPL/(A) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for the annuity purchase rates is based on the mortality experience investigation study covering 2009 through 2011 and dated December 31, 2013. 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

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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, TMRS' 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:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global public equity	35.0%	7.7%
Core fixed income	6.0%	4.9%
Non-core fixed income	20.0%	8.7%
Other public and private markets	12.0%	8.1%
Real estate	12.0%	5.8%
Hedge funds	5.0%	6.9%
Private equity	10.0%	11.8%
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 member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the NPL/(A)

	<u>Total Pension Liability (A)</u>	<u>Increase (Decrease) Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability/(Asset) (A) - (B)</u>
Changes for the year:			
Service cost	\$ 446,686	\$ -	\$ 446,686
Interest	876,356	-	876,356
Difference between expected and actual experience	(131,935)	-	(131,935)
Contributions - employer	-	224,228	(224,228)
Contributions - employee	-	247,962	(247,962)
Net investment income	-	(1,020,622)	1,020,622
Benefit payments, including refunds of employee contributions	(781,840)	(781,840)	-
Administrative expense	-	(8,838)	8,838
Other changes	-	10,547	(10,547)
Net Changes	409,267	(1,328,563)	1,737,830
Balance at December 31, 2021	13,150,636	13,991,622	(840,986)
Balance at December 31, 2022	\$ 13,559,903	\$ 12,663,059	\$ 896,844

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Sensitivity of the NPL/(A) to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability/(Asset)	\$ 2,541,270	\$ 896,844	\$ (472,044)

Pension Plan Fiduciary Net Position

Detailed information about TMRS' fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

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

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$366,941.

At September 30, 2023, 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	\$ 5,754	\$ 90,446
Changes in actuarial assumptions	1,282	-
Difference between projected and actual investment earnings	876,036	-
Contributions subsequent to the measurement date	152,528	-
Total	\$ 1,035,600	\$ 90,446

\$152,528 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a decrease to the NPL for the fiscal year ending September 30, 2024. 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
2024	\$ (2,405)
2025	174,362
2026	227,661
2027	393,008
Thereafter	-
Total	\$ 792,626

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

D. Other Postemployment 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 Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The 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 GASB 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 SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

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, 2022 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	24
Inactive employees entitled to, but not yet receiving, benefits	10
Active employees	41
Total	75

Total OPEB Liability

The City's total OPEB liability of \$134,081 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 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 11.50% including inflation
Discount rate*	4.05%
Retirees' share of benefit-related costs	Zero
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. Due to the higher mortality rates associated with the global pandemic, the TMRS Board adopted changes to the assumptions and methodology used for calculating 2023 and 2024 rates as determined in the December 31, 2021 and December 31, 2022 actuarial valuations, respectively.

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 8,856
Interest	3,853
Difference between expected and actual experience	(15,675)
Changes of assumptions	(66,156)
Benefit payments*	(3,542)
Net Changes	(72,664)
Balance at December 31, 2021	206,745
Balance at December 31, 2022	\$ 134,081

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

The discount rate increased from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

CITY OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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 in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
City's Total OPEB Liability	\$ 159,457	\$ 134,081	\$ 114,224

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$2,871. 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	\$ 599	\$ 14,275
Changes in actuarial assumptions	23,283	52,662
Contributions subsequent to the measurement date	2,986	-
Total	\$ 26,868	\$ 66,937

\$2,986 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, 2024.

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

Fiscal Year Ended September 30	OPEB Expense
2024	\$ (8,835)
2025	(7,846)
2026	(15,259)
2027	(11,115)
Total	\$ (43,055)

E. Revenue Allocation Agreement

Effective October 1, 2014, the City entered into an amended Congestion Mitigation/Traffic Management Agreement (the "Agreement") with Metropolitan Transit Authority of Harris County, Texas (METRO), which continues through December 31, 2025, unless terminated earlier per the provisions of the Agreement. In December 2019, the Agreement was extended through September 30, 2040, 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 OF SPRING VALLEY VILLAGE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended September 30, 2023

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, 2022, on which the VFD's auditors expressed an unmodified opinion, is as follows:

	VFD Total		City's Portion (16.25%)	
	Net Position	Balance Sheet	Net Position	Balance Sheet
Total assets and deferred outflows	\$ 10,412,341	\$ 963,845	\$ 1,692,005	\$ 156,624
Total liabilities and deferred inflows	2,886,926	619,485	469,124	100,666
Total Participants' Equity	\$ 7,525,415	\$ 344,360	\$ 1,222,881	\$ 55,958
	Change in Net Position	Revenues and Expenditures	Change in Net Position	Revenues and Expenditures
Total revenues	\$ 8,595,247	\$ 8,595,247	\$ 1,396,728	\$ 1,396,728
Total expenditures/expenses	7,825,429	8,574,479	1,271,632	1,393,353
Revenues over expenditures/expenses	769,818	20,768	125,096	3,375
Beginning participants' equity	6,755,597	323,592	1,097,785	52,583
Ending Participants' Equity	\$ 7,525,415	\$ 344,360	\$ 1,222,881	\$ 55,958

REQUIRED SUPPLEMENTARY INFORMATION

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 4,691,310	\$ 4,961,310	\$ 5,017,383	\$ 56,073
Sales taxes	1,698,000	1,698,000	1,575,534	(122,466)
Franchise fees	309,299	309,299	368,487	59,188
Fines and forfeitures	527,408	527,408	470,997	(56,411)
Licenses and permits	324,150	324,150	343,856	19,706
Charges for services	337,249	337,249	353,473	16,224
Hilshire police contract	608,841	608,841	608,841	-
Investment income	108,000	508,000	569,227	61,227
Intergovernmental	841,500	841,500	842,512	1,012
Other	137,516	137,516	124,838	(12,678)
Total Revenues	9,583,273	10,253,273	10,275,148	21,875
Expenditures				
Current:				
General government				
Mayor and council	6,900	6,900	1,763	5,137
General government	1,115,630	1,120,930	988,740	132,190
Contractual and city-wide	904,212	1,020,712	886,468	134,244
Municipal court	339,410	339,410	272,581	66,829
Parks and recreation	110,781	118,281	87,188	31,093
Total general government	2,476,933	2,606,233	2,236,740	369,493
Public safety:				
Police	4,050,415	4,050,415	3,433,767	616,648
Fire	1,404,729	1,516,080	1,404,773	111,307
Total public safety	5,455,144	5,566,495	4,838,540	727,955
Public works				
Streets and drainage	633,453	633,453	478,945	154,508
Debt service:				
Principal	51,796	51,796	51,796	-
Interest and fiscal charges	10,704	10,704	10,704	-
Total Expenditures	8,628,030	8,868,681	7,616,725	1,251,956
Excess of Revenues Over Expenditures	955,243	1,384,592	2,658,423	1,273,831
Other Financing Sources (Uses)				
Transfers in	-	-	38,097	38,097
Transfers (out)	(1,295,009)	(1,295,009)	(1,311,590)	(16,581)
Total Other Financing (Uses)	(1,295,009)	(1,295,009)	(1,273,493)	21,516
Net Change in Fund Balance	\$ (339,766)	\$ 89,583	1,384,930	\$ 1,295,347
Beginning fund balance			9,668,504	
Ending Fund Balance			\$ 11,053,434	

Notes to Required Supplementary Information:

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

CITY OF SPRING VALLEY VILLAGE, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2023

	Measurement Year*			
	2022	2021	2020	2019
Total Pension Liability				
Service cost	\$ 446,686	\$ 461,920	\$ 485,599	\$ 400,723
Interest (on the total pension liability)	876,356	839,156	800,516	758,269
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(131,935)	3,249	13,241	69,979
Change of assumptions	-	-	-	44,082
Benefit payments, including refunds of employee contributions	(781,840)	(709,349)	(720,797)	(658,397)
Net Change in Total Pension Liability	<u>409,267</u>	<u>594,976</u>	<u>578,559</u>	<u>614,656</u>
Beginning total pension liability	<u>13,150,636</u>	<u>12,555,660</u>	<u>11,977,101</u>	<u>11,362,445</u>
Ending Total Pension Liability	<u><u>\$ 13,559,903</u></u>	<u><u>\$ 13,150,636</u></u>	<u><u>\$ 12,555,660</u></u>	<u><u>\$ 11,977,101</u></u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 224,228	\$ 244,896	\$ 263,383	\$ 209,961
Contributions - employee	247,962	257,030	266,813	213,313
Net investment income	(1,020,622)	1,637,818	900,238	1,621,083
Benefit payments, including refunds of employee contributions	(781,840)	(709,349)	(720,797)	(658,397)
Administrative expense	(8,838)	(7,581)	(5,828)	(9,162)
Other	10,547	52	(229)	(276)
Net Change in Plan Fiduciary Net Position	<u>(1,328,563)</u>	<u>1,422,866</u>	<u>703,580</u>	<u>1,376,522</u>
Beginning plan fiduciary net position	<u>\$ 13,991,622</u>	<u>12,568,756</u>	<u>11,865,176</u>	<u>10,488,654</u>
Ending Plan Fiduciary Net Position	<u><u>\$ 12,663,059</u></u>	<u><u>\$ 13,991,622</u></u>	<u><u>\$ 12,568,756</u></u>	<u><u>\$ 11,865,176</u></u>
Net Pension Liability/(Asset)	<u><u>\$ 896,844</u></u>	<u><u>\$ (840,986)</u></u>	<u><u>\$ (13,096)</u></u>	<u><u>\$ 111,925</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.39%	106.40%	100.10%	99.07%
Covered Payroll	\$ 3,542,313	\$ 3,671,861	\$ 3,811,611	\$ 3,047,322
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	25.32%	(22.9%)	(0.34%)	3.67%

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

Measurement Year*				
2018	2017	2016	2015	2014
\$ 366,289	\$ 355,629	\$ 345,789	\$ 317,389	\$ 262,594
730,507	698,883	675,456	647,576	612,560
-	-	-	-	-
(81,620)	(10,553)	(69,514)	(239)	(49,336)
-	-	-	275,713	-
(583,816)	(577,758)	(641,405)	(356,533)	(349,425)
431,360	466,191	310,326	883,906	476,393
10,931,085	10,464,894	10,154,568	9,270,662	8,794,269
<u>\$ 11,362,445</u>	<u>\$ 10,931,085</u>	<u>\$ 10,464,894</u>	<u>\$ 10,154,568</u>	<u>\$ 9,270,662</u>
\$ 201,221	\$ 201,756	\$ 155,593	\$ 164,572	\$ 168,939
196,176	188,306	179,431	175,076	161,113
(329,801)	1,364,168	643,013	14,056	516,782
(583,816)	(577,768)	(641,405)	(356,533)	(349,425)
(6,375)	(7,070)	(7,261)	(8,561)	(5,396)
(333)	(358)	(391)	(423)	(444)
(522,928)	1,169,034	328,980	(11,813)	491,569
11,011,582	9,842,548	9,513,568	9,525,381	9,033,812
<u>\$ 10,488,654</u>	<u>\$ 11,011,582</u>	<u>\$ 9,842,548</u>	<u>\$ 9,513,568</u>	<u>\$ 9,525,381</u>
<u>\$ 873,791</u>	<u>\$ (80,497)</u>	<u>\$ 622,346</u>	<u>\$ 641,000</u>	<u>\$ (254,719)</u>
92.31%	100.74%	94.05%	93.69%	102.75%
\$ 2,802,521	\$ 2,690,083	\$ 2,563,301	\$ 2,501,093	\$ 2,301,618
31.18%	(2.99%)	24.28%	25.63%	(11.07%)

CITY OF SPRING VALLEY VILLAGE, TEXAS

SCHEDULE OF CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended September 30, 2023

	Fiscal Year			
	2023	2022	2021	2020
Actuarially determined contribution	\$ 213,187	\$ 225,186	\$ 246,762	\$ 248,998
Contributions in relation to the actuarially determined contribution	213,187	225,186	246,762	248,998
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,446,497	\$ 3,454,916	\$ 3,666,577	\$ 3,605,526
Contributions as a percentage of covered payroll	6.19%	6.52%	6.73%	6.91%

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 later.

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	23 years (longest amortization ladder)
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period December 31, 2014 - December 31, 2018.
Mortality	Post-retirement 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 209,511	\$ 195,848	\$ 194,112	\$ 167,012	\$ 164,572	\$ 168,939
209,511	195,848	194,112	167,012	164,572	168,939
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,012,340	\$ 2,711,205	\$ 2,691,643	\$ 2,690,588	\$ 2,501,093	\$ 2,301,618
6.96%	7.22%	7.21%	6.21%	6.58%	7.34%

CITY OF SPRING VALLEY VILLAGE, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2023

	Measurement Year*			
	2022	2021	2020	2019
Total OPEB Liability				
Service cost	\$ 8,856	\$ 6,977	\$ 6,861	\$ 5,180
Interest (on the total OPEB liability)	3,853	3,889	4,474	4,678
Difference between expected and actual experience	(15,675)	496	(2,720)	913
Change of assumptions	(66,156)	6,279	25,654	26,362
Benefit payments**	(3,542)	(3,672)	(1,525)	(1,219)
Net Change in Total OPEB Liability	(72,664)	13,969	32,744	35,914
Beginning total OPEB liability	206,745	192,776	160,032	124,118
Ending Total OPEB Liability	\$ 134,081	\$ 206,745	\$ 192,776	\$ 160,032
Covered-Employee Payroll	\$ 3,542,313	\$ 3,671,861	\$ 3,811,611	\$ 3,047,322
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.65%	5.63%	5.06%	5.25%

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

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

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 later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	4.05%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

3. 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, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

There were no benefit changes during the year.

Measurement Year*			
2018		2017	
\$	5,325	\$	4,573
	4,506		4,429
	(9,783)		-
	(8,848)		10,568
	(1,121)		(807)
	(9,921)		18,763
	134,039		115,276
\$	124,118	\$	134,039
\$	2,802,521	\$	2,690,083
	4.43%		4.98%

SUPPLEMENTARY INFORMATION

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, 2023

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Property taxes	\$ 911,219	\$ 911,219	\$ 890,271	\$ (20,948)
Total Revenues	<u>911,219</u>	<u>911,219</u>	<u>890,271</u>	<u>(20,948)</u>
<u>Expenditures</u>				
Debt service:				
Principal	1,225,000	1,225,000	1,225,000	-
Interest and fiscal charges	<u>664,732</u>	<u>664,732</u>	<u>661,981</u>	<u>2,751</u>
Total Expenditures	<u>1,889,732</u>	<u>1,889,732</u>	<u>1,886,981</u>	<u>2,751</u>
(Deficiency) of Revenues (Under) Expenditures	(978,513)	(978,513)	(996,710)	(18,197)
<u>Other Financing Sources (Uses)</u>				
Transfers in	<u>978,513</u>	<u>978,513</u>	<u>995,094</u>	<u>16,581</u>
Total Other Financing Sources	<u>978,513</u>	<u>978,513</u>	<u>995,094</u>	<u>16,581</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,616)</u>	<u>\$ (1,616)</u>
Beginning fund balance			<u>3,242</u>	
Ending Fund Balance			<u>\$ 1,626</u>	

STATISTICAL SECTION

This part of the City's annual comprehensive 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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<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	98
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.</i>	
Debt Capacity	106
<i>These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	117
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	121
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

CITY OF SPRING VALLEY VILLAGE, TEXAS

NET POSITION BY COMPONENT

Last Ten Years
(accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
Governmental Activities				
Net investment in capital assets	\$ 24,859,774	\$ 25,354,855	\$ 26,621,889	\$ 28,189,939
Restricted	150,437	154,588	160,271	176,253
Unrestricted	7,973,362	9,970,921	9,662,867	9,455,581
Total Governmental Activities Net Position	<u><u>\$ 32,983,573</u></u>	<u><u>\$ 35,480,364</u></u>	<u><u>\$ 36,445,027</u></u>	<u><u>\$ 37,821,773</u></u>
Business-Type Activities				
Net investment in capital assets	\$ 7,484,141	\$ 6,429,975	\$ 6,446,443	\$ 5,764,333
Restricted	1,612,394	1,004,614	965,480	871,778
Unrestricted	(2,735,738)	(963,461)	(1,042,151)	(328,932)
Total Business-Type Activities Net Position	<u><u>\$ 6,360,797</u></u>	<u><u>\$ 6,471,128</u></u>	<u><u>\$ 6,369,772</u></u>	<u><u>\$ 6,307,179</u></u>
Primary Government				
Net investment in capital assets	\$ 32,343,915	\$ 31,784,830	\$ 33,068,332	\$ 33,954,272
Restricted	1,762,831	1,159,202	1,125,751	1,048,031
Unrestricted	5,237,624	9,007,460	8,620,716	9,126,649
Total Primary Government Net Position	<u><u>\$ 39,344,370</u></u>	<u><u>\$ 41,951,492</u></u>	<u><u>\$ 42,814,799</u></u>	<u><u>\$ 44,128,952</u></u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 28,879,559	\$ 28,275,487	\$ 27,155,714	\$ 27,370,964	\$ 28,167,543	\$ 28,734,093
164,600	189,668	227,136	375,119	1,104,744	253,331
10,192,767	10,636,408	11,753,888	12,077,260	10,962,604	12,654,814
<u>\$ 39,236,926</u>	<u>\$ 39,101,563</u>	<u>\$ 39,136,738</u>	<u>\$ 39,823,343</u>	<u>\$ 40,234,891</u>	<u>\$ 41,642,238</u>
\$ 5,057,352	\$ 8,641,742	\$ 7,974,574	\$ 6,643,637	\$ 6,789,411	\$ 6,419,896
331,411	443,928	358,408	359,177	472,736	358,408
1,213,688	(1,599,244)	(795,570)	437,445	862,809	1,214,309
<u>\$ 6,602,451</u>	<u>\$ 7,486,426</u>	<u>\$ 7,537,412</u>	<u>\$ 7,440,259</u>	<u>\$ 8,124,956</u>	<u>\$ 7,992,613</u>
\$ 33,936,911	\$ 36,917,229	\$ 35,130,288	\$ 34,014,601	\$ 34,956,954	\$ 35,153,989
496,011	633,596	585,544	734,296	1,577,480	611,739
11,406,455	9,037,164	10,958,318	12,514,705	11,825,413	13,869,123
<u>\$ 45,839,377</u>	<u>\$ 46,587,989</u>	<u>\$ 46,674,150</u>	<u>\$ 47,263,602</u>	<u>\$ 48,359,847</u>	<u>\$ 49,634,851</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS

CHANGES IN NET POSITION

Last Ten Years
(accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities				
General government	\$ 1,320,245	\$ 1,247,843	\$ 800,723	\$ 903,011
Public safety	2,738,631	3,036,137	3,880,246	3,922,109
Public works	1,278,240	1,354,685	1,906,985	1,818,890
Interest and fiscal agent fees	-	337,430	432,200	307,683
Total Governmental Activities Expenses	<u>5,337,116</u>	<u>5,976,095</u>	<u>7,020,154</u>	<u>6,951,693</u>
Business-type activities				
Water and sewer	2,658,992	2,614,157	2,848,278	3,058,370
Total Business-Type Activities Expenses	<u>2,658,992</u>	<u>2,614,157</u>	<u>2,848,278</u>	<u>3,058,370</u>
Total Expenses	<u>\$ 7,996,108</u>	<u>\$ 8,590,252</u>	<u>\$ 9,868,432</u>	<u>\$ 10,010,063</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 214,713	\$ 397,023	\$ 265,706	\$ 260,442
Public safety	1,127,801	1,133,967	938,409	880,102
Operating grants and contributions	154,000	438,493	661,046	620,005
Total Governmental Activities Program Revenues	<u>1,496,514</u>	<u>1,969,483</u>	<u>1,865,161</u>	<u>1,760,549</u>
Business-type activities				
Charges for services				
Water and sewer	2,730,542	2,708,075	2,720,856	2,940,857
Total Business-Type Activities Program Revenues	<u>2,730,542</u>	<u>2,708,075</u>	<u>2,720,856</u>	<u>2,940,857</u>
Total Program Revenues	<u>\$ 4,227,056</u>	<u>\$ 4,677,558</u>	<u>\$ 4,586,017</u>	<u>\$ 4,701,406</u>
Net (Expense)/Revenue				
Governmental activities	\$ (3,840,602)	\$ (4,006,612)	\$ (5,154,993)	\$ (5,191,144)
Business-type activities	71,550	93,918	(127,422)	(117,512)
Total Net (Expense)	<u>\$ (3,769,052)</u>	<u>\$ (3,912,694)</u>	<u>\$ (5,282,415)</u>	<u>\$ (5,308,656)</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 1,726,894	\$ 2,144,920	\$ 2,449,914	\$ 2,444,681	\$ 2,373,042	\$ 2,388,984
3,992,287	4,880,263	5,159,269	4,957,464	4,786,732	5,306,712
1,730,944	1,846,313	1,912,521	1,972,528	2,262,530	1,930,573
350,842	590,374	656,102	688,443	652,416	621,120
7,800,967	9,461,870	10,177,806	10,063,116	10,074,720	10,247,389
2,795,072	2,982,655	3,121,559	2,795,042	3,430,812	3,828,983
2,795,072	2,982,655	3,121,559	2,795,042	3,430,812	3,828,983
\$ 10,596,039	\$ 12,444,525	\$ 13,299,365	\$ 12,858,158	\$ 13,505,532	\$ 14,076,372
\$ 196,591	\$ 680,365	\$ 613,189	\$ 907,284	\$ 840,943	\$ 697,329
1,193,648	1,086,534	830,901	1,246,332	1,328,469	1,079,838
702,846	746,199	754,729	787,015	945,930	842,512
2,093,085	2,513,098	2,198,819	2,940,631	3,115,342	2,619,679
3,069,771	2,676,454	2,966,158	2,847,372	3,330,052	3,501,583
3,069,771	2,676,454	2,966,158	2,847,372	3,330,052	3,501,583
\$ 5,162,856	\$ 5,189,552	\$ 5,164,977	\$ 5,788,003	\$ 6,445,394	\$ 6,121,262
\$ (5,707,882)	\$ (6,948,772)	\$ (7,978,987)	\$ (7,122,485)	\$ (6,959,378)	\$ (7,627,710)
274,699	(306,201)	(155,401)	52,330	(100,760)	(327,400)
\$ (5,433,183)	\$ (7,254,973)	\$ (8,134,388)	\$ (7,070,155)	\$ (7,060,138)	\$ (7,955,110)

CITY OF SPRING VALLEY VILLAGE, TEXAS

CHANGES IN NET POSITION (Continued)

Last Ten Years
(accrual basis of accounting)

		Fiscal Year			
		2014	2015	2016	2017
General Revenues and Other Changes in Net Position					
Governmental activities					
Property taxes	\$	3,904,606	\$ 4,245,518	\$ 4,402,210	\$ 4,693,922
Sales taxes		1,106,384	1,191,356	1,197,292	1,262,647
Franchise fees		331,764	339,321	353,381	339,607
Investment income		19,659	21,502	30,566	57,565
Other		132,760	136,451	136,207	214,149
Transfers		676,025	75,000	-	-
Total Governmental Activities		<u>6,171,198</u>	<u>6,009,148</u>	<u>6,119,656</u>	<u>6,567,890</u>
Business-type activities					
Other		23,343	89	26,066	54,920
Transfers		(676,025)	(75,000)	-	-
Total Business-Type Activities		<u>(652,682)</u>	<u>(74,911)</u>	<u>26,066</u>	<u>54,920</u>
Total Primary Government	\$	<u><u>5,518,516</u></u>	<u><u>5,934,237</u></u>	<u><u>6,145,722</u></u>	<u><u>6,622,810</u></u>
Change in Net Position					
Governmental activities	\$	2,330,596	\$ 2,002,536	\$ 964,663	\$ 1,376,746
Business-type activities		(581,132)	19,007	(101,356)	(62,593)
Total Change in Net Position	\$	<u><u>1,749,464</u></u>	<u><u>2,021,543</u></u>	<u><u>863,307</u></u>	<u><u>1,314,153</u></u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 5,142,514	\$ 5,171,426	\$ 5,569,072	\$ 5,519,222	\$ 5,625,596	\$ 5,935,937
1,430,561	1,535,394	1,482,145	1,598,465	1,748,586	1,575,534
326,582	370,171	323,537	309,282	296,152	368,487
124,225	320,856	147,746	22,291	164,499	1,104,948
196,729	272,109	641,662	176,230	243,591	136,223
-	(1,095,543)	(150,000)	183,600	(707,498)	(86,072)
7,220,611	6,574,413	8,014,162	7,809,090	7,370,926	9,035,057
32,694	55,498	56,387	34,117	77,959	108,985
-	1,095,543	150,000	(183,600)	707,498	86,072
32,694	1,151,041	206,387	(149,483)	785,457	195,057
\$ 7,253,305	\$ 7,725,454	\$ 8,220,549	\$ 7,659,607	\$ 8,156,383	\$ 9,230,114
\$ 1,512,729	\$ (374,359)	\$ 35,175	\$ 686,605	\$ 411,548	\$ 1,407,347
307,393	844,840	50,986	(97,153)	684,697	(132,343)
\$ 1,820,122	\$ 470,481	\$ 86,161	\$ 589,452	\$ 1,096,245	\$ 1,275,004

CITY OF SPRING VALLEY VILLAGE, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

		Fiscal Year			
		2014	2015	2016	2017
General Fund					
Nonspendable	\$	870	\$ 870	\$ 870	\$ 1,203
Restricted		122,257	121,659	124,264	128,097
Assigned		359,267	359,267	359,267	2,631,495
Unassigned		4,004,162	4,926,770	5,619,702	3,447,225
Total General Fund	\$	4,486,556	\$ 5,408,566	\$ 6,104,103	\$ 6,208,020
All Other Governmental Funds					
Restricted	\$	28,180	\$ 13,135,970	\$ 9,132,618	\$ 48,156
Assigned		2,684,243	3,112,942	2,093,010	2,116,364
Unassigned		-	-	(882)	(18,659)
Total All Other Governmental Funds	\$	2,712,423	\$ 16,248,912	\$ 11,224,746	\$ 2,145,861

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 11,938	\$ 13,570	\$ 14,928	\$ 13,991	\$ 2,061	\$ 16,075
137,075	148,524	156,369	272,811	277,295	180,868
2,631,495	2,631,495	2,631,495	2,631,495	2,966,626	3,195,921
4,685,444	5,313,366	5,062,027	5,692,409	6,422,522	7,660,570
<u>\$ 7,465,952</u>	<u>\$ 8,106,955</u>	<u>\$ 7,864,819</u>	<u>\$ 8,610,706</u>	<u>\$ 9,668,504</u>	<u>\$ 11,053,434</u>
\$ 27,525	\$ 5,798,882	\$ 13,086,398	\$ 11,302,627	\$ 10,424,011	\$ 10,365,361
1,580,379	1,647,478	2,458,467	1,887,523	689,698	-
-	(25,842)	-	-	-	-
<u>\$ 1,607,904</u>	<u>\$ 7,420,518</u>	<u>\$ 15,544,865</u>	<u>\$ 13,190,150</u>	<u>\$ 11,113,709</u>	<u>\$ 10,365,361</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Property taxes	\$ 3,936,160	\$ 4,159,264	\$ 4,508,707	\$ 4,690,696
Sales taxes	1,106,384	1,191,356	1,197,292	1,262,647
Franchise fees	331,764	339,321	353,381	339,607
Fines and forfeitures	772,834	752,084	540,494	460,809
Licenses and permits	214,713	397,023	265,706	260,442
Charges for services	-	-	-	-
Hilshire police contract	354,967	381,883	397,915	419,293
Investment income	19,659	21,502	30,566	57,565
Intergovernmental	154,000	438,493	661,046	620,005
Other	132,760	132,090	136,439	231,811
Total Revenues	7,023,241	7,813,016	8,091,546	8,342,875
Expenditures				
General government	1,355,108	1,337,875	1,287,658	1,427,121
Public safety	3,002,128	3,201,065	3,397,221	3,405,232
Public works	262,499	286,142	393,737	305,642
Capital outlay	439,623	2,114,494	6,288,546	11,414,618
Debt service:				
Bond issuance costs	-	104,614	-	-
Principal	-	-	400,000	510,000
Interest	-	-	524,336	399,819
Total Expenditures	5,059,358	7,044,190	12,291,498	17,462,432
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,963,883	768,826	(4,199,952)	(9,119,557)
Other Financing Sources (Uses)				
Issuance of debt	-	13,475,000	-	-
Premium on debt	-	134,363	-	-
Sale of capital assets	84,352	5,310	4,320	751
Transfers in	1,930,766	2,217,000	1,250,000	2,335,849
Transfers out	(2,161,767)	(2,142,000)	(1,382,997)	(2,192,011)
Total Other Financing Sources (Uses)	(146,649)	13,689,673	(128,677)	144,589
Net Change in Fund Balances	\$ 1,817,234	\$ 14,458,499	\$ (4,328,629)	\$ (8,974,968)
Debt service as a percentage of noncapital expenditures	-	-	15.01%	16.96%

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 5,128,547	\$ 5,152,045	\$ 5,583,501	\$ 5,539,717	\$ 5,625,735	\$ 5,907,654
1,430,561	1,535,394	1,482,145	1,598,465	1,748,586	1,575,534
326,582	370,171	323,537	309,282	296,152	368,487
745,884	615,636	329,056	724,302	770,327	470,997
196,591	355,933	291,765	583,611	501,273	343,856
-	324,432	321,424	323,673	339,670	353,473
447,764	470,898	501,845	522,030	558,142	608,841
124,225	320,856	147,746	22,291	164,499	1,048,390
702,846	746,199	754,729	787,015	945,930	842,512
108,408	136,900	525,754	204,326	176,368	136,223
9,211,408	10,028,464	10,261,502	10,614,712	11,126,682	11,655,967
1,509,517	1,849,486	2,076,786	2,082,839	2,207,329	2,236,740
3,653,799	4,199,438	4,773,027	4,881,359	4,956,857	4,838,540
314,546	426,402	427,879	482,352	504,726	478,945
2,060,288	2,117,640	1,673,865	3,142,816	2,528,701	1,515,679
-	-	-	-	-	-
530,000	550,000	795,000	825,000	1,180,000	1,276,796
379,019	581,801	675,582	744,246	703,981	672,685
8,447,169	9,724,767	10,422,139	12,158,612	12,081,594	11,019,385
764,239	303,697	(160,637)	(1,543,900)	(954,912)	636,582
-	6,600,000	8,130,000	-	-	-
-	248,176	592,176	-	-	-
35,093	7,200	-	-	1,363	-
1,524,042	988,432	1,565,022	1,245,622	1,282,991	1,349,687
(1,603,399)	(1,932,884)	(2,244,350)	(1,310,550)	(1,348,085)	(1,349,687)
(44,264)	5,910,924	8,042,848	(64,928)	(63,731)	-
\$ 719,975	\$ 6,214,621	\$ 7,882,211	\$ (1,608,828)	\$ (1,018,643)	\$ 636,582
13.06%	14.65%	16.83%	17.82%	20.35%	20.61%

CITY OF SPRING VALLEY VILLAGE, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Residential	\$ 816,582,662	\$ 938,839,232	\$ 1,057,666,553	\$ 1,147,232,344
Vacant	16,982,310	23,119,734	22,897,005	20,219,114
Commercial and industrial	54,623,908	71,949,422	69,321,629	104,087,202
Utilities	10,542,288	4,250,555	10,289,952	11,484,003
Real properties	23,360,586	8,625	25,945,101	23,553,054
Governmental and charities	117,469,367	138,803,675	147,694,988	151,935,233
Total assessed value (1)	1,039,561,121	1,176,971,243	1,333,815,228	1,458,510,950
Less: Tax exempt property	(280,032,062)	(312,592,100)	(355,139,172)	(373,888,856)
Total Taxable Assessed Valuation	\$ 759,529,059	\$ 864,379,143	\$ 978,676,056	\$ 1,084,622,094
Taxable value as a percentage of assessed value	73%	73%	73%	74%
Total tax rate	\$ 0.487843	\$ 0.450000	\$ 0.433500	\$ 0.433500

Source: Tax department of the Spring Branch ISD.

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 1,234,212,313	\$ 1,286,137,521	\$ 1,350,215,949	\$ 1,358,399,591	\$ 1,413,884,368	\$ 1,323,470,667
26,911,668	20,302,787	18,605,776	17,435,331	22,323,694	9,531,051
127,616,169	120,709,222	149,066,674	144,410,918	143,156,737	228,394,762
11,433,668	11,602,774	12,076,421	11,973,084	8,864,324	9,042,237
22,199,610	25,674,830	38,620,266	32,374,130	40,480,943	33,207,130
155,927,423	159,391,800	165,193,713	164,423,885	164,062,405	166,674,236
1,578,300,851	1,623,818,934	1,733,778,799	1,729,016,939	1,792,772,471	1,770,320,083
(392,449,852)	(404,345,840)	(420,239,552)	(424,272,036)	(437,601,841)	(473,949,308)
\$ 1,185,850,999	\$ 1,219,473,094	\$ 1,313,539,247	\$ 1,304,744,903	\$ 1,355,170,630	\$ 1,296,370,775
75%	75%	76%	75%	76%	73%
\$ 0.430000	\$ 0.430000	\$ 0.425000	\$ 0.425000	\$ 0.415000	\$ 0.405000

CITY OF SPRING VALLEY VILLAGE, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
City of Spring Valley Village:				
Operating tax rate	\$ 0.512843	\$ 0.487843	\$ 0.356160	\$ 0.350711
Debt service tax rate	-	-	0.093840	0.082789
Total Direct Rates	<u><u>\$ 0.512843</u></u>	<u><u>\$ 0.487843</u></u>	<u><u>\$ 0.450000</u></u>	<u><u>\$ 0.433500</u></u>
Spring Branch Independent School District	\$ 1.394500	\$ 1.394500	\$ 1.394500	\$ 1.394500
Harris County	0.414550	0.417310	0.419230	0.416560
Harris County Flood Control	0.028270	0.027360	0.027330	0.028290
Port of Houston Authority	0.017160	0.015310	0.013420	0.013340
Harris County Hospital District	0.170000	0.170000	0.170000	0.171790
Harris County Department of Education	0.006358	0.005999	0.005422	0.005200
Total Overlapping Rates	<u><u>\$ 2.030838</u></u>	<u><u>\$ 2.030479</u></u>	<u><u>\$ 2.029902</u></u>	<u><u>\$ 2.029680</u></u>
Total Direct and Overlapping Rates	<u><u>\$ 2.543681</u></u>	<u><u>\$ 2.518322</u></u>	<u><u>\$ 2.479902</u></u>	<u><u>\$ 2.463180</u></u>

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

Source: Tax department records of the various governments.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 0.354641	\$ 0.356274	\$ 0.3558890	\$ 0.3557150	\$ 0.3490080	\$ 0.3439340
0.078859	0.073726	0.0691110	0.0692850	0.0659920	0.0610660
<u>\$ 0.433500</u>	<u>\$ 0.430000</u>	<u>\$ 0.4250000</u>	<u>\$ 0.4250000</u>	<u>\$ 0.4150000</u>	<u>\$ 0.4050000</u>
\$ 1.394500	\$ 1.394500	\$ 1.307300	\$ 1.307300	\$ 1.268800	\$ 1.078900
0.418010	0.418580	0.391160	0.391160	0.343730	0.350070
0.028290	0.028770	0.031420	0.031420	0.030550	0.031050
0.013340	0.011550	0.009910	0.009100	0.007990	0.005740
0.171900	0.171080	0.166710	0.166710	0.148310	0.143430
0.005200	0.005190	0.004199	0.004993	0.004900	0.004800
<u>\$ 2.031240</u>	<u>\$ 2.029670</u>	<u>\$ 1.910699</u>	<u>\$ 1.910683</u>	<u>\$ 1.804280</u>	<u>\$ 1.613990</u>
<u>\$ 2.464740</u>	<u>\$ 2.459670</u>	<u>\$ 2.335699</u>	<u>\$ 2.335683</u>	<u>\$ 2.219280</u>	<u>\$ 2.018990</u>

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CITY OF SPRING VALLEY VILLAGE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	2023			2014		
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation
Stream Wellington MOB LLC	\$ 56,388,084	1	4.35%	\$ 4,410,450	6	0.58%
SV Physician Properties I LP	36,046,498	2	2.78%	-	-	-
Campbell Project Partners LLC	29,040,900	3	2.24%	-	-	-
HD Development Properties	23,649,682	4	1.82%	13,358,139	2	1.76%
Ten Voss Ltd	22,911,078	5	1.77%	29,854,588	1	3.93%
Spring Valley One Center Ltd	16,118,958	6	1.24%	-	-	-
Memorial Design Center Ltd	14,645,713	7	1.13%	-	-	-
Fulgent Genetics Inc	8,893,341	8	0.69%	-	-	-
Peatwatuck Real Estate LLC	8,719,041	9	0.67%	-	-	-
Kelsey-Seybold Clinic	8,181,272	10	0.63%	-	-	-
Southwestern Bell	-	-	-	8,280,703	3	1.09%
Audrey Baker Friedman Trust	-	-	-	8,003,194	4	1.05%
Managed Rehabilitation Inc	-	-	-	6,294,392	5	0.83%
Campbell I10 Ltd	-	-	-	3,125,008	7	0.41%
Spring Valley Memorial Realty	-	-	-	2,100,000	8	0.28%
Katy Freeway 9234 Ltd	-	-	-	2,015,310	9	0.27%
Baker O N	-	-	-	1,634,730	10	0.22%
Subtotal	224,594,567		17.32%	79,076,514		10.41%
Other Taxpayers	1,071,776,208		82.68%	680,452,545		89.59%
Total ⁽¹⁾	\$ 1,296,370,775		100.00%	\$ 759,529,059		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		Delinquent Tax Collected	Total Collections to Date	
				Amount Collected	Percentage of Levy	Amount Collected	Amount Collected	Percentage of Levy
2014	2013	\$ 0.487843	\$ 3,893,084	\$ 3,881,284	99.70%	\$ 11,414	\$ 3,892,698	99.99%
2015	2014	\$ 0.450000	\$ 4,212,362	\$ 4,100,837	97.35%	\$ 110,933	\$ 4,211,770	99.99%
2016	2015	\$ 0.433500	\$ 4,509,649	\$ 4,392,632	97.41%	\$ 115,122	\$ 4,507,754	99.96%
2017	2016	\$ 0.433500	\$ 4,688,384	\$ 4,687,314	99.98%	\$ (1,248)	\$ 4,686,066	99.95%
2018	2017	\$ 0.430000	\$ 5,140,951	\$ 5,126,946	99.73%	\$ 12,281	\$ 5,139,227	99.97%
2019	2018	\$ 0.430000	\$ 5,243,735	\$ 5,215,475	99.46%	\$ 26,343	\$ 5,241,818	99.96%
2020	2019	\$ 0.425000	\$ 5,562,742	\$ 5,533,075	99.47%	\$ 25,341	\$ 5,558,416	99.92%
2021	2020	\$ 0.425000	\$ 5,531,366	\$ 5,517,117	99.74%	\$ 11,227	\$ 5,528,344	99.95%
2022	2021	\$ 0.415000	\$ 5,658,344	\$ 5,646,933	99.80%	\$ 2,939	\$ 5,649,872	99.85%
2023	2022	\$ 0.405000	\$ 5,917,960	\$ 5,878,543	99.33%	\$ -	\$ 5,878,543	99.33%

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			
	2014	2015	2016	2017
Governmental Activities:				
General obligation bonds	\$ -	\$ 13,602,965	\$ 13,196,567	\$ 12,680,169
Certificates of obligation	-	-	-	-
Issuance discounts/premiums	-	376,141	369,743	363,345
Subtotal	-	13,979,106	13,566,310	13,043,514
Business-Type Activities:				
Revenue bonds	3,000,000	2,835,000	2,665,000	2,490,000
Subtotal	3,000,000	2,835,000	2,665,000	2,490,000
Government-Wide:				
Revenue bonds	3,000,000	2,835,000	2,665,000	2,490,000
General obligation bonds	-	13,602,965	13,196,567	12,680,169
Certificates of obligation	-	-	-	-
Issuance discounts/premiums	-	376,141	369,743	363,345
Total Government-Wide	<u>\$ 3,000,000</u>	<u>\$ 16,814,106</u>	<u>\$ 16,231,310</u>	<u>\$ 15,533,514</u>
Estimated Full Property Value	\$ 1,039,561,121	\$ 1,176,971,243	\$ 1,333,815,228	\$ 1,458,510,950
Percentage of Full Property Value:				
Government-wide	0.29%	1.43%	1.22%	1.07%
Population	4,013	4,142	4,191	4,328
Debt Per Capita:				
Governmental activities	\$ -	\$ 3,375	\$ 3,237	\$ 3,014
Government-wide	\$ 748	\$ 4,059	\$ 3,873	\$ 3,589

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 12,143,771	\$ 11,485,000	\$ 10,920,000	\$ 10,335,000	\$ 9,735,000	\$ 9,115,000
-	6,600,000	14,500,000	14,260,000	13,680,000	13,075,000
356,947	338,731	884,492	838,077	791,662	745,247
12,500,718	18,423,731	26,304,492	25,433,077	24,206,662	22,935,247
2,310,000	4,525,000	4,225,000	3,920,000	3,610,000	3,290,000
2,310,000	4,525,000	4,225,000	3,920,000	3,610,000	3,290,000
2,310,000	4,525,000	4,225,000	3,920,000	3,610,000	3,290,000
12,143,771	11,485,000	10,920,000	10,335,000	9,735,000	9,115,000
-	6,600,000	14,500,000	14,260,000	13,680,000	13,075,000
356,947	338,731	884,492	838,077	791,662	745,247
\$ 14,810,718	\$ 22,948,731	\$ 30,529,492	\$ 29,353,077	\$ 27,816,662	\$ 26,225,247
\$ 1,578,300,851	\$ 1,623,818,934	\$ 1,733,778,799	\$ 1,729,016,939	\$ 1,792,772,471	\$ 1,770,320,083
0.94%	1.41%	1.76%	1.70%	1.55%	1.48%
4,336	4,333	4,239	4,282	4,204	4,222
\$ 2,883	\$ 4,252	\$ 6,205	\$ 5,940	\$ 5,758	\$ 5,432
\$ 3,416	\$ 5,296	\$ 7,202	\$ 6,855	\$ 6,617	\$ 6,212

CITY OF SPRING VALLEY VILLAGE, TEXAS

RATIOS OF NET BONDED DEBT OUTSTANDING

Last Ten Years

		Fiscal Year			
		2014	2015	2016	2017
Estimated Actual Taxable Value of Property		<u>\$ 759,529,059</u>	<u>\$ 864,379,143</u>	<u>\$ 978,676,056</u>	<u>\$ 1,084,622,094</u>
Net Bonded Debt					
Gross bonded debt		\$ -	\$ 13,979,106	\$ 13,566,310	\$ 13,043,514
Less: Amounts available in debt service fund		-	(4,749)	-	-
Total		<u>\$ -</u>	<u>\$ 13,974,357</u>	<u>\$ 13,566,310</u>	<u>\$ 13,043,514</u>
Percentage of Estimated Actual Taxable Value of Property		-	1.62%	1.39%	1.20%
Population		4,013	4,142	4,191	4,328
Per Capita		\$ -	\$ 3,374	\$ 3,237	\$ 3,014

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
<u>\$ 1,185,850,999</u>	<u>\$ 1,219,473,094</u>	<u>\$ 1,313,539,247</u>	<u>\$ 1,304,744,903</u>	<u>\$ 1,355,170,630</u>	<u>\$ 1,296,370,775</u>
\$ 12,500,718	\$ 18,423,731	\$ 26,304,492	\$ 25,433,077	\$ 24,206,662	\$ 22,935,247
(4,792)	-	(21,614)	(17,076)	(3,242)	(1,626)
<u>\$ 12,495,926</u>	<u>\$ 18,423,731</u>	<u>\$ 26,282,878</u>	<u>\$ 25,416,001</u>	<u>\$ 24,203,420</u>	<u>\$ 22,933,621</u>
1.05%	1.51%	2.00%	1.95%	1.79%	1.77%
4,336	4,333	4,239	4,282	4,204	4,222
\$ 2,882	\$ 4,252	\$ 6,200	\$ 5,936	\$ 5,757	\$ 5,432

CITY OF SPRING VALLEY VILLAGE, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2023

Government Unit	Net Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Spring Branch Independent School District	\$ 1,020,800,000	4.00%	\$ 40,832,000
Harris County	\$ 1,770,442,125	0.28%	4,957,238
Harris County Flood Control District	\$ 768,563,117	0.28%	2,151,977
Harris County Hospital District	\$ 70,970,000	0.28%	198,716
Harris County Department of Education	\$ 13,865,000	0.28%	38,822
Port of Houston Authority	\$ 425,628,397	0.28%	1,191,760
Subtotal, overlapping debt			49,370,513
City Direct Debt	\$ 22,935,247	100.00%	22,935,247
Total Direct and Overlapping Debt			\$ 72,305,760

Source: Municipal Advisory Council of Texas

* The "Estimated Percentage Overlapping" is determined by dividing the City's certified taxable value by the County and related other County entities certified taxable values.

CITY OF SPRING VALLEY VILLAGE, TEXAS

LEGAL DEBT MARGIN INFORMATION

Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
Debt limit ⁽¹⁾	\$ 75,952,906	\$ 86,437,914	\$ 97,867,606	\$ 108,462,209
Total net debt applicable to limit	-	13,979,106	13,566,310	13,043,514
Legal debt margin	<u>\$ 75,952,906</u>	<u>\$ 72,458,808</u>	<u>\$ 84,301,296</u>	<u>\$ 95,418,695</u>
Total net debt applicable to the limit as a percentage of debt limit	-	16.17%	13.86%	12.03%
Legal Debt Margin Calculation				
Assessed value	\$ 759,529,059	\$ 864,379,143	\$ 978,676,056	\$ 1,084,622,094
Debt limit (10% of assessed value)	75,952,906	86,437,914	97,867,606	108,462,209
Debt applicable to limit:				
Gross bonded debt	-	13,979,106	13,566,310	13,043,514
Total net debt applicable to limit	-	13,979,106	13,566,310	13,043,514
Legal debt margin	<u>\$ 75,952,906</u>	<u>\$ 72,458,808</u>	<u>\$ 84,301,296</u>	<u>\$ 95,418,695</u>

(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					
2018	2019	2020	2021	2022	2023
\$ 118,585,101	\$ 121,947,309	\$ 131,353,925	\$ 130,474,490	\$ 135,517,063	\$ 129,637,078
12,500,718	18,423,731	26,304,492	25,433,077	24,206,662	22,935,247
<u>\$ 106,084,383</u>	<u>\$ 103,523,578</u>	<u>\$ 105,049,433</u>	<u>\$ 105,041,413</u>	<u>\$ 111,310,401</u>	<u>\$ 106,701,831</u>
10.54%	15.11%	20.03%	19.49%	17.86%	17.69%
\$ 1,185,850,999	\$ 1,219,473,094	\$ 1,313,539,247	\$ 1,304,744,903	\$ 1,355,170,630	\$ 1,296,370,775
118,585,101	121,947,309	131,353,925	130,474,490	135,517,063	129,637,078
12,500,718	18,423,731	26,304,492	25,433,077	24,206,662	22,935,247
12,500,718	18,423,731	26,304,492	25,433,077	24,206,662	22,935,247
<u>\$ 106,084,383</u>	<u>\$ 103,523,578</u>	<u>\$ 105,049,433</u>	<u>\$ 105,041,413</u>	<u>\$ 111,310,401</u>	<u>\$ 106,701,831</u>

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	<u>\$ 607,299</u>	<u>\$ 648,731</u>	<u>\$ 449,004</u>	<u>\$ 531,031</u>
Debt Service Requirements (3)				
Principal	\$ 165,000	\$ 170,000	\$ 175,000	\$ 180,000
Interest	78,000	74,561	70,090	65,487
Total	<u>\$ 243,900</u>	<u>\$ 244,561</u>	<u>\$ 245,090</u>	<u>\$ 245,487</u>
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.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 3,102,465	\$ 2,731,952	\$ 3,022,545	\$ 2,881,489	\$ 3,408,011	\$ 3,610,568
2,173,587	2,263,747	2,383,381	2,052,556	2,525,274	2,902,608
<u>\$ 928,878</u>	<u>\$ 468,205</u>	<u>\$ 639,164</u>	<u>\$ 828,933</u>	<u>\$ 882,737</u>	<u>\$ 707,960</u>
\$ 185,000	\$ 300,000	\$ 305,000	\$ 310,000	\$ 320,000	\$ 325,000
60,753	104,339	97,912	91,277	84,433	77,305
<u>\$ 245,753</u>	<u>\$ 404,339</u>	<u>\$ 402,912</u>	<u>\$ 401,277</u>	<u>\$ 404,433</u>	<u>\$ 402,305</u>
3.78	1.16	1.59	2.07	2.18	1.76

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⁾
2014	4,013	\$ 266,584	\$ 66,430	44.0	905	4.7%	78.0%
2015	4,142	\$ 266,584	\$ 68,839	43.0	910	4.7%	79.0%
2016	4,191	\$ 201,496	\$ 75,372	42.0	280	1.2%	78.0%
2017	4,328	\$ 242,866	\$ 88,899	42.0	905	1.2%	77.9%
2018	4,336	\$ 241,139	\$ 88,258	43.0	908	1.2%	78.0%
2019	4,333	\$ 239,996	\$ 99,286	40.6	915	1.2%	82.0%
2020	4,239	\$ 205,100	\$ 91,202	40.0	691	3.3%	84.0%
2021	4,282	\$ 206,654	\$ 84,654	41.0	842	0.1%	84.0%
2022	4,204	\$ 224,722	\$ 78,201	40.0	808	1.5%	89.0%
2023	4,222	\$ 229,702	\$ 95,097	37.2	1,180	1.2%	86.0%

Data sources:

(1) Colliers International Estimate

(2) Spring Branch ISD

CITY OF SPRING VALLEY VILLAGE, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2023			2014		
	Percentage of Total			Percentage of Total		
	Employees	Employment	Rank	Employees	Employment	Rank
Spring Branch Independent School District	223	28.77%	1	185	30.08%	1
Home Depot	120	15.48%	2	140	22.76%	2
Kelsey Seybold	117	15.10%	3	n/a	n/a	n/a
Stoller Group	69	8.90%	4	n/a	n/a	n/a
East West Bank	60	7.74%	5	n/a	n/a	n/a
Spring Branch Presbyterian Church	45	5.81%	6	40	6.50%	4
AOK Emergency Clinic	45	5.81%	7	35	5.69%	7
Jonathan's the Rub	40	5.16%	8	n/a	n/a	n/a
Starbucks Corporation	34	4.39%	9	35	5.69%	6
Specs	22	2.84%	10	29	4.72%	8
DTK	n/a	n/a	n/a	75	12.20%	3
Pueblo Viejo	n/a	n/a	n/a	36	5.85%	5
SSI	n/a	n/a	n/a	25	4.07%	9
Premier Technology Group	n/a	n/a	n/a	15	2.44%	10
	<u>775</u>	<u>100.00%</u>		<u>615</u>	<u>100.00%</u>	

Source: Human Resource Department of each company

CITY OF SPRING VALLEY VILLAGE, TEXAS

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION

Last Ten Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Governmental Activities:</u>										
General government	8	8	8	8	8	8	9	10	10	9
Public safety	23	24	24	24	24	24	24	25	25	25
Public works	3	3	3	3	3	3	3	3	3	3
<u>Business-Type Activities:</u>										
Water and sewer	4	4	4	4	4	4	4	5	5	4
Total City Positions	38	39	39	39	39	39	40	43	43	41

Source: City Finance Department

CITY OF SPRING VALLEY VILLAGE, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

	Fiscal Year			
	2014	2015	2016	2017
City of Spring Valley Village				
Budgeted full-time employees	39	39	39	39
Function				
Police				
Arrests	719	697	460	300
Accident reports	160	165	157	208
Citations	8,043	8,061	4,417	5,487
Offense reports	1,530	1,094	962	913
Calls for service	36,254	36,638	33,351	29,068
Municipal court				
Traffic violations	12,352	8,519	5,147	6,442
Non-traffic violations	1,472	1,442	528	963
Community development				
Residential building permits issued	19	29	37	37
Commercial building permits issued	9	12	30	2
Water				
Average daily gallons pumped-combined water (millions of gallons)	0.71	0.68	0.72	0.72
Average daily gallons pumped-surface water (millions of gallons)	-	0.05	0.40	0.44
Average daily gallons pumped-well water (millions of gallons)	0.71	0.68	0.32	0.60
Number of connections	2,135	2,137	2,204	2,138

Source: Various City departments

Fiscal Year					
2018	2019	2020	2021	2022	2023
40	40	40	42	42	42
205	130	47	72	85	58
192	108	112	122	139	158
5,689	7,437	6,332	8,887	6,362	3,912
1,070	717	487	492	481	401
23,307	21,150	19,629	32,262	41,410	50,484
4,884	5,226	2,986	16,156	8,993	9,170
373	456	319	1,410	4,002	308
44	17	47	88	55	30
5	12	7	13	8	4
0.75	0.74	0.76	0.71	0.75	0.73
0.34	0.33	0.36	0.36	0.37	0.22
0.57	0.59	0.59	0.60	0.62	0.63
2,138	2,139	2,139	2,441	2,441	2,485

CITY OF SPRING VALLEY VILLAGE, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function	Fiscal Year			
	2014	2015	2016	2017
General government				
Municipal buildings	1	1	1	1
Public safety				
Police protection				
Stations	1	1	1	1
Public works				
Streets (lane miles)	20.01	20.01	20.01	20.01
Community services				
Parks	1	1	1	1
Pavilions	1	1	1	1
Park acreage developed	2.62	2.62	2.62	2.62
Water				
Water wells	1	1	1	1
Ground/elevated storage tanks	3	3	3	3
Water mains (miles)	25.67	25.67	25.67	25.67
Fire hydrants	157	157	206	206
Wastewater				
Sanitary sewers (miles)	16.36	16.36	16.36	16.36
Sewer manholes	389	389	389	389

Source: Various City departments

Fiscal Year					
2018	2019	2020	2021	2022	2023
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
25.67	25.67	25.67	25.67	25.67	25.67
206	206	206	206	206	206
16.36	16.36	16.36	16.36	16.36	16.36
389	389	389	389	389	389

DIVIDER PAGE



Required Auditor Disclosure Letter Conclusion of Audit

March 22, 2024

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, Texas (the "City") for the year ended September 30, 2023. 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. We have communicated such information in our letter previously sent at the start of the annual audit. Professional standards also require that we communicate to the governing body the following information related to our audit.

I. Significant Audit Matters

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. As described in the notes to the financial statements, the City changed accounting policies related to accounting for the use of information technology arrangements by adopting Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), in fiscal year 2023. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Net Position and the Statement of Activities. 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 is based on industry standards relating to capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

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. The City hires a licensed actuary to perform the calculation. We evaluated the key factors and assumptions used to develop the liability in relation to the financial statements taken as a whole.

- C. The financial statement disclosures 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 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 clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes both material and immaterial misstatements detected as a result of our audit procedures. Management has corrected all misstatements.

4. Disagreements with Management

For purposes of this letter, a disagreement with management is 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 22, 2024.

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.

8. Changes in Risk Assessment

No changes in risk assessment were noted in the completion of the audit as previously communicated in our planning letter.

II. 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 accompanies 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.

III. 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, LLP
Certified Public Accountants
Houston, Texas

DIVIDER PAGE



Management Letter

March 22, 2024

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

The American Institute of Certified Public Accountants Statement on Auditing Standards No. 115, *Communicating Internal Control Related Matters Identified in an Audit* (SAS 115), provides guidance to auditors on communicating internal control matters to management and the governing body, board of directors, or equivalent body.

It is important to note when reviewing findings reported within this letter that classification of the findings is based on the definitions required by SAS 115 as further discussed below. Please note that these classifications are based on the potential impact to the financial statements, not necessarily the likelihood of actual loss to the City of Spring Valley, Texas (the "City"). Accordingly, the City's assessment of the "significance" or ranking of severity will likely be substantially different based on a number of factors including, but not limited to, its assessment of risk and the cost benefit of making the change.

Our report is as follows:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, and each major fund of the City as of and for the year ended September 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City's system of internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be other matters.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

CURRENT YEAR MATTERS

Other Matters:

2023.001 PUBLIC FUNDS INVESTMENT ACT

Criteria

Chapter 2256 of the Texas Government Code, Public Funds Investment Act (the "Act") prescribes certain requirements for governmental entities investing public funds. Some of the more basic requirements of the Act include: a written investment policy that must be reviewed and approved annually, mandatory training requirements for designated individuals, written evidence that an entity offering to engage in investment transactions with the City has received and reviewed the investment policy and acknowledged that they have implemented reasonable procedures and controls in an effort to preclude investment transactions not authorized by the City's policy, and preparation and approval of quarterly investment reports in compliance with the Act.

Condition

It was noted during the audit that the written investment policy was not approved annually.

Recommendation

The City should approve the investment policy annually in accordance with the Act.

Management's Response

The Finance Director is currently in the process of revising the investment policy with active participation from the City Administrator to ensure oversight and accountability. Upon completion, the revised investment policy will be presented to the Council for approval. Going forward, the investment policy will undergo regular review and necessary revisions, with annual approval in accordance with the Act.

2023.002 CONTINUED DISCLOSURE OF INFORMATION

Criteria

The ordinance governing the issuance of general obligation bonds and certificates of obligation (referred to as “public debt outstanding”) imposes an obligation on the City to annually furnish updated financial information and operational data, as well as timely notification of specified material events, to the Municipal Securities Rulemaking Board (MSRB) via its Electronic Municipal Market Access system (EMMA). This obligation requires submission within six months following the conclusion of each fiscal year, ensuring compliance with ongoing disclosure requirements for public debt outstanding.

Condition

The Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2022 was not available on EMMA. Additionally, there was a lack of other updated financial information on EMMA as of March 31, 2023, or within six months following the year-end of September 30, 2022, necessary for compliance with ongoing disclosure requirements for public debt outstanding.

Recommendation

It is recommended that the City take steps necessary to ensure the provision of updated financial information on EMMA within six months following each fiscal year end, as mandated by continuing disclosure requirements for public debt outstanding.

Management’s Response

The City’s Finance Director was unaware of the failure to upload financial information for fiscal year 2022 on EMMA. Moving forward, the Finance Director will collaborate with the City’s financial advisors to guarantee the timely submission of the latest financial information to EMMA within six months following each fiscal year end, thereby ensuring compliance with ongoing disclosure requirements for public debt outstanding.

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

We would like to thank the City Council and the City’s management for their cooperation during the course of our audit. Please feel free to contact us at your convenience to discuss this report or any other concerns that you may have.

The logo for Belt Harris Pechacek, LLP features the names 'BELT', 'HARRIS', and 'PECHACEK' in a stylized, cursive font, with 'LLP' in a smaller, sans-serif font to the right.

Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas

**Spring Valley Village City Council
Agenda Item Data Sheet**

MEETING DATE: April 23, 2023

TOPIC: Discussion and Possible Action on a Memorandum of Understanding between the City of Spring Valley Village, Texas and Girl Scout Troup 124019 for the installation of a Gaga Ball Pit at City Park.

BACKGROUND: The city has received a request from local Girl Scout Troup 124019 to construct a Gaga Ball Pit facility within City Park. Gaga Ball is a fast paced, high-energy sport played in an octagonal pit and is seen as a gentler version of dodge ball.

Troup 124019 has volunteered to finance and construct the activity which will be located generally to the east of the playground. With Council approval, the scouts, under the supervision of an experience contractor, will build the pit in May. The attached memorandum of understanding (MOU) lays out the responsibilities of the girl scout troop, to include financing, building, and maintaining. They will also be responsible for providing signage on how the game works.

RECOMMENDATION: Staff recommends approval of the MOU.

ATTACHMENTS:

- Memorandum of Understanding
- Letter from girl scouts
- Photos of gaga ball/pit

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:

CITY ADMINISTRATOR APPROVAL:

MEMORANUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into between the City of Spring Valley Village, Texas, hereinafter referred to as "the City" and Girl Scout Troup 124019, hereinafter referred to as "Troup 124019".

WHEREAS, Troup 124019 wishes to donate and install a Gaga Ball Pit within the City's park, and

WHEREAS, the City is interested in receiving assistance in the development of the City Park, and

WHEREAS, this activity will provide additional equipment for the enjoyment of all Spring Valley Village Residents, and

WHEREAS, it is deemed in the best interest of both parties that the parties enter into a mutually satisfactory agreement to undertake this activity.

Now Therefore, the City and Troup 124019 agree as follows:

Section 1. Purpose. The purpose of this MOU is to establish a good faith agreement and framework in which Troup 124019 and the City will work in partnership to install a Gaga Ball Pit in the City Park for the enjoyment of all Spring Valley Village, Texas residents. Troup 124019 will provide the materials and construct the game structure and provide proper signage to include the rules and regulations of the game and any required safety information.

Section 2. General Scope of the Project. The property upon which the project is to be located is the Spring Valley Village City Park. As currently proposed, the project will include:

- a. A Gaga Ball Pit, made up of eight sides, each approximately eight (8) feet long, which each side to be approximately thirty (30) inches high;
- b. The Gaga Ball Pit is to be constructed by Troup 124019 with the assistance of Forney Construction ("Contractor");
- c. Signage to explain the rules of the game will be provided by Troup 124019.

Section 3. Proposed Construction Period. Construction of the Gaga Ball Pit will be in May 2024 and is to be scheduled with the City prior to the commencement of construction.

Section 4. Financing. The project is to be solely financed by Troup 124019.

Section 5. Maintenance. The City is not responsible for the maintenance of the Gaga Ball Pit. Troup 124019 will work with the City to ensure that the project is properly maintained and safe. The City may remove the project if, in their sole discretion, it is in a deteriorating or unsafe condition.

Section 6. Troup 124019 shall require Contractor to obtain comprehensive liability insurance coverage, including workers' compensation or a self-insurance plan in lieu thereof, for the period of the construction of the Gaga Ball Pit, in the amounts acceptable to the City.

DULY PASSED and APPROVED on this the 23rd day of April, 2024.

Printed Name:
Authorized Signatory
Girl Scout Troop 124019

Marcus Vajdos, Mayor
City of Spring Valley Village, Texas

ATTEST:

Jasmin Torres, City Secretary
City of Spring Valley Village, Texas

Mr. Marcus Vajdos
Mayor – Spring Valley
8325 Burkhart Circle
Houston, TX 77055

November 20, 2023

Dear Mr. Mayor,

We are a fifth grade Girl Scout Junior troop at Valley Oaks Elementary. Most of us live in Spring Valley, and all of us go to Spring Valley Park for fun! This year we are working on our Bronze Award. We would like to add a Gaga Ball Pit in the park.

Gaga Ball is an octagonal shaped pit. It is made with wood sides and metal brackets. Players hit and roll a bouncy ball with their hands to eliminate other players. You can play with a couple of other people or a big group.

Some of the reasons why we want to put a Gaga Ball Pit at Spring Valley Park are that it is a game for kids of all ages to do with their friends, or you can play with new friends. Bigger kids really like it! We also think Spring Valley Park has space. We would build it out of the right kind of wood for outside and metal brackets so it doesn't need upkeep. Our troop has done fundraisers to earn money for all the supplies, and we have volunteers to help us build it properly. This is why we think it will be useful to put a Gaga Ball Pit at Spring Valley Park.

We hope you consider our proposal to add extra fun to the Park. Please respond if you will allow us and with any questions. Thank you for your time and consideration.

Girl Scout Troop #124019
Ruby Garza
Anelise Garza
Gwen Gabriel
Abbey Thorpe
Cate Young
Charlotte Chen
Pearl Wright



**Spring Valley Village City Council
Agenda Item Data Sheet**

MEETING DATE: April 23, 2024

TOPIC:	Ordinance Number 2024-XX AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, BY DELETING FROM APPENDIX "A" THEREOF SECTION 6.004; ESTABLISHING A SCHEDULE OF FEES FOR SANITARY SEWER SERVICES; AND REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH.
BACKGROUND:	On March 22, 2024, the City of Houston notified the City of Spring Valley Village that the wastewater rates would increase by 9%. Upon further investigation it was determined that to match the City of Houston Wastewater Rate for 2024, the City of Spring Valley Village will be required to raise the sewer rate 7.1% A copy of the City of Houston's notice to the city is provided with this agenda item. According to paragraph 2 of the attached City of Houston letter, the City of Houston adopted Ordinance No. 2021-515 related to a Water & Wastewater Cost of Service Rate Study. This Ordinance allows for new annual rates over a 5-year period on top of the automatic annual adjustments made by the City of Houston. If approved, the new wastewater rates would be effective May 1, 2024.
RECOMMENDATION:	Staff recommends approval of the Ordinance.
ATTACHMENTS:	• Ordinance Number 2024-XX • Copy of Letter Dated March 22, 2024 from City of Houston Notifying Spring Valley Village of Wastewater Rate Increases
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# _____ ☒ Additional Revenue will be added to Revenue Acct# <u>20-01-5270</u>
FINANCE VERIFICATION OF FUNDING: 	
SUBMITTING STAFF MEMBER: Brent Walker, City Treasurer	CITY ADMINISTRATOR APPROVAL: 

DIVIDER PAGE

ORDINANCE NO. 2024-XX

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, BY DELETING FROM APPENDIX "A" THEREOF SECTION 6.004; ESTABLISHING A SCHEDULE OF FEES FOR SANITARY SEWER SERVICES; AND REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH.

* * * * *

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

Section 1. The Code of Ordinances of the City of Spring Valley Village, Texas, is hereby amended by deleting from Appendix "A" thereof, said Appendix "A" being a "Schedule of Fees for the City of Spring Valley Village, Texas," all of Section 6.004 and substituting therefor a new Section 6.004 to provide as follows:

6.004 Sewer Rates

1. Residential Sewer:
 - (1.1) \$25.08 per month flat rate; plus
 - (1.2) \$8.043 per 1,000 gallons of metered water provided to residential customers
 - (1.3) Out of City Customers, two hundred (200) percent of the rate.
2. Non-Residential Sewer:
 - (2.1) \$33.44 per month flat rate; plus
 - (2.2) \$14.355 per 1,000 gallons of metered water provided to commercial customers
 - (2.3) Out of City Customers, two hundred (200) percent of the rate.

Section 2. All other ordinances or parts of ordinances inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, hereby repealed.

Section 3. Beginning with the month of **May 2024**, the rates established by this Ordinance shall be charged each month for each connection to the City of Spring Valley Village sewer systems.

Section 4. In the event any clause phrase, provision, sentence, or part of this Ordinance, or the "Schedule of Fees for the City of Spring Valley Village, Texas" adopted hereby, or the application of 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 or said schedule of fees 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.

PASSED, APPROVED, AND ADOPTED this 23rd day of April, 2024.

Marcus Vajdos, Mayor
City of Spring Valley Village, Texas

ATTEST:

Jasmin Torres, City Secretary
City of Spring Valley Village, Texas

DIVIDER PAGE



March 22, 2024

Dear Customer:

City Ordinances require certain automatic annual adjustments to the water and wastewater rates based on inflationary indices. For the upcoming adjustment scheduled for April 1, 2024, there will be no inflationary increase for the Houston area. These new rates will appear on your April 2024 billing which you will receive in May 2024

This year, there will be an average 9% increase for both water and wastewater to customers based on the Ordinance No. 2021-515 adoption of the 2021 Water & Wastewater Cost of Service Rate Study, which allows for new annual rates over a 5-year period. New Rates and Charges specific to water and wastewater accounts are as follows (please note that while the average increase is 9%, specific rates may vary):

Classification	Rate
SEWER CUSTOMERS	
Whole contribution w/o collection system – metered	\$1.90 per 1,000 gallons
Not metered	$R \times .315 \times \$1.90$
	(A: Calendar days in month, B: residential equivalent Units R: Constant conversion Factor TG)
Wholesale – contribution with collection system, if metered	
Volume charge, if not metered	\$3.65
Wholesale No contribution with collection system	\$8.04
Wholesale Connection Base	\$33.60

* Note:
P = Total water delivery during the month in thousand gallons, except if the minimum monthly specified in the customer’s contract is greater than P, P shall equal M.
M = Minimum monthly amount of water specified in the customer’s contract expressed in units of one thousand gallons.

Additional information may be found in the [Rates and Prices](#) or [Billing and Payment](#) sections of your contract or you may visit <http://www.houstontx.gov/codes/> (Sections 47-61 and 47-84 et seq.). Please contact Maria Carrillo at Customer Account Services at maria.carrillo@houstontx.gov if you have specific questions about your bill.

**Spring Valley Village
City Council
Agenda Item Data Sheet**

MEETING DATE April 23, 2024

TOPIC	Consideration and Possible Action on A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AMENDING THE AGREEMENT FOR ENGINEERING REVIEW SERVICES FOR DRAINAGE PLAN REVIEWS BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND COBB, FENDLEY & ASSOCIATES, INC.; PROVIDING FOR INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.
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BACKGROUND	During discussion of this item, questions came up specific to how CobbFendley performs some of their reviews tied to the fees in question. A representative of CobbFendley will be present to address this request and answer any questions you may have. <i>In March 2020, the previous City Administrator entered into an agreement for the provision of Drainage Review Services with Cobb, Fendley & Associates. This agreement was accepted and ratified by City Council at their regular meeting in May of that same year.</i> <i>The agreement included a clause subjecting the fees associated with the review of drainage plans for residential and commercial properties one acre in size or larger to revision on an annual basis on the anniversary date of the contract with approval by the city. The proposed increases are in an approximate range of 15% to 30%. This is the first time CobbFendley has sought to exercise their ability to seek an increase to the established fees since the original contract was signed in 2020.</i> <i>Additionally, CobbFendley is requesting an increase in the two other services covered by the agreement based on increased costs associated with providing these services:</i> <i>1. Residential and commercial drainage plan reviews for properties less than 1 acre: Increase from \$750/permit to \$1,000/permit.</i> <i>2. On-site meetings: Increase from \$300/meeting to \$450/meeting.</i> <i>City staff have a positive working relationship with the CobbFendley and have been impressed with their work and responsiveness to both our needs and our residents/builders.</i>
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**Spring Valley Village
City Council
Agenda Item Data Sheet**

RECOMMENDATION	Staff recommends approval of the resolution.
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ATTACHMENTS	• Resolution 2024-XX with Exhibit “A” • Original agreement
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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# _____
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FINANCE VERIFICATION OF FUNDING:

SUBMITTING STAFF MEMBER	CITY ADMINISTRATOR APPROVAL
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John McDonald City Administrator	
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RESOLUTION NUMBER 24-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AMENDING THE AGREEMENT FOR ENGINEERING REVIEW SERVICES FOR DRAINAGE PLAN REVIEWS BY AND BETWEEN THE CITY OF SPRING VALLEY VILLAGE, TEXAS AND COBB, FENDLEY & ASSOCIATES, INC.; PROVIDING FOR INCORPORATION OF PREAMBLE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on May 19, 2020, the City Council of the City of Spring Valley Village ratified a Proposal for Engineering Services by and between the City of Spring Valley Village, Texas, and Cobb, Fendley & Associates, Inc. for the provision of drainage plan review services ("Agreement"); and

WHEREAS, the Agreement states that included rates will be subject to revision with the approval of the City at the anniversary of the contract originally signed on March 27, 2020, and Cobb, Fendley & Associates has requested the fees to be amended.

NOW, THEREFORE

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

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

Section 2. The updated agreement, which is attached hereto as Exhibit "A", is hereby approved.

Section 3. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED on this the 23rd day of April, 2024.

Marcos Vajdos, Mayor
City of Spring Valley Village, Texas

ATTEST:

Jasmin Torres, City Secretary
City of Spring Valley Village, Texas

March 1, 2024

John McDonald
City Administrator, Spring Valley Village
1025 Campbell Road
Houston, Texas 77055

Re: Amendment to Engineering Services
Spring Valley Village - Drainage Review Services
CobbFendley Project No. 2012-022-01

Dear McDonald:

Cobb, Fendley & Associates, Inc. submitted a proposal to the City for residential and commercial drainage reviews on March 19, 2020. CobbFendley has performed drainage reviews for the past four years under the original contract rates. As you know, there have been significant changes in inflation and employment costs during that time. It is in that context that CobbFendley respectfully requests the follow revisions to the drainage review contract:

Services billed as follows:

1. Residential and commercial drainage reviews for properties less than 1 acre shall be billed at \$750/permit.
2. Residential and commercial drainage reviews of 1 acre or more shall be billed on an hourly basis in accordance with the 2020 rate schedule. These rates will be subject to revision with approval of the City at the anniversary date of this contract.
3. On-site meetings will be billed at \$300 per meeting.

Recommended Amendment:

1. Residential and commercial drainage reviews for properties less than 1 acre shall be billed at **\$1,000**/permit.
2. Residential and commercial drainage reviews of 1 acre or more shall be billed on an hourly basis in accordance with the **2024** rate schedule. These rates will be subject to revision with approval of the City at the anniversary date of this contract.
3. On-site meetings will be billed at **\$450** per meeting.

If the engineering fees as described in this amendment are agreeable to you, please indicate your acceptance by signing in the space provided below and returning one copy to us for our file. The opportunity to provide professional engineering services to the City of Spring Valley Village is appreciated, and we look forward to serving you .

Sincerely yours,

COBB, FENDLEY & ASSOCIATES, INC.



Charles M. Eastland, P.E.
Chief Operating Officer

Scope of Service accepted by:

Spring Valley Village

Signature

Date of Authorization



2024 Standard Rate Schedule

Senior Engineer V or Principal	\$340.00/HR
Senior Engineer IV or Project Manager V	\$324.00/HR
Senior Engineer III or Project Manager IV	\$317.00/HR
Senior Engineer II or Project Manager III	\$284.00/HR
Senior Engineer I or Project Manager II	\$258.00/HR
Engineer III or Project Manager I	\$205.00/HR
Engineer II	\$185.00/HR
Engineer I	\$152.00/HR
Graduate Engineer II.....	\$141.00/HR
Graduate Engineer.....	\$130.00/HR
Sr. Project Coordinator.....	\$170.00/HR
Project Coordinator.....	\$117.00/HR
Senior Technician III (GIS, Telecom, Utility, CAD, Field).....	\$202.00/HR
Senior Technician II (GIS, Telecom, Utility, CAD, Field).....	\$176.00/HR
Senior Technician I (GIS, Telecom, Utility, CAD, Field).....	\$152.00/HR
Technician III (GIS, Telecom, Utility, CAD, Field).....	\$134.00/HR
Technician II (GIS, Telecom, Utility, CAD, Field).....	\$115.00/HR
Technician I (GIS, Telecom, Utility, CAD, Field).....	\$89.00/HR
Licensed State Land Surveyor	\$281.00/HR
Senior Registered Professional Land Surveyor II.....	\$300.00/HR
Senior Registered Professional Land Surveyor.....	\$263.00/HR
Registered Professional Land Surveyor II.....	\$240.00/HR
Registered Professional Land Surveyor	\$209.00/HR
Project Surveyor.	\$185.00/HR
Certified Photogrammetrist.	\$242.00/HR
4 Person Survey Crew	\$233.00/HR
3 Person Survey Crew	\$208.00/HR
2 Person Survey Crew	\$176.00/HR
1 Person Survey Crew	\$128.00/HR
2 Person Hy-Drone Crew	\$415.00/HR
2 Person UAV Drone Crew	\$286.00/HR
Construction Manager III.....	\$340.00/HR
Construction Manager II.....	\$281.00/HR
Construction Manager I.....	\$219.00/HR
Construction Observer III	\$190.00/HR
Construction Observer II	\$160.00/HR
Construction Observer I	\$134.00/HR
Sr. Right-of-Way Agent III or ROW Project Manager III.....	\$284.00/HR
Sr. Right-of-Way Agent II or ROW Project Manager II.....	\$228.00/HR

(Continued)

Sr. Right-of-Way Agent I or ROW Project Manager I.....	\$205.00/HR
Right-of-Way Agent III or ROW Attorney.....	\$195.00/HR
Right-of-Way Agent II.....	\$166.00/HR
Right-of-Way Agent I.....	\$131.00/HR
Right-of-Way Technician.....	\$119.00/HR
Administrative	\$128.00/HR
Clerical.....	\$98.00/HR
Field Data Device	\$40.00/HR/unit

SUBSURFACE UTILITY ENGINEERING

Two-Man Designating Crew (4-Hour Minimum)	\$208/HR
One-Man Designating Crew (4-Hour Minimum)	\$134/HR
Vacuum Excavation Truck with 2 Technicians (Vac 6000) (4-Hour Minimum).....	\$385/HR
Vacuum Excavation Truck with 2 Technicians (Vac 3000 & 4000) (4-Hour Minimum).....	\$359/HR
Ground Penetrating Radar with 1 Technician (4-Hour Minimum)	\$317/HR
Traffic Control Officer.....	@ Cost + 10%
Traffic Control (Lane Closures, etc.)	To Be Negotiated
Permits (Local, State, etc.).....	@ Cost + 10%
Designation, Location & Traffic Control Vehicles.....	\$6.50/Mile

REIMBURSABLE EXPENSES

Consultant or Specialty Contractor (Outside Firm)	@ Cost + 10%
Courier, Special Equipment Rental	@ Cost + 10%
Reasonable Out of Town Travel Expenses (Air, Hotel, Rental, etc.)	@ Cost
Mileage (Standard Car or Truck).....	IRS Approved Rate
Per Diem for Out of Town Travel (Per Day/Person)	GSA Standard Rate/Day
Title Plant Charges	@ Cost + 10%
Other Misc. Expenses Related to the Project.....	@ Cost + 10%
In-House Reproduction:	
➤ Copies (Up to 11" x 17").....	\$0.15/Each
➤ Color Prints (Up to 11" x 17").....	\$1.50/Each
➤ Color Prints (Larger than 11" x 17")	\$3.00/Sq. Ft.
➤ Bluelines (All Sizes).....	\$1.00/Each
➤ Bond Prints (All Sizes)	\$2.00/Each
➤ Mylar Prints	\$12.00/Each
➤ Vellum Prints	\$9.00/Each

(*) Technology charges added to each billable man-hour.

March 19, 2020

Zachary Meadows
Director of Community Development
City of Spring Valley Village
1025 Campbell Road
Houston, Texas 77055

Re: Proposal for Engineering Services
Spring Valley Village – Drainage Review Services
CobbFendley Project No. 2012-_____

Dear Mr. Meadows:

CobbFendley is pleased to submit this proposal to provide engineering services associated with performing drainage plan review services to the City of Spring Valley Village (Client). CobbFendley proposes to provide the Scope of Services and Compensation as outlined below.

CobbFendley's services are to be performed for the sole benefit of Client, who shall be responsible for payment of those services. When accepted by the signature of Client's authorized representative, the authorization and the documents referenced herein shall constitute the entire agreement between Client and CobbFendley with respect to this project.

Scope of Services

1. Provide drainage plan reviews as requested on an on-call basis for new residential construction, residential additions, swimming pool construction, commercial construction, etc. in accordance with Chapter 3 of the Code of Ordinances.
2. If necessary, meet with the applicant at the City to resolve issues associated with challenges meeting City requirements.

Compensation

Services will be billed as follows:

1. Residential and commercial drainage reviews for properties less than 1 acre shall be billed at \$750/permit.
2. Residential and commercial drainage reviews of 1 acre or more shall be billed on an hourly basis in accordance with the attached 2020 rate schedule. These rates will be subject to revision with approval of the City at the anniversary date of this contract.
3. On-site meetings will be billed at \$300 per meeting.

Special Provisions

A copy of the General Terms and Conditions of the Authorization for Professional Services is attached and constitutes a part of this agreement.

Schedule of Services

CobbFendley will complete reviews within 10 days of receipt and provide a written tabulation of comments along with any plan mark-ups in electronic form. Plans will be received from the City electronically.

Proposal Acceptance

If this proposal is agreeable to you, please indicate your acceptance by signing in the space provided below and return one copy to us for our file. This proposal is void if not accepted within thirty (30) days of the date hereon. The opportunity to propose professional engineering services to the City of Spring Valley Village is appreciated, and we look forward to serving you on this project.

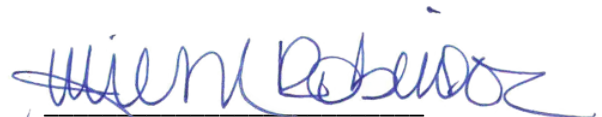
Sincerely,
COBB, FENDLEY & ASSOCIATES, INC.



Charles M. Eastland, P.E.
Executive Vice President

Attachment

This Proposal Accepted By:
CITY OF SPRING VALLEY VILLAGE



Signature

Julie M. Robinson

Printed Name

City Administrator

Title

03-27-2020

Date of Authorization

GENERAL TERMS AND CONDITIONS OF THE AUTHORIZATION FOR PROFESSIONAL SERVICES

1. REIMBURSABLE EXPENSES

CobbFendley's direct expenses shall be those costs incurred on or directly for the CLIENT'S project, including but not limited to necessary transportation costs including mileage at the current IRS rate, meals and lodging, laboratory tests and analyses, and printing and binding charges. These direct expenses shall be billed in accordance with the attached rate schedule.

2. OUTSIDE SERVICES

When technical or professional services are furnished by an outside source, when approved by the CLIENT, an additional amount shall be added to the cost of these services by CobbFendley to cover CobbFendley's administrative costs, as provided in the attached CobbFendley rate schedule.

3. COST PROJECTIONS

If included in CobbFendley's scope of services, opinions or estimates of probable construction costs are prepared on the basis of CobbFendley's experience and qualifications and represent CobbFendley's judgment as a professional generally familiar with the industry. However, since CobbFendley has no control over the cost of labor, materials, equipment or services furnished by others, over contractor's methods of determining prices, or over competitive bidding or market conditions, CobbFendley cannot and does not guarantee, represent or warrant that proposals, bids, or the actual construction cost will not vary from CobbFendley's opinions or estimates of probable construction cost.

4. PROFESSIONAL STANDARDS

CobbFendley agrees to perform its services in accordance with the standard of professional care used by other practicing professional engineers of ordinary prudence in the same field of engineering and performing the same type of work in CLIENT'S community under the same or similar circumstances. CobbFendley makes no other warranty, expressed or implied.

5. TERMINATION

Either CLIENT or CobbFendley may terminate this authorization by giving 30 days written notice to the other party. In such event, CLIENT shall forthwith pay CobbFendley in full for all work previously authorized and performed prior to effective date of termination. If no notice of termination is given, the relationships and obligations created by this Authorization shall be terminated upon completion of all applicable requirements of this Authorization. Failure by Client to make payments when due shall be cause for suspension of services or, ultimately, termination, unless and until CobbFendley has been paid in full all amounts due for services, expenses and other related charges, including interest on past due amounts.

6. OWNERSHIP OF DOCUMENTS

All documents prepared or furnished by CobbFendley pursuant to this Agreement are instruments of CobbFendley's professional service, and CobbFendley shall retain an ownership and property interest therein, including all copyrights. CobbFendley grants Client a license to use instruments of CobbFendley's professional service for the purpose of constructing, occupying or maintaining the project. Reuse or modification of any such documents by Client, without CobbFendley's written permission, shall be at Client's sole risk, and Client agrees to indemnify and hold CobbFendley harmless from all claims, damages and expenses, including attorneys' fees, arising out of such reuse by Client or by others acting through Client.

7. USE OF ELECTRONIC DOCUMENTS

Copies of documents that may be relied upon by Client are limited to the printed copies (also known as hard copies) or fully-scaled PDF files that are signed and sealed by CobbFendley's authorized design professionals. Files in electronic formats, or other types of information furnished by CobbFendley to Client such as text, data or graphics, are only for convenience of Client. Any conclusion or information obtained or derived from such electronic files will

be at the user's sole risk. When transferring documents in electronic formats, CobbFendley makes no representations as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems or computer hardware differing from those in use by CobbFendley at the beginning of this project.

8. HAZARDOUS ENVIRONMENTAL CONDITIONS

CobbFendley shall have no liability or responsibility for the discovery, presence, handling, removal, disposal, cleanup, or exposure of persons or other property to underground substances, hazards, or conditions or other latent substances, hazards or conditions (including but not limited to contaminants, pollutants, chemicals or other hazardous or toxic solids, liquids or gases of any kind), Client acknowledges that CobbFendley is performing professional services for Client and CobbFendley is not and shall not be required to become an "arranger," "operator," "generator" or "transporter" of hazardous substances, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA)

9. FORCE MAJEURE

Neither party shall be deemed in default of this agreement to the extent that any delay or failure in the performance of its obligations results from any cause beyond its reasonable control and without its negligence.

10. CONSTRUCTION PHASE SERVICES

If this Agreement provides for any construction phase services by CobbFendley, it is agreed that the Contractor, not CobbFendley, is responsible for the construction of the project, and that CobbFendley is not responsible for the acts or omissions of any contractor, subcontractor or material supplier; for time of performance; for safety precautions, programs or enforcement; or for construction means, methods, techniques, sequences and procedures employed by the Contractor. CobbFendley shall not be obligated to make exhaustive or continuous on-site inspections to check the quality or adequacy of construction or to verify that the work or materials of any contractor, subcontractor or materials supplier is in compliance with the plans and specifications. CobbFendley shall not be responsible for the Contractor's failure to execute the work in accordance with the Construction contract.

11. LIMITATION OF LIABILITY FOR DAMAGES

IN THE EVENT THAT CLIENT SHALL MAKE ANY CLAIM OR FILE ANY SUIT FOR DAMAGES AGAINST COBBFENDLEY ARISING OUT OF OR RELATED TO COBBFENDLEY'S PERFORMANCE OR NON-PERFORMANCE OF THE SERVICES TO BE PROVIDED UNDER THIS AGREEMENT, COBBFENDLEY'S LIABILITY TO CLIENT FOR ANY SUCH DAMAGES SHALL BE LIMITED TO ACTUAL AND DIRECT DAMAGES TO AN AMOUNT NOT TO EXCEED THE AMOUNT FEES CHARGED BY COBBFENDLEY TO CLIENT HEREUNDER. COBBFENDLEY SHALL HAVE NO LIABILITY FOR ANY CONSEQUENTIAL OR INDIRECT DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOST BUSINESS OPPORTUNITIES, ADDITIONAL OVERHEAD, OR DAMAGES FOR LOSS OF USE OR LOSS OF PRODUCTION.

12. ALTERNATIVE DISPUTE RESOLUTION

In the event that any dispute shall arise between Client and CobbFendley regarding the parties rights or obligations under this Agreement, the parties shall, as a condition precedent to taking any action against one another make a good faith effort to resolve such disagreements by negotiation and/or non-binding mediation.

13. LEGAL EXPENSES

In the event that legal action is brought by CLIENT or CobbFendley against the other party to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for fees, costs and expenses as may be set by the court.

14. PAYMENT TO COBBFENDLEY

Monthly invoices will be issued by CobbFendley for all work performed under the terms of this agreement. Invoices are due and payable within ten (10) business days of receipt. Unless noted otherwise, tasks stated in the Scope of Services will be invoiced on a lump sum basis.

If CLIENT is not the OWNER, CLIENT agrees to pay CobbFendley within ten (10) business days of receipt of payment from OWNER.

Pending resolution of any dispute concerning any portion of any invoice submitted by CobbFendley, all undisputed portions shall be paid in accordance with this paragraph.

Progress payments on CobbFendley fees for percentage of project completion and reimbursable expenses incurred will be due and payable upon receipt of invoice at the end of each month.

If payment is not received within 60 days from date of invoice, CobbFendley retains the right to cease further work on the project until such time that the overdue invoices are paid. CobbFendley also retains the right to withhold final approved plans and other deliverables until all overdue invoices are paid.

15. AUTHORIZATION OF OWNER

Client hereby authorizes CobbFendley to enter upon the property for the purpose of conducting CobbFendley services thereon. If Client is not the Owner of the property, Client agrees to obtain such authorization from the Owner and provide same in writing to CobbFendley.

16. CONTRACT DOCUMENTS

This signed Authorization, together with the attached General Terms and Conditions of the Authorization for Professional Services and CobbFendley Rate Schedule contains the entire and integrated agreement between Client and CobbFendley and supersedes all prior negotiations, representations or agreements, either written or oral. This agreement may only be amended by written instrument signed by both parties.

17. SALES TAX

To the extent that state sales taxes apply to any of the services or materials to be provided hereunder, such taxes are in addition to and are not included in the proposed fees of this Authorization.

18. BENEFICIARIES AND ASSIGNMENT

This agreement is made for the sole benefit of Client and CobbFendley and nothing in this agreement shall create a contractual relationship or cause of action in favor of any third party against either Client or CobbFendley. This agreement may not be assigned without the written consent of both Client and CobbFendley.



2020 Standard Rate Schedule

Senior Engineer V or Principal.....	\$290.00/HR
Senior Engineer IV or Project Manager V.....	\$270.00/HR
Senior Engineer III or Project Manager IV	\$235.00/HR
Senior Engineer II or Project Manager III.....	\$220.00/HR
Senior Engineer I or Project Manager II.....	\$195.00/HR
Engineer III or Project Manager I	\$170.00/HR
Engineer II	\$150.00/HR
Engineer I	\$125.00/HR
Graduate Engineer.	\$105.00/HR
Senior Technician III (GIS, Telecom, Utility, CAD, Field).....	\$165.00/HR
Senior Technician II (GIS, Telecom, Utility, CAD, Field).....	\$145.00/HR
Senior Technician I (GIS, Telecom, Utility, CAD, Field).....	\$125.00/HR
Technician III (GIS, Telecom, Utility, CAD, Field)	\$100.00/HR
Technician II (GIS, Telecom, Utility, CAD, Field)	\$80.00/HR
Technician I (GIS, Telecom, Utility, CAD, Field).....	\$60.00/HR
Licensed State Land Surveyor.....	\$235.00/HR
Senior Registered Professional Land Surveyor.	\$210.00/HR
Registered Professional Land Surveyor	\$170.00/HR
4 Person Survey Crew	\$190.00/HR
3 Person Survey Crew.....	\$170.00/HR
2 Person Survey Crew	\$145.00/HR
1 Person Survey Crew	\$105.00/HR
2 Person Hy-Drone Crew.....	\$340.00/HR
2 Person UAV Drone Crew	\$235.00/HR
Construction Manager III.....	\$280.00/HR
Construction Manager II.....	\$230.00/HR
Construction Manager I.....	\$185.00/HR
Construction Observer III	\$155.00/HR
Construction Observer II	\$130.00/HR
Construction Observer I	\$110.00/HR
Sr. Right-of-Way Agent III or ROW Project Manager III.....	\$250.00/HR
Sr. Right-of-Way Agent II or ROW Project Manager II.....	\$200.00/HR
Sr. Right-of-Way Agent I or ROW Project Manager I.....	\$180.00/HR
Right-of-Way Agent III or ROW Attorney	\$160.00/HR
Right-of-Way Agent II.....	\$140.00/HR
Right-of-Way Agent I	\$110.00/HR
Right-of-Way Technician.....	\$100.00/HR
Administrative	\$105.00/HR
Clerical	\$80.00/HR
Field Data Device	\$40.00/HR/unit

(Continued)

SUBSURFACE UTILITY ENGINEERING

Two-Man Designating Crew (4-Hour Minimum).....	\$170/HR
One-Man Designating Crew (4-Hour Minimum).....	\$110/HR
Vacuum Excavation Truck with 2 Technicians (Vac 6000) (4-Hour Minimum)	\$315/HR
Vacuum Excavation Truck with 2 Technicians (Vac 3000 & 4000) (4-Hour Minimum).....	\$295/HR
Ground Penetrating Radar with 1 Technician (4-Hour Minimum)	\$260/HR
Traffic Control Officer.....	@ Cost + 10%
Traffic Control (Lane Closures, etc.)	To Be Negotiated
Permits (Local, State, etc.).....	@ Cost + 10%
Designation, Location & Traffic Control Vehicles	\$6.50/Mile

REIMBURSABLE EXPENSES

Technology Fee (*)	\$3.75/HR
Consultant or Specialty Contractor (Outside Firm)	@ Cost + 10%
Courier, Special Equipment Rental.....	@ Cost + 10%
Reasonable Out of Town Travel Expenses (Air, Hotel, Rental, etc.)	@ Cost
Mileage (Standard Car or Truck)	IRS Approved Rate
Per Diem for Out of Town Travel (Per Day/Person)	GSA Standard Rate/Day
Title Plant Charges	@ Cost + 10%
Other Misc. Expenses Related to the Project	@ Cost + 10%
In-House Reproduction:	
➤ Copies (Up to 11" x 17")	\$0.15/Each
➤ Color Prints (Up to 11" x 17").....	\$1.50/Each
➤ Color Prints (Larger than 11" x 17").....	\$3.00/Sq. Ft.
➤ Bluelines (All Sizes).....	\$1.00/Each
➤ Bond Prints (All Sizes).....	\$2.00/Each
➤ Mylar Prints	\$12.00/Each
➤ Vellum Prints	\$9.00/Each

(*) Technology charges added to each billable man-hour.

**Spring Valley Village City Council
Agenda Item Data Sheet**

MEETING DATE: April 23, 2024

TOPIC:	AN ORDINANCE OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AMENDING CHAPTER 8 OF ITS CODE OF ORDINANCES, PERSONNEL AND ADMINISTRATION, ARTICLE 8.400, POLICE DEPARTMENT, SECTION 8.404, EXECUTIVE OFFICE OF DEPARTMENT, TO REQUIRE THE POLICE CHIEF TO REPORT TO THE CITY ADMINISTATOR RELATED TO ALL ADMINISTRATIVE MATTERS NOT RELATED TO LAW ENFORCEMENT OPERATIONS PROVIDING FOR THE INCORPORATION OF PREAMBLE; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, AND A SAVINGS CLAUSE.
BACKGROUND:	On May 17, 2023, City Council adopted Ordinance 2023-05, amending the Code of Ordinances, Chapter 8, Personnel and Administration, Article 8.100 – City Administrator, Section 8.105(d) – Powers and Duties, to place all departments under the supervision of the City Administrator. To clean up the code and address a conflict created by this previous amendment, this ordinance amends Article 8.400 – Police Department, Section 8.404 Executive Office, to require the Police Chief to report to the City Administrator for all administrative matters not related to law enforcement operations. This item has previously been postponed.
RECOMMENDATION:	Staff recommends approval of the ordinance.
ATTACHMENTS:	• Ordinance 24-XX Amending the Code of Ordinances, Article 8.404, Executive Office of Department.
FUNDING ISSUES:	☒ Not applicable – no dollars are being spent or received. ☐ Full amount already budgeted in Acct/Project# <u>25-50-7518</u> ☐ 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# _____

**Spring Valley Village City Council
Agenda Item Data Sheet**

FINANCE VERIFICATION OF FUNDING:	
SUBMITTING STAFF MEMBER: John McDonald, City Administrator	CITY ADMINISTRATOR APPROVAL:

AN ORDINANCE OF THE CITY OF SPRING VALLEY VILLAGE, TEXAS, AMENDING CHAPTER 8 OF ITS CODE OF ORDINANCES, PERSONNEL AND ADMINISTRATION, ARTICLE 8.400, POLICE DEPARTMENT, SECTION 8.404, EXECUTIVE OFFICE OF DEPARTMENT, TO REQUIRE THE POLICE CHIEF TO REPORT TO THE CITY ADMINISTRATOR RELATED TO ALL ADMINISTRATIVE MATTERS NOT RELATED TO LAW ENFORCEMENT OPERATIONS PROVIDING FOR THE INCORPORATION OF PREAMBLE; AND PROVIDING A REPEALER CLAUSE, A SEVERABILITY CLAUSE, AND A SAVINGS CLAUSE.

WHEREAS, the City of Spring Valley Village desires to amend its ordinance to require the Chief of Police to report to the City Administrator related to all administrative matters not related to law enforcement operations; and

WHEREAS, the City Council of the City of Spring Valley Village finds that the amendments set forth in this ordinance are in the best interest of the health, safety and welfare of the citizens.

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

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

Section 2. Section 8.404, Executive Office of Department, of Article 8.400, Police Department, of Chapter 8, Personnel and Administration, by adding the language underscored below and deleting the language struck through below:

“Section 8.404, Executive Office of Department

The chief of police is the executive officer of the department for law enforcement operational purposes. The chief of police shall report to the City Administrator for all administrative matters not related to law enforcement operations. The chief of police shall be appointed by the city council. The chief of police shall serve at the will and pleasure of the city council, and shall be subject to discharge at any time, with or without cause, by a majority vote of those members of the city council qualified and serving. It is specifically provided that no person appointed to the position of chief of police shall have any entitlement, contractual right, or property right in such position or to continued employment by the city. He or she shall have the authority to hire and discharge all employees of the police department, and in addition, promote, demote, discipline, and take any and all other personnel actions necessary for the operation of the police department in conjunction with the personnel policies of the City. He or she shall have the authority for enforcement of police department policies and police officers' responsibilities, together with full responsibility for the complete discharge of all duties imposed on him or her and

the other police officers by law. The chief of police shall be the keeper of the city jail and shall have custody of all persons incarcerated therein. He or she shall have the custody of all lost, abandoned, or stolen property recovered in the city. He or she shall keep such records and reports concerning the activities of the department as may be required by statute or by the city council. The chief of police shall be responsible for the performance by the police department of its functions and duties, and all persons who are members of the police department, including all members of the police reserve force, shall serve subject to the orders of the chief of police.”

Section 3. All provisions of the ordinances of the City of Spring Valley Village, Texas, codified or uncoded, 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 uncoded, 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 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. This ordinance shall in no manner amend, change, supplement, or revise any provision of any ordinance of the City, save and except the regulations, restrictions, terms and conditions provided for herein.

Section 6. This Ordinance shall become effective immediately upon its passage and publication as required by law.

DULY PASSED, APPROVED AND ORDAINED on this the 23rd day of April, 2024.

Marcus Vajdos, Mayor
City of Spring Valley Village, Texas

ATTEST:

Jasmin Torres, City Secretary
City of Spring Valley Village, Texas

