



City of West University Place

A Neighborhood City

CITY COUNCIL

Susan Sample, Mayor
Bob Kelly, Mayor Pro Tem
Burt Ballanfant, Councilmember
Brennan Reilly, Councilmember
Mardi Turner, Councilmember

STAFF

M. Christopher Peifer, City Manager
Alan Petrov, City Attorney
Thelma Gilliam, City Secretary

City Council Meeting Agenda

Notice is hereby given of a regular meeting of the City Council of West University Place to be held on **Monday, June 27, 2016** beginning at **6:30 p.m.** in the **Municipal Building** located at 3800 University Boulevard, West University Place, Texas, for the purpose of considering the following agenda items.

Note: All agenda items are subject to action. The City Council reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

CALL TO ORDER

Agenda items are as follows:

Call to Order
Pledge of Allegiance
Matters related to the notice of this meeting

1. Public Comments

This is an opportunity for citizens to speak to Council relating to agenda and non-agenda items. If the topic the speaker wishes to address is on the agenda, the speaker can either speak at this time or defer his/her comments until such time the item is discussed. Speakers are advised that comments cannot be received on matters which are the subject of a public hearing once the hearing has been closed. Public comments must be kept relevant to the subject before the Council. The presiding officer shall rule on the relevance of comments. Persons making irrelevant, personal, impertinent, or slanderous remarks may be barred by the presiding officer from further comment before the Council during the meeting. Speakers are required to register in advance and must limit their presentations to three minutes each.

2. Municipal Facilities Building Assessment

Matters related to the Municipal Facilities Building Assessment. *Recommended Action: Discuss and take any desired action, to include providing additional direction in the manner the City will proceed in this matter.* **Mr. Dave Beach, Public Works Director** [see Agenda Memo 2]

3. Automated Meter Reading

Matters related to the close-out for the Automated Meter Reading Project. *Recommended Action: Approve close-out of the project.* **Mr. Dave Beach, Public Works Director** [see Agenda Memo 3]

4. 2015 Budget Amendment

Matters related to an ordinance amending the 2015 Budget. *Recommended Action: Approve ordinance amending the 2015 Budget.* **Ms. Rhonda Daugherty, Finance Director** [see Agenda Memo 4]

5. Annual Financial Report (CAFR)

Matters related to acceptance of the Annual Financial Report. *Recommended Action: Accept the Annual Financial Report.* **Ms. Rhonda Daugherty, Finance Director** [see Agenda Memo 5]

6. Investment Policy

Matters related to a resolution adopting the West University Place Investment Policy. *Recommended Action: Approve the resolution adopting the West University Place Investment Policy.* **Ms. Rhonda Daugherty, Finance Director** [see Agenda Memo 6]

7. Mutual Aid Agreement

Matters related to authorizing a Mutual Aid Agreement between the government entities within the Gulf Coast State Planning Region and the City of West University Place. *Recommended Action: Authorize Mutual Aid Agreement between the government entities within the Gulf Coast State Planning Region and the City of West University Place.* **Mr. Aaron Taylor, Fire Chief** [see Agenda Memo 7]

8. Future Agenda Items

Matters related to future agenda items. *Recommended Action: Discuss and take any desired action.* **City Council** [see Future Agenda Items List]

9. Consent Agenda

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member requests in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

A. City Council Minutes

Approve City Council Minutes of the June 13, 2016 Council meetings. *Recommended Action: Approve Minutes.* **Ms. Thelma Gilliam, City Secretary** [see Minutes]

11. Adjourn

In compliance with the Americans with Disabilities Act, if you plan to attend this public meeting and you have a disability that requires special arrangements, please contact City Secretary Thelma Gilliam at 713.662.5813 at least 24 hours prior to the meeting so that reasonable accommodations can be made to assist in your participation in the meeting. The Council Chambers is wheel chair accessible from the west entrance and specially marked parking spaces are available in the southwest parking area. Special seating will be provided.

I certify that the attached notice and agenda of items to be considered by the West University Place City Council on June 27, 2016 was posted on the Municipal Building bulletin board on June 23, 2016 at approximately 3 o'clock p.m.

(SEAL)



Thelma A. Gilliam, City Secretary

AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF WEST UNIVERSITY PLACE, TEXAS

AGENDA OF:	June 27, 2016	AGENDA ITEM:	2
DATE SUBMITTED:	June 22, 2016	DEPARTMENT:	Public Works
PREPARED BY:	D. Beach Dir. of Public Works	PRESENTER:	D. Beach Director of Public Works
SUBJECT:	Municipal Facilities Building Assessment		
ATTACHMENTS:	None		
EXPENDITURE REQUIRED:	\$63,700.00		
AMOUNT BUDGETED:	None		
ACCOUNT NO.:	N/A		
ADDITIONAL APPROPRIATION REQUIRED:	\$63,700.00		
ACCOUNT NO.:	304-0000-30003 (Fund Balance)		

EXECUTIVE SUMMARY

At the request of City Council, staff conducted a Request for Qualifications (RFQ) / Proposals (RFP) for comprehensive building assessment for the following facilities:

*Comm. Bldg. / Sen. Ctr.	*PW Fleet Maint. Bldg.	*PW Admin. Bldg.	*WWTP Office Bldg.
*Library	*PW Operations Bldg.	*Scout House	*Fire Station Apparatus Bay

The City received eight (8) submittals for the RFQ which staff narrowed down to the three (3) most qualified firms to submit proposals and interview. Based upon their proposal and previous work experience conducting building assessments on similar buildings, staff selected Huitt Zollars.

Huitt Zollars has completed similar building assessment for the Cities of Sugar Land, Huntsville and Houston, as well as, Harris County Flood Control, Harris County and Fort Bend ISD.

The assessment of each building will include the following: building envelope (Inc. roof), exterior systems, ADA, life safety, electrical systems, mechanical systems, foundation and building structure, interior finishes and systems, plumbing systems and infrastructure.

The work will be broken into the following phases: Phase I – Facility Condition Assessment, Phase II – Needs Assessment & Planning, and Phase III – Asset Management Plan. The work will take between 90 – 120 days to complete.

Total cost to complete the base services is \$63,700.

RECOMMENDATION

Discuss and take any desired action, to include providing additional direction in the manner the City will proceed in this matter.

AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF WEST UNIVERSITY PLACE, TEXAS

AGENDA OF:	June 27, 2016	AGENDA ITEM:	3
DATE SUBMITTED:	June 22, 2016	DEPARTMENT:	Public Works
PREPARED BY:	P. Walters, Operations Supt.	PRESENTER:	D. Beach Director of Public Works
SUBJECT:	Automated Meter Reading Project		
ATTACHMENTS:	Project Close-Out Document		
EXPENDITURE REQUIRED:	\$87,727.07		
AMOUNT BUDGETED:	\$90,999.39		
ACCOUNT NO.:	340-7000-85002 (Water & Sewer Capital Reserve Fund)		
ADDITIONAL APPROPRIATION REQUIRED:	None		
ACCOUNT NO.:	N/A		

EXECUTIVE SUMMARY

As approved by City Council in 2014, staff initiated the Automated Meter Reading Project which would replace all of the water meters throughout the City with meters that could be read remotely over a radio network. After a review of leading meters, staff selected as the new standards a 1 inch and ¾ inch “IPerl Meters” manufactured by SENSUS Meters Inc.

These meters are electronic and measure water based on electromagnetic flow measurement which allows for a very precise measurement of water down to a flow of 3/100ths of a gallon per minute. These meters communicate over a radio network to provide hourly readings to a database allowing for tracking of water consumption with the ability for the consumer to access their usage over the internet which they can use to identify water leaks before receiving a bill. Additionally, this information will help the City prepare for production planning and refine our consumer education and awareness programs.

The contractor was Aqua-Metrics Inc. out of Shertz Texas and the project has been completed with the exception of 7 meters. Staff will be handling these installations and is working with property owners to coordinate those installations. The meter reading system is functioning exceptionally well with over 99% of the meters reporting in with readings daily.

There was one change order during this project in the amount of \$76,727.68 for additional work and 127 additional meters. The additional work was for meter valve replacements, pipe extensions to replace ¾ inch meters of various lengths with our new standardize length meters, adjustments for bad plumbing on the customer side, raising meters that were buried too deep to allow for reasonable maintenance and replacing and adjusting meters boxes. Below is a summary of the project cost.

Project Budget	Exp. To Date	Final Inv. / CO	Total Expend.	Balance
\$ 1,980,000.00	\$ 1,889,000.61	\$ 87,727.07	\$ 1,976,727.68	\$ 3,272.32

RECOMMENDATION

Staff recommends the City Council accept the project as complete and approve the final payment in the amount of \$87,727.07 including Change Order No. 1 to Aqua-Metrics Inc.

**AGREEMENT FOR FINAL PAYMENT
AND CONTRACTOR'S SWORN RELEASE**

In order to insure that the rights, obligations and responsibilities of all parties to the original contract document are fully protected, which contract document was signed and executed on the 14 day of April, 2016 by Agnes Metzner referred to therein as CONTRACTOR and hereinafter referred to as CONTRACTOR, and the OWNER on the 14TH day of April, 2016, and further in consideration for the final payment of all sums due and claimed by the CONTRACTOR against the OWNER, the CONTRACTOR makes the following representations to the OWNER, either individually if a proprietorship, jointly by all partners if a partnership, or if a corporation, by action of the president and secretary of said corporation, as duly authorized by appropriate action of the stockholders and/or board of directors of said corporation, their signatures hereon constituting a representation under oath by said individuals that they have the power and authority to execute this Agreement for and on behalf of the said corporation:

I.

The CONTRACTOR has received 13 (number) payments pursuant to 28 (number) of CONTRACTOR Payment Estimates, copies of which are attached hereto and marked Exhibit "A", presented to the OWNER and paid during the progress of the job referred to in the Contract between the parties; and in this regard, the undersigned CONTRACTOR represents to the OWNER that it does not claim nor intend to claim at any future date, any additional sums of money of any nature whatsoever under and by virtue of the payment estimates previously submitted to the ENGINEER for approval, or any other sums of money of any nature whatsoever for materials furnished and used in the job or for work done,

and hereby releases and discharges the OWNER from any liabilities of any nature whatsoever, for any claims of any nature made by the CONTRACTOR at some future date, or by its successors or assigns.

II.

The undersigned CONTRACTOR further represents to the OWNER that the Final Payment Estimate, reflecting all associated Change Orders, if any, submitted by the CONTRACTOR to the OWNER, whether or not modified, corrected or changed in some way by deletions or other modifications by the ENGINEER, the CONTRACTOR or the OWNER, a copy of which is attached hereto and marked Exhibit "B", is true, correct and accurate; and it is further agreed and stipulated by the undersigned CONTRACTOR that upon the receipt of final payment in the amount as set out on the Final Payment Estimate, the CONTRACTOR, by execution of this instrument of release, does, therefore, release and forever discharge the OWNER of and from all manner of debts, demands, obligations, suits, liabilities and causes of action of any nature whatsoever under and by virtue of the terms and provisions of the Contract hereinbefore referred to, and any change or modification thereof, or in any manner growing out of or arising from or by virtue of the work, labor and services performed by the CONTRACTOR.

III.

CONTRACTOR, in addition to the provisions set out in the contract document, agrees to indemnify and hold the OWNER harmless from any and all causes of action, claims, demands or suits made by any person or other entity against the OWNER, by reason of the work performed by such CONTRACTOR, and agrees to defend or to cause the same to be defended at the CONTRACTOR's sole expense and obligation, whenever such actions may be brought, and further to pay all costs incurred by the OWNER in the defense thereof, including administrative

costs and attorney's fees, and further to pay any judgments or settlements which may be entered into or agreed to against or for the benefit of the OWNER. It is, however, specifically agreed that the OWNER shall not enter into any settlement agreements without the acquiescence and agreement of the CONTRACTOR.

IV.

The CONTRACTOR, acting by and through the person or persons whose names are subscribed hereto, does solemnly swear and affirm that all bills and claims have been paid to all materialmen, suppliers, laborers, subcontractors, or other entities performing services or supplying materials, and that the OWNER shall not be subject to any bills, claims, demands, litigation or suits in connection therewith.

V.

It is further specifically understood and agreed that this Agreement for Final Payment and Contractor's Sworn Release shall constitute a part of the original Contract of the parties heretofore previously referred to, and it is also specifically understood and agreed that this Agreement shall not act as a modification, waiver or renunciation by the OWNER of any of its rights or remedies as set out in the contract itself, but this Agreement for Final Payment and Contractor's Sworn Release shall constitute a supplement thereto for the additional protection of the OWNER.

VI.

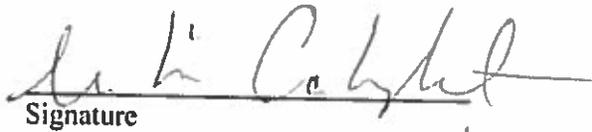
This Agreement for Final Payment and Contractor's Sworn Release shall be considered to be continuing and binding upon the parties hereto and shall not terminate upon receipt and acceptance by the CONTRACTOR of final payment, but shall be deemed continuing so long as any actions, claims or other demands contemplated herein against the OWNER, may

**AGREEMENT FOR FINAL PAYMENT
AND CONTRACTOR'S SWORN RELEASE**

lawfully be brought under applicable statutes of limitations, and shall in addition be deemed to be continuing for such additional period of time as shall be necessary to compensate and repay to the OWNER, all costs or damages incurred by it by reason of such claims.

SIGNED and EXECUTED this, the 14 day of April, 2016

CONTRACTOR



Signature

Print Name: Mike Cartwright

EXHIBIT A-Invoices

Aqua Metric Sales Company
 1050 Flat Rock Drive
 Riverside, CA 92505
 951-637-1400

Invoice

Invoice Number: 6376500-IN
 Invoice Date: 06/18/15

Order Number: 0044659
 Order Date: 06/17/15
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To: City of West University Place
 Attn: Accounts Payable
 3800 University Blvd.
 Houston, TX 77005-2802

Ship To: City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer PO	Ship VIA	F.O.B.	Terms	Unit Price	Amount	
Quantity	Item Number	Description	Net 30			
14-000176						
481	481	0	I30PGITR	3/4" IPERL TR/PL USG	\$112.26	\$53,997.06
28	28	0	I50PGITR	1" IPERL TR/PL USG	\$168.80	\$4,726.40
4	4	0	OMNIR1.5G	1 1/2" OMNI R2 USG	\$466.26	\$1,865.04
12	12	0	OMNI2G	2" OMNI R2 USG	\$654.19	\$7,850.28
525	525	0	MXU520MSP	MXU 520 M SINGLE PORT	\$115.00	\$60,375.00
481	481	0	/LABOR-TX	REPLACE 5/8" X 3/4" METER W/SMARTPOINT ACTIVATION	\$34.00	\$16,354.00
28	28	0	/LABOR-TX	REPLACE 1" METER W/SMARTPOINT ACTIVATION	\$34.00	\$952.00
4	4	0	/LABOR-TX	REPLACE 1.5" METER W/SMARTPOINT ACTIVATION	\$187.50	\$750.00
12	12	0	/LABOR-TX	REPLACE 2" METER W/SMARTPOINT ACTIVATION	\$212.50	\$2,550.00
33	33	0	/LABOR-TX	RESIDENTIAL SPECIAL JOB HOUR	\$95.00	\$3,135.00
2	2	0	/LABOR-TX	INSTAL 3/4" OR 1" RISER	\$60.00	\$120.00
1	1	0	/LABOR-TX	1.5" - 2" RE PLUMB	\$175.00	\$175.00
14	14	0	/LABOR-TX	REPLACE 5/8" X 3/4" CURB STOP	\$62.50	\$875.00
27	27	0	/LABOR-TX	5/8" - 1" RE PLUMB	\$118.75	\$3,206.25
20	20	0	/LABOR-TX	REPLACE SINGLE METER BOX	\$30.00	\$600.00
68	68	0	/LABOR-TX	REMOVED BOX AND RESET TO GRADE	\$30.00	\$2,040.00
1	1	0	/LABOR-TX	REPLACE PLASTICE METER LID	\$3.75	\$3.75

Installation dates 5/17/2015-6/13/2015

Net Invoice: \$159,574.78
 Less Discount: \$0.00
 Freight: \$0.00
 Sales Tax: \$0.00
 Invoice Total: \$159,574.78

Invoice

Aqua Metric Sales Company
 4050 Flat Rock Drive
 Riverside, CA 92505
 351-637-1400

Invoice Number: 5833400-IN
Invoice Date: 02/04/15
Order Number: 0043385
Order Date: 01/30/15
Salesperson: 000
Customer Number: 01-CWESTU

Bill To: City of West University Place
 Attn: Accounts Payable
 3800 University Blvd.
 Houston, TX 77005-2802

Ship To: City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer PO	Ship VIA	F.O.B.	Terms		
14-000176	BEST WAY		Net 30		
Quantity	B.O	Item Number	Description	Unit Price	Amount
require Shipped					
636	636	0	I30PGITR	3/4" IPERL TR/PL USG	\$112.26 \$71,397.36
84	84	0	I50PGITR	1" IPERL TR/PL USG	\$168.80 \$14,179.20
747	747	0	MXU520MSP	MXU 520 M SINGLE PORT	\$115.00 \$85,905.00
636	636	0	/LABOR-TX	Replace 3/4" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00 \$21,624.00
84	84	0	/LABOR-TX	Replace 1" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00 \$2,856.00
27	27	0	/LABOR-TX	Retro Fit Existing Meter and Program	\$27.19 \$734.13
1	1	0	/LABOR-TX	Replaced 5/8" x 3/4" Curb Stop	\$62.50 \$62.50
9	9	0	/LABOR-TX	Special Job Hours Residential Re-plumb	\$95.00 \$855.00
8	8	0	/LABOR-TX	Replace Single Meter Box	\$30.00 \$240.00
178	178	0	/LABOR-TX	Removed Box & Set to Grade	\$30.00 \$5,340.00
			/C	Install Dates 12/28/2014-01/24/2015	

Net Invoice: \$203,193.19
Less Discount: \$0.00
Freight: \$0.00
Sales Tax: \$0.00
Invoice Total: \$203,193.19

Aqua Metric Sales Company
 4050 Flat Rock Drive
 Riverside, CA 92505
 351-637-1400

Invoice

Invoice Number: 8582400-IN
 Invoice Date: 01/05/15
 Order Number: 0042858
 Order Date: 03/27/14
 Salesperson: 000
 Customer Number: 01-CWESTU

Bill To: City of West University Place
 Attn: Accounts Payable
 3800 University Blvd.
 Houston, TX 77005-2802

Ship To: City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer PO	Ship VIA	F.O.B.	Terms		
14-000176	BEST WAY		Net 30		
Quantity	B.O	Item Number	Description	Unit Price	Amount
Require Shipped					
368	368	0	I30PGITR 3/4" IPERL TR/PL USG	\$112.26	\$41,311.68
42	42	0	I50PGITR 1" IPERL TR/PL USG	\$168.80	\$7,089.60
410	410	0	MXU520MSP MXU 520 M SINGLE PORT	\$115.00	\$47,150.00
368	368	0	/LABOR-TX Replace 3/4" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$12,512.00
42	42	0	/LABOR-TX Replace 1" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$1,428.00
2	2	0	/LABOR-TX Replace Single Meter Box	\$30.00	\$60.00
68	68	0	/LABOR-TX Removed Box & Set to Grade	\$30.00	\$2,040.00
		/C	Install Dates 11/30/14-12/27/14		

Net Invoice: \$111,591.28
 Less Discount: \$0.00
 Freight: \$0.00
 Sales Tax: \$0.00
 Invoice Total: \$111,591.28

Invoice

Aqua Metric Sales Company
 4050 Flat Rock Drive
 Riverside, CA 92505
 351-637-1400

Invoice Number: 5766500-IN
Invoice Date: 06/12/15
Order Number: 0044253
Order Date: 05/05/15
Salesperson: 000
Customer Number: 01-CWESTU

Bill To: City of West University Place
 Attn: Accounts Payable
 3800 University Blvd.
 Houston, TX 77005-2802

Ship To: City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer PO	Ship VIA	F.O.B.	Terms			
14-000176	BEST WAY		Net 30			
Quantity	B.O	Item Number	Description	Unit Price	Amount	
require	Shipped					
704	704	0	I30PGITR	3/4" IPERL TR/PL USG	\$112.26	\$79,031.04
26	26	0	I50PGITR	1" IPERL TR/PL USG	\$168.80	\$4,388.80
5	5	0	OMNIR1.5G	1 1/2" OMNI R2 USG	\$466.26	\$2,331.30
7	7	0	OMNI2G	2" OMNI R2 USG	\$654.19	\$4,579.33
745	745	0	MXU520MSP	MXU 520 M SINGLE PORT	\$115.00	\$85,675.00
704	704	0	/LABOR-TX	Replace 3/4" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$23,936.00
26	26	0	/LABOR-TX	Replace 1" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$884.00
5	5	0	/LABOR-TX	Replace 1 1/2" Meter With New Sensus Meter With Smart Point Transceiver	\$187.50	\$937.50
7	7	0	/LABOR-TX	Replace 2" Meter With New Sensus Meter With Smart Point Transceiver	\$212.50	\$1,487.50
3	3	0	/LABOR-TX	Retro Fit Existing Meter and Program	\$27.19	\$81.57
4	4	0	/LABOR-TX	Replaced 5/8" x 3/4" Curb Stop	\$62.50	\$250.00
55	55	0	/LABOR-TX	Special Job Hours Residential Re-plumb	\$118.75	\$6,531.25
12	12	0	/LABOR-TX	Residential Special Job Hours	\$95.00	\$1,140.00
7	7	0	/LABOR-TX	Replace Single Meter Box	\$30.00	\$210.00
163	163	0	/LABOR-TX	Removed Box & Set to Grade	\$30.00	\$4,890.00
			/C	Install Dates 03/22/2015-04/18/2015		

Net Invoice: \$216,353.29
Less Discount: \$0.00
Freight: \$0.00
Sales Tax: \$0.00
Invoice Total: \$216,353.29

Invoice

Aqua Metric Sales Company
 4050 Flat Rock Drive
 Riverside, CA 92505
 951-637-1400

Invoice Number: 5172400-IN
Invoice Date: 10/15/14
Order Number: 0042715
Order Date: 11/18/14
Salesperson: 000
Customer Number: 01-CWESTU

Bill To: City of West University Place
 Attn: Accounts Payable
 3800 University Blvd.
 Houston, TX 77005-2802

Ship To: City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer PO	Ship VIA	F.O.B.	Terms			
14-000176	BEST WAY		Net 30			
Quantity	Item Number	Description	Unit Price	Amount		
Require Shipped	B.O					
505	505	0	I30PGITR	3/4" IPERL TR/PL USG	\$112.26	\$56,691.30
19	19	0	I50PGITR	1" IPERL TR/PL USG	\$168.80	\$3,207.20
30	30	0	MXU520MSP	MXU 520 M SINGLE PORT	\$115.00	\$3,450.00
505	505	0	/LABOR-TX	Replace 3/4" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$17,170.00
19	19	0	/LABOR-TX	Replace 1" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$646.00
30	30	0	/LABOR-TX	Retro Fit Existing Meter & Program	\$27.19	\$815.70
134	134	0	/LABOR-TX	Change Out Plastic Meter Box Lid for Radio Installation	\$3.00	\$402.00
114	114	0	/LABOR-TX	Removed Box & Set to Grade	\$30.00	\$3,420.00
0	0	0	/C	Installation Dates 9/7/2014-10/04/2014		

Net Invoice: \$85,802.20
Less Discount: \$0.00
Freight: \$0.00
Sales Tax: \$0.00
Invoice Total: \$85,802.20

Invoice

Aqua Metric Sales Company
 4050 Flat Rock Drive
 Riverside, CA 92505
 951-637-1400

Invoice Number: 7582400-IN

Invoice Date: 12/03/14

Order Number: 0042857

Order Date: 03/27/14

Salesperson: 000

Customer Number: 01-CWESTU

Bill To: City of West University Place
 Attn: Accounts Payable
 3800 University Blvd.
 Houston, TX 77005-2802

Ship To: City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer PO	Ship VIA	F.O.B.	Terms			
14-000176	BEST WAY		Net 30			
Quantity	B.O	Item Number	Description	Unit Price	Amount	
Require Shipped						
581	581	0	I30PGITR	3/4" IPERL TR/PL USG	\$112.26	\$65,223.06
46	46	0	I50PGITR	1" IPERL TR/PL USG	\$168.80	\$7,764.80
671	671	0	MXU520MSP	MXU 520 M SINGLE PORT	\$115.00	\$77,165.00
581	581	0	/LABOR-TX	Replace 3/4" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$19,754.00
46	46	0	/LABOR-TX	Replace 1" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$1,564.00
44	44	0	/LABOR-TX	Retro Fit Existing Meter & Program	\$17.00	\$748.00
183	183	0	/LABOR-TX	Change Out Plastic Meter Box Lid for Radio Installation	\$3.00	\$549.00
138	138	0	/LABOR-TX	Removed Box & Set to Grade	\$30.00	\$4,140.00
30	30	0	/LABOR-TX	Retro Fit Existing Meter & Program - Credit From Invoice 0054402	-\$10.19	-\$305.70
0	0	0	/C	Installation Dates 11/2/2014-11/29/2014		

Net Invoice: \$176,602.16
Less Discount: \$0.00
Freight: \$0.00
Sales Tax: \$0.00
Invoice Total: \$176,602.16

Aqua Metric Sales Company
 4050 Flat Rock Drive
 Riverside, CA 92505
 951-637-1400

Invoice

Invoice Number: 9617500-IN
 Invoice Date: 07/29/15
 Order Number: 0045028
 Order Date: 07/27/15
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To: City of West University Place
 Attn: Accounts Payable
 3800 University Blvd.
 Houston, TX 77005-2802

Ship To: City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer PO	Ship VIA	F.O.B.	Terms			
14-000176			Net 30			
Quantity	Item Number	Description	Unit Price	Amount		
Require Shipper B.O						
152	152	0	I30PGITR	3/4" IPERL TR/PL USG	\$112.26	\$17,063.52
8	8	0	I50PGITR	1" IPERL TR/PL USG	\$168.80	\$1,350.40
5	5	0	OMNIR1.5G	1 1/2" OMNI R2 USG	\$466.26	\$2,331.30
1	1	0	OMNI2G	2" OMNI R2 USG	\$654.19	\$654.19
167	167	0	MXU520MSP	MXU 520 M SINGLE PORT	\$115.00	\$19,205.00
152	152	0	/LABOR-TX	REPLACE 5/8" X 3/4" METER W/SMARTPOINT ACTIVATION	\$34.00	\$5,168.00
8	8	0	/LABOR-TX	REPLACE 1" METER W/SMARTPOINT ACTIVATION	\$34.00	\$272.00
5	5	0	/LABOR-TX	REPLACE 1.5" METER W/SMARTPOINT ACTIVATION	\$187.50	\$937.50
1	1	0	/LABOR-TX	REPLACE 2" METER W/SMARTPOINT ACTIVATION	\$212.50	\$212.50
17	17	0	/LABOR-TX	5/8" - 1" RE PLUMB	\$118.75	\$2,018.75
31	31	0	/LABOR-TX	RESIDENTIAL SPECIAL JOB HOUR	\$95.00	\$2,945.00
33	33	0	/LABOR-TX	REMOVED BOX AND RESET TO GRADE	\$30.00	\$990.00
1	1	0	/LABOR-TX	REPLACE 3" METER W/SMARTPOINT ACTIVATION	\$448.50	\$448.50

Installation dates 6/14/2015-7/4/2015

Net Invoice: \$53,596.66
 Less Discount: \$0.00
 Freight: \$0.00
 Sales Tax: \$0.00
 Invoice Total: \$53,596.66

Aqua Metric Sales Company
 4050 Flat Rock Drive
 Riverside, CA 92505
 951-637-1400

Invoice

Invoice Number: 8575500-IN
Invoice Date: 03/18/15
Order Number: 0043664
Order Date: 02/27/15
Salesperson: 000
Customer Number: 01-CWESTU

Bill To: City of West University Place
 Attn: Accounts Payable
 3800 University Blvd.
 Houston, TX 77005-2802

Ship To: City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer PO 14-000176	Ship VIA BEST WAY	F.O.B.	Terms Net 30	Quantity Require Shipped	B.O	Item Number	Description	Unit Price	Amount
432				432	0	I30PGITR	3/4" IPERL TR/PL USG	\$112.26	\$48,496.32
59				59	0	I50PGITR	1" IPERL TR/PL USG	\$168.80	\$9,959.20
13				13	0	OMNIR1.5G	1 1/2" OMNI R2 USG	\$466.26	\$6,061.38
2				2	0	OMNI2G	2" OMNI R2 USG	\$654.19	\$1,308.38
517				517	0	MXU520MSP	MXU 520 M SINGLE PORT	\$115.00	\$59,455.00
432				432	0	/LABOR-TX	Replace 3/4" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$14,688.00
59				59	0	/LABOR-TX	Replace 1" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$2,006.00
13				13	0	/LABOR-TX	Replace 1 1/2" Meter With New Sensus Meter With Smart Point Transceiver	\$187.50	\$2,437.50
2				2	0	/LABOR-TX	Replace 2" Meter With New Sensus Meter With Smart Point Transceiver	\$212.00	\$424.00
11				11	0	/LABOR-TX	Retro Fit Existing Meter and Programm	\$27.19	\$299.09
8				8	0	/LABOR-TX	Replaced 5/8" x 3/4" Curb Stop	\$62.50	\$500.00
53				53	0	/LABOR-TX	Special Job Hours Residential Re-plumb	\$118.75	\$6,293.75
2				2	0	/LABOR-TX	Special Job Hours 1 1/2" - 2" Re-plumb	\$118.75	\$237.50
18				18	0	/LABOR-TX	Replace Single Meter Box	\$30.00	\$540.00
190				190	0	/LABOR-TX	Removed Box & Set to Grade	\$30.00	\$5,700.00
						/C	Install Dates 01/25/2015 - 02/21/2015		

Net Invoice: \$158,406.12
Less Discount: \$0.00
Freight: \$0.00
Sales Tax: \$0.00
Invoice Total: \$158,406.12

Aqua Metric Sales Company
 4050 Flat Rock Drive
 Riverside, CA 92505
 951-637-1400

Invoice

Invoice Number: 6546500-IN
Invoice Date: 06/01/15
Order Number: 0044458
Order Date: 05/28/15
Salesperson: 000
Customer Number: 01-CWESTU

Bill To: City of West University Place
 Attn: Accounts Payable
 3800 University Blvd.
 Houston, TX 77005-2802

Ship To: City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer PO 14-000176	Ship VIA BEST WAY	F.O.B.	Terms Net 30	Quantity Require Shipped	B.O	Item Number	Description	Unit Price	Amount
				608	608	0	I30PGITR 3/4" IPERL TR/PL USG	\$112.26	\$68,254.08
				36	36	0	I50PGITR 1" IPERL TR/PL USG	\$168.80	\$6,076.80
				12	12	0	OMNI2G 2" OMNI R2 USG	\$654.19	\$7,850.28
				660	660	0	MXU520MSP MXU 520 M SINGLE PORT	\$115.00	\$75,900.00
				608	608	0	/LABOR-TX Replace 3/4" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$20,672.00
				36	36	0	/LABOR-TX Replace 1" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$1,224.00
				12	12	0	/LABOR-TX Replace 2" Meter With New Sensus Meter With Smart Point Transceiver	\$212.50	\$2,550.00
				4	4	0	/LABOR-TX Retro Fit Existing Meter and Program	\$27.19	\$108.76
				14	14	0	/LABOR-TX Replaced 5/8" x 3/4" Curb Stop	\$62.50	\$875.00
				30	30	0	/LABOR-TX Special Job Hours Residential Re-plumb	\$118.75	\$3,562.50
				30	30	0	/LABOR-TX Special Job Hours	\$95.00	\$2,850.00
				11	11	0	/LABOR-TX Replace Single Meter Box	\$30.00	\$330.00
				77	77	0	/LABOR-TX Removed Box & Set to Grade	\$30.00	\$2,310.00
				3	3	0	/LABOR-TX Replace Plastic Meter Lid	\$3.75	\$11.25
						/C	Install Dates 04/19/2015-05/16/2015		

Net Invoice: \$192,574.67
 Less Discount: \$0.00
 Freight: \$0.00
 Sales Tax: \$0.00
Invoice Total: \$192,574.67

Invoice

Aqua Metric Sales Company
 4050 Flat Rock Drive
 Riverside, CA 92505
 951-637-1400

Invoice Number: 5995500-IN
Invoice Date: 04/13/2015

Order Number: 0059955
Order Date: 04/02/15
Salesperson: 000
Customer Number: 01-CWESTU

Bill To: City of West University Place
 Attn: Accounts Payable
 3800 University Blvd.
 Houston, TX 77005-2802

Ship To: City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer PO	Ship VIA	F.O.B.	Terms			
14-000176	BEST WAY		Net 30			
Quantity	Item Number	Description	Unit Price	Amount		
Require Shipped	B.O					
558 558 0	I30PGITR	3/4" IPERL TR/PL USG	\$112.26	\$62,641.08		
59 59 0	I50PGITR	1" IPERL TR/PL USG	\$168.80	\$9,959.20		
9 9 0	OMNIR1.5G	1 1/2" OMNI R2 USG	\$466.26	\$4,196.34		
1 1 0	OMNI2G	2" OMNI R2 USG	\$654.19	\$654.19		
633 633 0	MXU520MSP	MXU 520 M SINGLE PORT	\$115.00	\$72,795.00		
558 558 0	/LABOR-TX	Replace 3/4" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$18,972.00		
59 59 0	/LABOR-TX	Replace 1" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$2,006.00		
9 9 0	/LABOR-TX	Replace 1 1/2" Meter With New Sensus Meter With Smart Point Transceiver	\$187.50	\$1,687.50		
1 1 0	/LABOR-TX	Replace 2" Meter With New Sensus Meter With Smart Point Transceiver	\$212.50	\$212.50		
6 6 0	/LABOR-TX	Retro Fit Existing Meter and Program	\$27.19	\$163.14		
3 3 0	/LABOR-TX	Replaced 5/8" x 3/4" Curb Stop	\$62.50	\$187.50		
46 46 0	/LABOR-TX	Special Job Hours Residential Re-plumb	\$118.75	\$5,462.50		
2 2 0	/LABOR-TX	Special Job Hours 1 1/2" - 2" Re-plumb	\$175.00	\$350.00		
1 1 0	/LABOR-TX	Replace Single Meter Box	\$30.00	\$30.00		
122 122 0	/LABOR-TX	Removed Box & Set to Grade	\$30.00	\$3,660.00		
	/C	Install Dates 02/22/2015-03/21/2015				

Net Invoice: \$182,976.95
Less Discount: \$0.00
Freight: \$0.00
Sales Tax: \$0.00
Invoice Total: \$182,976.95

Invoice

qua Metric Sales Company
 350 Flat Rock Drive
 Riverside, CA 92505
 51-637-1400

Invoice Number: 0042407-IN
Invoice Date: 10/15/14

Order Number: 0042407
Order Date: 10/15/14

Salesperson: 000

Customer Number: 01-CWESTU

Bill To: City of West University Place
 Attn: Accounts Payable
 3800 University Blvd.
 Houston, TX 77005-2802

Ship To: City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer PO 4-000176		Ship VIA BEST WAY	F.O.B.	Terms Net 30		
Quantity Require Shipped	B.O	Item Number	Description	Unit Price	Amount	
478	478	0	I30PGITR	3/4" IPERL TR/PL USG	\$112.26	\$53,660.28
35	35	0	I50PGITR	1" IPERL TR/PL USG	\$168.80	\$5,908.00
513	513	0	MXU520MSP	MXU 520 M SINGLE PORT	\$115.00	\$58,995.00
478	478	0	/LABOR-TX	Replace 3/4" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$16,252.00
35	35	0	/LABOR-TX	Replace 1" Meter With New Sensus Meter With Smart Point Transceiver	\$34.00	\$1,190.00
1	1	0	/LABOR-TX	Special Job Hour Rate & 5/8"- 1" Re-plumb	\$95.00	\$95.00
423	423	0	/LABOR-TX	Change Out Plastic Meter Box Lid for Radio Installation	\$3.00	\$1,269.00
62	62	0	/LABOR-TX	Removed Box & Set to Grade	\$30.00	\$1,860.00
0	0	0	/C	Installation Dates 9/7/2014-10/04/2014		

Net Invoice: \$139,229.28
Less Discount: \$0.00
Freight:
Sales Tax: \$0.00
Invoice Total: \$139,229.28

Invoice

Aqua-Metric Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0051535-IN
 Invoice Date: 4/10/2014

Order Number: 0040428
 Order Date: 3/26/2014
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:
 Patrick Walters

Customer P.O.	Ship VIA	F.O.B.	Terms
14-000176			Net 30

Quantity	Require	Shipped	B.O.	Item Number	Description	Unit Price	Amount
2	0	2		TGBMETRO	METRO TOWER BASE STATION	25,000.00	0.00
2	0	2		/NSPART-TX	TGB METRO INSTALLATION	20,000.00	0.00
1	0	1		LOGIC	LICENSED LOGIC SOLUTION	18,750.00	0.00
1	0	1		SETUP	IMPLEMENTATION & STANDARD	8,546.00	0.00
INTEGRATION PACKAGE							
1	0	1		SETUP	RNI SETUP / CONFIGURATION	8,546.00	0.00
1	0	1		TRAINING	TRAINING RNI CORE LOGIC	7,908.00	0.00
SENSUS PERFORMED							
1	0	1		CUSTOMERCON	CUSTOMER CONNECT	42,200.00	0.00
1	1	0		AR5501	AR 5501 TOUCHREAD HANDHELD	4,500.00	4,500.00
5501-134862							
1	1	0		AR5005	AR 5005 Master Charging Stand	0.00	0.00
5005-154313							
1	1	0		GPS	HANDHELD GPS RECEIVER	0.00	0.00

215+K34900723

Continued

Invoice

Aqua-Metric Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0051535-IN
 Invoice Date: 4/10/2014

Order Number: 0040428
 Order Date: 3/26/2014
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:
 Patrick Walters

Customer P.O.	Ship VIA	F.O.B.	Terms			
14-000176			Net 30			
Quantity	Item Number	Description	Unit Price	Amount		
Require Shipped	B.O.					
1	1	0	COMMANDLINK	COMMAND LINK	0.00	0.00
			CL50252520			
1	0	1	ARSW	AUTO READ SOFTWARE	0.00	0.00
5,580	0	5,580	I30PGITR	3/4" SL iPERL TR/PL USG 8 WHL	112.26	0.00
450	0	450	I50PGITR	1" iPERL TR/PL USG 8 WHEEL	168.80	0.00
35	0	35	OMNIR1.5G	1 1/2" Omni R2 USG 8 WHEEL	466.26	0.00
40	0	40	OMNIR2G	2" Omni R2 USG 8 WHEEL	654.19	0.00
3	0	3	OMNI3G	3" OMNI T2 USG 8 WHEEL	1,089.11	0.00
6,108	0	6,108	MXU520MSP	MXU 520 M SINGLE PORT T/C	115.00	0.00
1	0	1	/NSPART-TX	CONTENGECY	41,333.17	0.00
1	0	1	/NSPART-TX	PROJECT MANAGEMENT	20,000.00	0.00
6,108	0	6,108	/METER INSTALL	RESIDENTIAL METER INSTALLATION	34.00	0.00

Net Invoice: 4,500.00
 Less Discount: 0.00
 Freight: 0.00
 Sales Tax: 0.00
Invoice Total: 4,500.00

Invoice

Aqua-Metric Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0056184-IN
 Invoice Date: 5/1/2015

Order Number: 0040428
 Order Date: 3/26/2014
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:
 Patrick Walters

Customer P.O.	Ship VIA	F.O.B.	Terms
14-000176			Net 30

Quantity	Item Number	Description	Unit Price	Amount	
1	1	0 LOGIC	LICENSED LOGIC SOLUTION	18,750.00	18,750.00
1	1	0 SETUP	IMPLEMENTATION & STANDARD	8,546.00	8,546.00
INTEGRATION PACKAGE					
1	0	1 TRAINING	TRAINING RNI CORE LOGIC	7,908.00	0.00
SENSUS PERFORMED					
1	1	0 CUSTOMERCON	CUSTOMER CONNECT	42,200.00	42,200.00
1	0	1 /NSPART-TX	CONTENGENCY	41,333.17	0.00
1	0	1 /NSPART-TX	PROJECT MANAGEMENT	20,000.00	0.00
6,108	0	6,108 /METER INSTALL	RESIDENTIAL METER INSTALLATION	34.00	0.00

Net Invoice: 69,496.00
 Less Discount: 0.00
 Freight: 0.00
 Sales Tax: 0.00
Invoice Total: 69,496.00

Invoice

Aqua-Metric Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0059016-IN
 Invoice Date: 12/11/2015

Order Number: 0040428
 Order Date: 3/26/2014
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:
 Patrick Walters

Customer P.O.	Ship VIA	F.O.B.	Terms
14-000176			Net 30

Quantity	Require	Shipped	B.O.	Item Number	Description	Unit Price	Amount
1	0	1		/NSPART-TX	CONTENGENCY	41,333.17	0.00
1	1	0		/NSPART-TX	PROJECT MANAGEMENT	20,000.00	20,000.00

Net Invoice: 20,000.00
 Less Discount: 0.00
 Freight: 0.00
 Sales Tax: 0.00
Invoice Total: 20,000.00

Invoice

Aqua-Metric Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0057190-IN
 Invoice Date: 7/29/2015

Order Number: 0040428
 Order Date: 3/26/2014
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:
 Patrick Walters

Customer P.O.	Ship VIA	F.O.B.	Terms		
14-000176			Net 30		
Quantity	Item Number	Description	Unit Price	Amount	
Require	Shipped	B.O.			
1	1	0 TRAINING	TRAINING RNI CORE LOGIC	7,908.00	7,908.00
1	0	1 SENSUS PERFORMED /NSPART-TX	CONTENGENCY	41,333.17	0.00
1	0	1 /NSPART-TX	PROJECT MANAGEMENT	20,000.00	0.00
6,108	0	6,108 /METER INSTALL	RESIDENTIAL METER INSTALLATION	34.00	0.00

Net Invoice: 7,908.00
 Less Discount: 0.00
 Freight: 0.00
 Sales Tax: 0.00
Invoice Total: 7,908.00

Invoice

Aqua-Metric Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0051923-IN
 Invoice Date: 5/13/2014

Order Number: 0040428
 Order Date: 3/26/2014
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:
 Patrick Walters

Customer P.O.	Ship VIA	F.O.B.	Terms
14-000176			Net 30

Quantity	Require	Shipped	B.O.	Item Number	Description	Unit Price	Amount
2	2	0		TGBMETRO	METRO TOWER BASE STATION	25,000.00	50,000.00
				SN# 415 - 416			
2	0	2		/NSPART-TX	TGB METRO INSTALLATION	20,000.00	0.00
1	0	1		LOGIC	LICENSED LOGIC SOLUTION	18,750.00	0.00
1	0	1		SETUP	IMPLEMENTATION & STANDARD	8,546.00	0.00
				INTEGRATION PACKAGE			
1	0	1		TRAINING	TRAINING RNI CORE LOGIC	7,908.00	0.00
				SENSUS PERFORMED			
1	0	1		CUSTOMERCON	CUSTOMER CONNECT	42,200.00	0.00
1	0	1		ARSW	AUTO READ SOFTWARE	0.00	0.00
5,580	0	5,580		I30PGITR	3/4" SL IPERL TR/PL USG 8 WHL	112.26	0.00
450	0	450		I50PGITR	1" IPERL TR/PL USG 8 WHEEL	168.80	0.00
3	0	3		OMNI3G	3" OMNI T2 USG 8 WHEEL	1,089.11	0.00
3,908	0	3,908		MXU520MSP	MXU 520 M SINGLE PORT T/C	115.00	0.00

Continued

Invoice

Aqua-Mr Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0051923-IN
 Invoice Date: 5/13/2014

Order Number: 0040428
 Order Date: 3/26/2014
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:
 Patrick Walters

Customer P.O.	Ship VIA	F.O.B.	Terms		
14-000176			Net 30		
Quantity	Item Number	Description	Unit Price	Amount	
1 0	1	/NSPART-TX	CONTENGENCY	41,333.17	0.00
1 0	1	/NSPART-TX	PROJECT MANAGEMENT	20,000.00	0.00
6,108 0	6,108	/METER INSTALL	RESIDENTIAL METER INSTALLATION	34.00	0.00

Net Invoice: 50,000.00
 Less Discount: 0.00
 Freight: 0.00
 Sales Tax: 0.00
Invoice Total: 50,000.00

Invoice

Aqua-Metric Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0051796-IN
 Invoice Date: 5/1/2014

Order Number: 0040428
 Order Date: 3/26/2014
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:
 Patrick Walters

Customer P.O.	Ship VIA	F.O.B.	Terms		
14-000176			Net 30		
Quantity	Item Number	Description	Unit Price	Amount	
Require	Shipped	B.O.			
2	0	2 TGBMETRO	METRO TOWER BASE STATION	25,000.00	0.00
2	0	2 /NSPART-TX	TGB METRO INSTALLATION	20,000.00	0.00
1	0	1 LOGIC	LICENSED LOGIC SOLUTION	18,750.00	0.00
1	0	1 SETUP	IMPLEMENTATION & STANDARD	8,546.00	0.00
INTEGRATION PACKAGE					
1	1	0 SETUP	RNI SETUP / CONFIGURATION	8,546.00	8,546.00
1	0	1 TRAINING	TRAINING RNI CORE LOGIC	7,908.00	0.00
SENSUS PERFORMED					
1	0	1 CUSTOMERCON	CUSTOMER CONNECT	42,200.00	0.00
1	0	1 ARSW	AUTO READ SOFTWARE	0.00	0.00
5,580	0	5,580 I30PGITR	3/4" SL IPERL TR/PL USG 8 WHL	112.26	0.00
450	0	450 I50PGITR	1" IPERL TR/PL USG 8 WHEEL	168.80	0.00
3	0	3 OMNI3G	3" OMNI T2 USG 8 WHEEL	1,089.11	0.00
6,108	0	6,108 MXU520MSP	MXU 520 M SINGLE PORT T/C	115.00	0.00

Continued

Invoice

Aqua-Metric Sales, Co.
4050 Flat Rock Drive
Riverside, CA 92505
9516371400

Invoice Number: 0051796-IN
Invoice Date: 5/1/2014

Order Number: 0040428
Order Date: 3/26/2014
Salesperson: 0025
Customer Number: 01-CWESTUN

Bill To:
City of West University Place
Attn: Accounts Payable
3800 University Blvd
Houston, TX 77005-2802

Ship To:
City of West University Place
3826 Amherst St
Houston, TX 77005-2830

Confirm To:
Patrick Walters

Customer P.O.	Ship VIA	F.O.B.	Terms				
14-000176			Net 30				
Quantity	Require	Shipped	B.O.	Item Number	Description	Unit Price	Amount
1	0	1		/NSPART-TX	CONTENGECY	41,333.17	0.00
1	0	1		/NSPART-TX	PROJECT MANAGEMENT	20,000.00	0.00
6,108	0	6,108		/METER INSTALL	RESIDENTIAL METER INSTALLATION	34.00	0.00

Net Invoice: 8,546.00
Less Discount: 0.00
Freight: 0.00
Sales Tax: 0.00
Invoice Total: 8,546.00

Invoice

Aqua-Metric Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0052255-IN
 Invoice Date: 6/10/2014

Order Number: 0040428
 Order Date: 3/26/2014
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:
 Patrick Walters

Customer P.O.	Ship VIA	F.O.B.	Terms
14-000176			Net 30

Quantity	Require	Shipped	B.O.	Item Number	Description	Unit Price	Amount
2	2	0		/NSPART-TX	TGB METRO INSTALLATION	12,000.00	24,000.00
				/M	PARTS FOR TGB INSTALL		8,000.00
					GRAMERCY ST WATER TANK SITE		
				/M	PARTS FOR TGB INSTALL		8,000.00
					WEST PARK DR WATER TANK SITE		
1	0	1		LOGIC	LICENSED LOGIC SOLUTION	18,750.00	0.00
1	0	1		SETUP	IMPLEMENTATION & STANDARD	8,546.00	0.00
					INTEGRATION PACKAGE		
1	0	1		TRAINING	TRAINING RNI CORE LOGIC	7,908.00	0.00
					SENSUS PERFORMED		
1	0	1		CUSTOMERCONNECT	CUSTOMER CONNECT	42,200.00	0.00
1	0	1		ARSW	AUTO READ SOFTWARE	0.00	0.00
5,580	0	5,580		I30PGITR	3/4" SL IPERL TR/PL USG 8 WHL	112.26	0.00
450	0	450		I50PGITR	1" IPERL TR/PL USG 8 WHEEL	168.80	0.00
3	0	3		OMNI3G	3" OMNI T2 USG 8 WHEEL	1,089.11	0.00

Continued

Invoice

Aqua-Metric Sales, Co.
4050 Flat Rock Drive
Riverside, CA 92505
9516371400

Invoice Number: 0052255-IN
Invoice Date: 6/10/2014

Order Number: 0040428
Order Date: 3/26/2014
Salesperson: 0025
Customer Number: 01-CWESTUN

Bill To:
City of West University Place
Attn: Accounts Payable
3800 University Blvd
Houston, TX 77005-2802

Ship To:
City of West University Place
3826 Amherst St
Houston, TX 77005-2830

Confirm To:
Patrick Walters

Customer P.O.	Ship VIA	F.O.B.	Terms			
14-000176			Net 30			
Quantity	Item Number	Description	Unit Price	Amount		
Require	Shipped	B.O.				
3,908	0	3,908	MXU520MSP	MXU 520 M SINGLE PORT T/C	115.00	0.00
1	0	1	/NSPART-TX	CONTENGECY	41,333.17	0.00
1	0	1	/NSPART-TX	PROJECT MANAGEMENT	20,000.00	0.00
6,108	0	6,108	/METER INSTALL	RESIDENTIAL METER INSTALLATION	34.00	0.00

Net Invoice: 40,000.00
Less Discount: 0.00
Freight: 0.00
Sales Tax: 0.00
Invoice Total: 40,000.00

INVOICE

Aqua Metric Sales Company
4050 Flat Rock Drive
Riverside, CA 92505
951-637-1400

Invoice Number: 0061414-IN
Invoice Date: 4/14/2016
Order Number: 0041416
Order Date: 4/14/2016
Salesperson: 0025
Customer Number: 01-CWESTUN

Bill To: City of West University Place
Attn. Accounts Payable
3800 University Blvd.
Houston, TX 77005-2802

Ship To: City of West University Place
3826 Amherst St
Houston, TX 77005-2830

Confirm To:
Patrick Walters

Customer PO	Ship VIA	F.O.B.	Terms	Unit Price	Amount
Change Order			Net 30		
Quantity	Item Number	Description	Unit Price	Amount	
Require Shipped	B.O				
161 161 0	I30PGITR	3/4" SL IPERL TR/PL USG 8 WHL	\$112.26	\$18,073.86	

PRODUCT INSTALLED BY CITY

Net Invoice:	\$18,073.86
Less Discount:	\$0.00
Freight:	\$0.00
Sales Tax:	\$0.00
	<u>\$18,073.86</u>

Invoice

Aqua-Metric Sales, Co.
4050 Flat Rock Drive
Riverside, CA 92505
9516371400

Invoice Number: 0054045-IN
Invoice Date: 10/30/2014

Order Number: 0042339
Order Date: 10/8/2014
Salesperson: 0025
Customer Number: 01-CWESTUN

Bill To:
City of West University Place
Attn: Accounts Payable
3800 University Blvd
Houston, TX 77005-2802

Ship To:
City of West University Place
3826 Amherst St
Houston, TX 77005-2830

Confirm To:

Customer P.O.	Ship VIA	F.O.B.	Terms	Quantity	Item Number	Description	Unit Price	Amount
14-000176	BEST WAY		Net 30	Require Shipped B.O.				
				240	160 80 130PGITR	3/4" SL iPERL TR/PL USG 8 WHL	112.26	17,961.60

78372863 - 3022

Net Invoice: 17,961.60
Less Discount: 0.00
Freight: 0.00
Sales Tax: 1,481.83
Invoice Total: 19,443.43

Invoice

Aqua-Metric Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0054168-IN
 Invoice Date: 11/4/2014

Order Number: 0042339
 Order Date: 10/8/2014
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer P.O.	Ship VIA	F.O.B.	Terms	Quantity	Item Number	Description	Unit Price	Amount
14-000176	BEST WAY		Net 30	80	130PGITR	3/4" SL IPERL TR/PL USG 8 WHL	112.26	8,980.80
	Require Shipped B.O.			80				

78375080 - 5159

Net Invoice: 8,980.80
 Less Discount: 0.00
 Freight: 0.00
 Sales Tax: 740.91
Invoice Total: 9,721.71

Invoice

Aqua Metric Sales Company
4050 Flat Rock Drive
Riverside, CA 92505
951-637-1400

Invoice Number: 0056746
Invoice Date: 6/18/2015
Order Number: 0044652
Order Date: 6/16/2015
Salesperson: 0025
Customer Number: 01-CWESTUN

Bill To: City of West University Place
Attn: Accounts Payable
3800 University Blvd.
Houston, TX 77005-2802

Ship To: City of West University Place
3826 Amherst St
Houston, TX 77005-2830

Confirm To:
Patrick Walters

Customer PO
14-000176

Ship VIA

F.O.B.

Terms
Net 30

Quantity	Require Shipped	B.O.	Item Number	Description	Unit Price	Amount
100	100	0	130PGITR	3/4" SL IPERL TR/PL USG 8 WHL	\$112.26	\$11,226.00
79340716 - 0815						
100	100	0		MXU520MSP MXU 520 M SINGLE PORT T/C	\$115.00	\$11,500.00

Net Invoice:	\$22,726.00
Less Discount:	\$0.00
Freight:	\$0.00
Sales Tax:	\$0.00
Invoice Total:	\$22,726.00

Invoice

Aqua-Metric Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0056896-IN
 Invoice Date: 7/2/2015
 Order Number: 0044743
 Order Date: 6/24/2015
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer P.O.	Ship VIA	F.O.B.	Terms		
14-000176	UPS		Net 30		
Quantity	Item Number	Description	Unit Price	Amount	
Require Shipped B.O.					
10 10 0	I30PGITR	3/4" SL IPERL TR/PL USG 8 WHL	112.26	1,122.60	

79455596 - 0603 / 79340477 - 0478

Net Invoice: 1,122.60
 Less Discount: 0.00
 Freight: 33.86
 Sales Tax: 95.41
Invoice Total: 1,251.87

Invoice

Aqua-Metric Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0057491-IN
 Invoice Date: 8/21/2015

Order Number: 0045110
 Order Date: 8/3/2015
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:
 Patrick Walters

Customer P.O.	Ship VIA	F.O.B.	Terms	Quantity	Item Number	Description	Unit Price	Amount
14-000176	UPS		Net 30	16	130PGITR	3/4" SL IPERL TR/PL USG 8 WHL	112.68	1,802.88

7954440 - 4455

Net Invoice: 1,802.88
 Less Discount: 0.00
 Freight: 0.00
 Sales Tax: 0.00
Invoice Total: 1,802.88

Invoice

Aqua-Metric Sales, Co.
4050 Flat Rock Drive
Riverside, CA 92505
9516371400

Invoice Number: 0056005-IN
Invoice Date: 4/10/2015

Order Number: 0044029
Order Date: 4/8/2015
Salesperson: 0025
Customer Number: 01-CWESTUN

Bill To:
City of West University Place
Attn: Accounts Payable
3800 University Blvd
Houston, TX 77005-2802

Ship To:
City of West University Place
3826 Amherst St
Houston, TX 77005-2830

Confirm To:

Customer P.O.	Ship VIA	F.O.B.	Terms		
14-000176	UPS		Net 30		
Quantity	Item Number	Description	Unit Price	Amount	
Require Shipped B.O.					
75 75	0 150PGITR	1" IPERL TR/PL USG 8 WHEEL	168.80	12,660.00	

7821608 - 6082 / 78780561 - 0632

Net Invoice:	12,660.00
Less Discount:	0.00
Freight:	0.00
Sales Tax:	1,044.45
Invoice Total:	13,704.45

Invoice

Aqua-Metric Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0057473-IN
 Invoice Date: 8/21/2015

Order Number:
 Order Date
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer P.O.	Ship VIA	F.O.B.	Terms		
14-000176			Net 30		
Quantity	Item Number	Description	Unit Price	Amount	
Require Shipped	B.O.				
20	20	0 ITP6'	6' IPERL CABLE TR/PL 2 WIRE	17.80	356.00
16	16	0 I50PGITR	1" IPERL TR/PL USG 8 WHEEL	168.80	2,700.80
27	27	0 MXU520MSP	MXU 520 M SINGLE PORT T/C	115.00	3,105.00

Net Invoice: 6,161.80
 Less Discount: 0.00
 Freight: 0.00
 Sales Tax: 0.00
Invoice Total: 6,161.80

Invoice

Aqua-Metric Sales, Co.
 4050 Flat Rock Drive
 Riverside, CA 92505
 9516371400

Invoice Number: 0056662-IN
 Invoice Date: 6/11/2015

Order Number: 0044595
 Order Date: 6/9/2015
 Salesperson: 0025
 Customer Number: 01-CWESTUN

Bill To:
 City of West University Place
 Attn: Accounts Payable
 3800 University Blvd
 Houston, TX 77005-2802

Ship To:
 City of West University Place
 3826 Amherst St
 Houston, TX 77005-2830

Confirm To:

Customer P.O.	Ship VIA	F.O.B.	Terms		
14-000176	UPS		Net 30		
Quantity	Item Number	Description	Unit Price	Amount	
6	0	OMNIR1.5G	1 1/2" Omni R2 USG 8 WHEEL	466.26	2,797.56

79065556 - 5561

Net Invoice: 2,797.56
 Less Discount: 0.00
 Freight: 92.26
 Sales Tax: 238.41
 Invoice Total: 3,128.23

Invoice

Aqua Metric Sales Company
4050 Flat Rock Drive
Riverside, CA 92505
951-637-1400

Invoice Number: 0056804-IN
Invoice Date: 6/24/2015

Order Number: 0044730
Order Date: 6/23/2015
Salesperson: 0025
Customer Number: 01-CWESTUN

Bill To: City of West University Place
Attn: Accounts Payable
3800 University Blvd.
Houston, TX 77005-2802

Ship To: City of West University Place
3826 Amherst St
Houston, TX 77005-2830

Confirm To:
Patrick Walters

Customer PO
14-000176

Ship VIA

F.O.B.

Terms
Net 30

Quantity	Require Shipped	B.O	Item Number	Description	Unit Price	Amount
34	34	0	MXU520MSP	MXU 520 M SINGLE PORT T/C	\$115.00	\$3,910.00

Net Invoice: \$3,910.00
Less Discount: \$0.00
Freight: \$0.00
Sales Tax: \$0.00
Invoice Total: \$3,910.00

4/14/2016

City of West University Place
BREAKDOWN

\$1,900,000.00	Invoiced project	Invoiced additional	Paid	Check Number
	\$159,754.78	\$17,961.60	\$141,403.48	72058
	\$203,193.19	\$8,980.80	\$53,596.66	71392
	\$111,591.28	\$22,726.00	\$1,802.88	71286
	\$216,353.29	\$1,122.60	\$14,069.80	71178
	\$85,802.20	\$1,802.88	\$314,784.47	70948
	\$176,602.16	\$12,660.00	\$408,927.96	70914
	\$53,596.66	\$6,161.80	\$182,976.95	70769
	\$158,406.12	\$2,797.56	\$158,406.12	70508
	\$192,574.67	\$3,910.00	\$60,260.00	69702
	\$182,976.95		\$176,602.16	69740
	\$139,229.28		\$225,031.48	69653
	\$4,500.00		\$104,151.95	69092
	\$69,496.00		\$46,986.70	68474
	\$20,000.00			
	\$7,908.00			
	\$50,000.00			
	\$8,546.00			
	\$40,000.00			
	\$18,073.86			
	\$1,898,604.44	\$78,123.24	\$1,889,000.61	
PROJECT INVOICED	\$1,898,604.44			
ADDITIONAL INVOICED	\$78,123.24			
TOTAL INVOICED	\$1,976,727.68			
TOTAL PAID	\$1,889,000.61			
BALANCE	\$87,727.07			



Aqua Metric Sales Company
6700 Guada Coma Dr.
Schertz, Texas 78154
Phone: (210) 967-6300
Fax: (210)967-6305

3-Jun-16

City of West University Place
attn: Patrick Walters
Operation Superintendent
3826 Amherst St
West University Place TX
Phone: 713-662-5858

EXHIBIT B

Change Order request for additional product and service during the course of AMI installation Project.

Contract Price	\$1,900,000.00
Additional Work and Materialsz	\$76,727.68
Final Contract Price	\$1,976,727.68
Total Paid	\$1,889,000.61
Balance	\$87,727.07
Final Payment Requested	\$87,727.07

AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF WEST UNIVERSITY PLACE, TEXAS

AGENDA OF:	June 13, 2016	AGENDA ITEM:	4
DATE SUBMITTED:	May 5, 2016	DEPARTMENT:	Finance
PREPARED BY:	Renea Dobbs, Treasurer	PRESENTER:	Rhonda Daugherty, Finance Director
SUBJECT:	Amendment to 2015 Budget		
ATTACHMENTS:	Ordinance with Exhibit A – Budget Amendment Worksheet		
EXPENDITURE REQUIRED:	N/A		
AMOUNT BUDGETED:	N/A		
ACCOUNT NO.:	N/A		
ADDITIONAL APPROPRIATION REQUIRED:	N/A		
ACCOUNT NO.:	N/A		

EXECUTIVE SUMMARY

During the Fiscal Year 2016 budget process, in addition to developing the departmental budgets for 2016, each department reviewed their expenditures for the 2015 fiscal year and estimated the expenditures anticipated for the remainder of the year. In preparing for the 2015 audit, it was determined that some expenditures for the remainder of the year were underestimated. For housekeeping purposes, an amendment to the 2015 budget appropriations is presented for approval. The amendments are as follows:

GENERAL FUND

Administration – Original Appropriations \$1,378,740; Amended Appropriations \$1,529,565. Expenditures are expected to exceed appropriations due primarily to the departure of the City Manager in August 2015 and higher than anticipated legal fees associated with personnel related issues.

Fire – Original Appropriations \$3,019,200; Amended Appropriations \$3,112,530. Expenditures are expected to exceed appropriations due primarily to higher than anticipated personnel costs with the compensation plan approved in the 2015 Budget.

In an effort to maintain overall total General Fund appropriations, it is necessary to allocate savings identified in the other departments to the departments listed above as shown on the attached schedule.

AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF WEST UNIVERSITY PLACE, TEXAS

FRIENDS PLAYGROUND GRANT FUND

Original Anticipated Revenue \$0; Amended Revenue \$19,591.

Original Appropriations \$0; Amended Appropriations \$19,591.

Expenditures are expected to exceed appropriations due to expenditures made for Judson Park and Wier Park projects which are to be reimbursed by Friends of West University Place Parks. Sufficient revenue and fund balance exists to fund the expenditures.

POLICE FORFEITED PROPERTY FUND

Original Appropriations \$0; Amended Appropriations \$1,295.

Expenditures will exceed appropriations as no appropriation was requested in the 2015 adopted budget for the Police Forfeited Property Fund. Sufficient fund balance exists to fund the expenditures.

FIRE SPECIAL REVENUE FUND

Original Anticipated Revenue \$0; Amended Revenue \$13,541.

Original Appropriations \$0; Amended Appropriations \$11,247.

The Fire Department received funds from Texas Intrastate Fire Mutual Aid System (TIFMAS), SouthEast Texas Regional Advisory Council (SETRAC) and a donation from a resident. The TIFMAS and SETRAC funds were reimbursements for training and fire department supplies. The donation was used to purchase the high water vehicle. The revenue received and sufficient fund balance exists to fund the expenditures.

GOOD NEIGHBOR FUND

Original Anticipated Revenue \$0; Amended Revenue \$14.

Original Appropriations \$0; Amended Appropriations \$14.

Expenditures will appropriations as no appropriation was requested in the 2015 adopted budget for the Good Neighbor Fund. The Senior Services reimbursed a volunteer for the purchase of supplies for installing knox boxes at residents' homes. Funds are provided by donations made by residents.

See Attached Spreadsheet.

RECOMMENDATION

Staff recommends that City Council adopt an ordinance approving and adopting an amendment to the 2015 Budget.

ORDINANCE NO. XXXX

AN ORDINANCE AMENDING THE BUDGET OF THE CITY OF WEST UNIVERSITY PLACE, TEXAS FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015; CONTAINING FINDINGS AND PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EMERGENCY

WHEREAS, it is found and determined that changes in the current budget are necessary for municipal purposes and that amendments are necessary for emergencies of the kind contemplated by state law, and it is formally found, determined and declared that such emergencies exist;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WEST UNIVERSITY PLACE, TEXAS:

Section 1. That the budget of the City of West University Place for the 12 month period beginning January 1, 2015, and ending December 31, 2015 as heretofore adopted be, and it is hereby, amended as shown in Exhibit A attached.

Section 2. The City Council approves, adopts and ratifies the findings set out in the preamble hereof and directs that the City Secretary file a copy of this ordinance with the county clerk, in the same manner as original budgets are required to be filed.

Section 3. All ordinances and parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict only.

Section 4. If any word, phrase, clause, sentence, paragraph, section or other part of this ordinance or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, neither the remainder of this ordinance, nor the application of such word, phrase, clause, sentence, paragraph, section, or other part of this ordinance to any other persons or circumstances, shall be affected thereby.

Section 5. The City Council officially finds, determines and declares that a sufficient written notice of the date, hour, place and subject of each meeting at which this ordinance was discussed, considered, or acted upon was given in the manner

required by the Open Meetings Act, Chapter 551, Texas Local Government Code, as amended, and that each such meeting has been open to the public as required by law at all times during such discussion, consideration and action. The City Council ratifies, approves and confirms such notices and the contents and posting thereof.

Section 6. The public importance of this measure and the requirement of the law create an emergency and an urgent public necessity requiring that this ordinance be passed and take effect as an emergency measure, and a state of emergency is hereby declared. This ordinance is accordingly passed as an emergency measure and shall take effect immediately upon adoption and signature.

Section 7. This ordinance shall become effective upon adoption and signature.

PASSED, APPROVED AND ADOPTED ON FIRST AND FINAL READING on the _____ day of _____, 2016.

(Seal)

Attest: _____
City Secretary Thelma Gilliam

Signed: _____
Mayor Susan Sample

Recommended by:

City Manager M. Christopher Peifer

Approved as to legal form:

City Attorney Alan Petrov

CITY OF WEST UNIVERSITY PLACE, TEXAS
BUDGET AMENDMENT

	2015 Budget	Amendment June 13, 2016	2015 Amended Budget
GENERAL FUND			
<i>Department</i>			
Administration	1,378,740	150,825	1,529,565
Finance	1,986,800	-	1,986,800
Police	4,090,750	(93,330)	3,997,420
Fire	3,019,200	93,330	3,112,530
Public Works	2,700,400	-	2,700,400
Parks & Recreation	3,148,090	(150,825)	2,997,265
Transfers Out	79,300	-	79,300
TOTAL EXPENDITURES	16,403,280	-	16,403,280
 FRIENDS PLAYGROUND GRANT FUND			
Donations	-	19,591	19,591
Construction Costs	-	19,591	19,591
 POLICE FORFEITED PROPERTY FUND			
Operating Supplies	-	1,295	1,295
 FIRE SPECIAL REVENUE FUND			
State Grant	-	150	150
SETRAC		3,391	3,391
Donations		10,000	10,000
Operating Supplies	-	3,597	3,597
Travel & Training	-	150	150
Heavy Equipment	-	7,500	7,500
 GOOD NEIGHBOR FUND			
Donations	-	14	14
Senior Services	-	14	14

AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF WEST UNIVERSITY PLACE, TEXAS

AGENDA OF:	June 27, 2016	AGENDA ITEM:	5
DATE SUBMITTED:	June 20, 2016	DEPARTMENT:	Finance
PREPARED BY:	Rhonda Daugherty, Finance Director	PRESENTER:	Rhonda Daugherty, Finance Director
SUBJECT:	Acceptance of the 2015 Comprehensive Annual Financial Report		
ATTACHMENTS:	2015 Comprehensive Annual Financial Report - DRAFT 2015 Required Auditors Disclosure Letter - DRAFT 2015 Management Letter - DRAFT 2015 Management Letter with Responses - DRAFT		
EXPENDITURE REQUIRED:	N/A		
AMOUNT BUDGETED:	N/A		
ACCOUNT NO.:	N/A		
ADDITIONAL APPROPRIATION REQUIRED:	N/A		
ACCOUNT NO.:	N/A		

EXECUTIVE SUMMARY

The City of West University Place’s Comprehensive Annual Financial Report (CAFR) for the period ended December 31, 2015 is presented.

The CAFR is a thorough and detailed presentation of the City’s financial condition at a certain point in time. It reports on the City’s activities and balances for each fiscal year in accordance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The CAFR is presented to the governing body for acceptance. It is not subject to revision unless there is an observed error in the document.

As is standard in all annual audits, the auditors have issued an opinion letter and a management letter to provide an overall picture of the operations of the City. The auditor’s opinion letter is contained within the CAFR and is an unmodified or “clean” opinion. The management letter includes comments and makes recommendations on areas in which the City should strengthen its procedures. This year’s management letter and our responses are attached.

In accordance with Article VII, Section 7-12 of the Charter, Belt Harris Pechacek L.L.L.P., Certified Public Accountants, has conducted the independent audit. A representative from Belt Harris Pechacek, L.L.L.P. will be at the council meeting to present the final report.

RECOMMENDATION

Staff recommends acceptance of the *2015 Comprehensive Annual Financial Report*.

*COMPREHENSIVE
ANNUAL FINANCIAL REPORT*

of the

**CITY OF WEST UNIVERSITY
PLACE, TEXAS**

**For the Year Ended
December 31, 2015**

Officials Issuing Report:

**M. Christopher Peifer
City Manager**

**Rhonda Daugherty
Finance Director**

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS

TABLE OF CONTENTS

December 31, 2015

<u>INTRODUCTORY SECTION</u>		<u>Page</u>
Letter of Transmittal		3
Organizational Chart		7
Certificate of Achievement for Excellence in Financial Reporting		9
Principal Officials		10
 <u>FINANCIAL SECTION</u>		
Independent Auditors' Report		13
Management's Discussion and Analysis (Required Supplementary Information)		19
 <u>BASIC FINANCIAL STATEMENTS</u>		
Government-Wide Financial Statements		
Statement of Net Position		31
Statement of Activities		32
 Governmental Funds Financial Statements		
Balance Sheet – Governmental Funds		35
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position		37
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds		39
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		41
 Proprietary Funds Financial Statements		
Statement of Net Position		42
Statement of Revenues, Expenses, and Changes in Fund Net Position		45
Statement of Cash Flows		46
 Notes to Financial Statements		49
 <u>REQUIRED SUPPLEMENTARY INFORMATION</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund		79
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System		81
Schedule of Contributions – Texas Municipal Retirement System		83
Schedule of Funding Progress – Post Employment Healthcare Benefits		85

CITY OF WEST UNIVERSITY PLACE, TEXAS

TABLE OF CONTENTS (Continued)

December 31, 2015

COMBINING STATEMENTS AND SCHEDULES

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	89
Combining Balance Sheet – Nonmajor Governmental Funds	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	96
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: Nonmajor Special Revenue Funds:	
Parks	100
Tree Replacement	101
Court Technology/Security	102
METRO Grant	103
Combining Statement of Net Position – Internal Service Funds	106
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	108
Combining Statement of Cash Flows – Internal Service Funds	110

STATISTICAL SECTION

Net Position by Component	114
Changes in Net Position	116
Tax Revenues by Source, Governmental Activities	120
Fund Balances, Governmental Funds	122
Changes in Fund Balances, Governmental Funds	124
Tax Revenues by Source, Governmental Activities	126
Assessed Value and Actual Value of Taxable Property	128
Property Tax Rates – Direct and Overlapping Governments	130
Principal Property Taxpayers	133
Property Tax Levies and Collections	134
Ratios of Outstanding Debt by Type	136
Ratio of Net Bonded Debt to Assessed Value, Net Bonded Debt Per Capita, and Assessed and Estimated Actual Value of Taxable Property	138
Direct and Overlapping Governmental Activities Debt	141
Legal Debt Margin Information	142
Pledged-Revenue Coverage	144
Demographic and Economic Statistics	146
Principal Employers	147
Full-Time Equivalent City Government Employees by Function	149
Operating Indicators by Function	150
Capital Asset Statistics by Function	152

INTRODUCTORY SECTION

(This page intentionally left blank.)



The City of West University Place

A Neighborhood City

May 13, 2016

The Honorable Mayor, City Council
Members, and Citizens of the
City of West University Place, Texas:

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of West University Place, Texas (the “City”) for the fiscal year ended December 31, 2015. 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 present fairly 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 December 31, 2015. 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 in 1924 and became a Texas Home-Rule City in 1940. The City operates under the Council-Manager form of municipal government. The City Council is comprised of the Mayor and four Council members, who are responsible for passing ordinances, adopting the budget, appointing board and committee members, and appointing the City Manager. The Mayor and Council are elected on an at-large, non-partisan basis for two-year terms. The City Manager is responsible for carrying out the policies and ordinances of the Mayor and Council, overseeing the day-to-day operations of the City, and appointing department heads.

The City provides a full range of municipal services. These services include police and fire protection, municipal court, streets, drainage, leisure services, water and sewer, solid waste collection and disposal, community development, and general administrative services. Based upon the criterion set forth in



generally accepted accounting principles, the following organizations are included within the City's reporting entity:

<u>Entity</u>	<u>Method of Inclusion</u>
Friends of West University Parks Fund	Blended

LOCAL ECONOMY

The City encompasses a 1.9 square mile area located a few blocks south of U.S. Highway 59 (the "Southwest Freeway") and approximately five miles from downtown Houston, Texas. The City is an integral part of the Houston metropolitan area and is completely surrounded by the cities of Houston, Bellaire, and Southside Place. The City is primarily a residential area whose working inhabitants are employed throughout the Houston urban area. Rice University and the Texas Medical Center complex are located about one mile east of the City limits in the City of Houston.

There is almost no 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 values at \$4.82 billion, up 183 percent since 1999. Among reasons for this strength are the City's convenient proximities to the Texas Medical Center, downtown Houston, the Rice Village and Rice University, as well as the Galleria area.

The City's tax rate is one of the lowest in the Houston area and is projected to remain relatively stable into the future due to projected stability in taxable values, the political stability of the community, and the underlying strength in the Houston area economy. In the December 9, 2011 issue of the Houston Business Journal, the City was ranked number one in a study of the best locations for quality of life in the United States. In its April 2016 publication, *The Economy at a Glance*, the Greater Houston Partnership said:

- ✓ "The Metro Houston area led the nation in population growth last year, adding more than 159,000 residents, according to recent estimates by the U.S. Census Bureau."
- ✓ "Since the April 2010 census, Houston has added more than 736,000 residents, the largest gain of any metro area over that period."
- ✓ "Last year's population gains help to explain how Houston managed to eke out modest job growth despite the drop in oil prices, the collapse in the rig count, and the wave of oil industry layoffs."

The strength and continued diversity of the Metro Houston market area has a positive impact on the City.

The City's relative stability is the result of a desire for suburban families to live closer to work. The City's low crime rate and hometown appeal have 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 increase in 2016. 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.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

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

The City has recognized the long-term financial implications of its pension and retiree health benefits. Regarding pensions, in an effort to reduce the City's unfunded liability and cost of the Texas Municipal Retirement System, the Council approved the elimination of the recurring cost-of-living adjustment for employees and retirees. For retiree healthcare, at the November 17, 2008 Council meeting, Council adopted a new personnel handbook, modifications which included elimination of City funded healthcare coverage for employees hired January 1, 2009 and thereafter.

The City issued debt in 2009 and 2010 for the purposes of reconstructing the City's recreation facilities and constructing an expansion of the current City Hall for public safety improvement and enhancements. The recreation facilities reconstruction was completed in 2010 and the public safety expansion project was completed in 2011. The City issued debt in 2011 for the purpose of purchasing, constructing, modifying, or replacing storm water detention and drainage facilities. Additionally, the City has refunded several outstanding debt obligations in 2010, 2011, 2012, and 2013, resulting in total debt savings of \$3,853,214. At the December 14, 2015 Council meeting, the City Council authorized the issuance of General Obligation Refunding Bonds, Series 2016, to refund the outstanding higher interest rate debt for the Waterworks and Sewer System Revenue Refunding Bonds, Series 2005. This refunding will produce an interest cost savings of approximately \$181,000. As additional opportunities are presented, the City will consider refunding additional outstanding debt obligations.

In May 2015, the City had planned to issue \$3 million in debt to fund the Public Works Maintenance Facility Relocation project, part of the Facilities Master Plan Update authorized by City Council in August 2014. The debt issuance ordinance was tabled by the current City Council for review and consideration by the next or future City Council.

Capital expenditures are funded through annual allocations from the general fund, the water and sewer fund, or the Congestion Mitigation/Traffic Management agreement funds received from the Metropolitan Transit Authority of Harris County. The allocations are transferred to the capital reserve fund for general capital projects, to the water and sewer capital reserve fund for water and sewer related projects, or to the transportation/drainage fund for qualifying projects.

General capital projects planned for the 2016 budget include sound masking in the administration conference room/jury room, stop bar replacement in area #3, battery backup replacement for all traffic signals, design and construction of an animal control shelter, replacement of the traffic control office, community building and senior services offices HVAC units (3), connecting all generators to the network, West U Recreation Center (WURC) HVAC software upgrade, WURC locker room floor refinishing, replacement of the community building's electrical panel, and repairs to the WURC garage door.

Transportation/drainage projects planned for the 2016 budget include inspection and cleaning of the major storm sewer channels and city hall/police department parking lot expansion joint resealing.

Additional water and sewer related projects planned in 2016 are water well rehabilitation, belt filter press replacement, lift station renovations, Milton pump station climate control improvements, replacement of the public works operations air handler, and fence replacement at the Public Works maintenance yard.

These projects and other future years' projects are listed specifically by fiscal year in the annual budget for each fiscal year in the capital project funds section.

RELEVANT FINANCIAL POLICIES

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.

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

The City Charter establishes the fiscal year as January 1 through December 31. The Charter requires the City Manager 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 Manager is authorized to transfer budgeted amounts between line items within a department within any fund; however, any revisions that alter the total expenditures of any fund or department 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.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2014. This was the 31st consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this 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, we thank the Mayor, Council, and City Manager for their support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

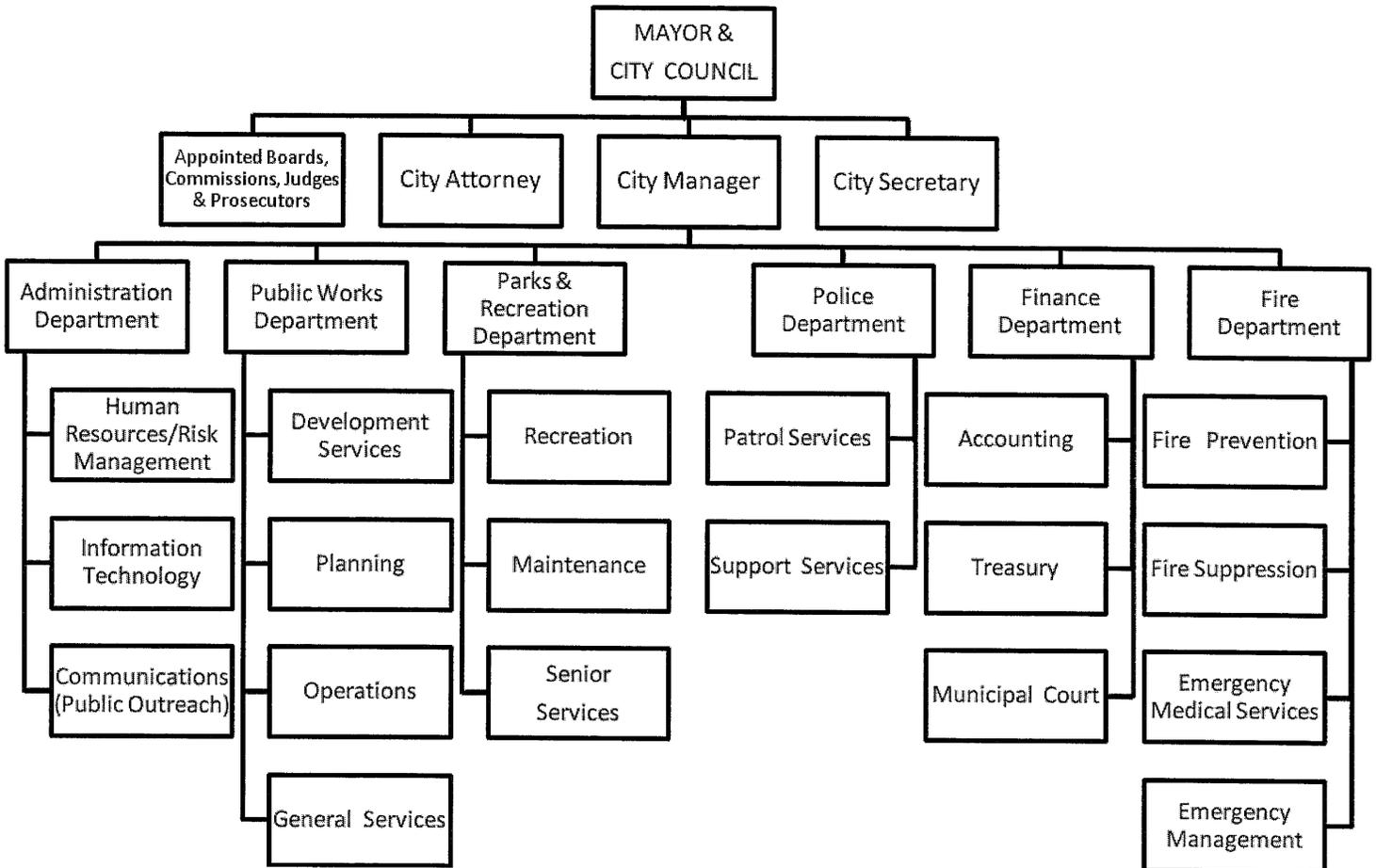


Rhonda Daugherty
Finance Director

CITY OF WEST UNIVERSITY PLACE, TEXAS

ORGANIZATIONAL CHART

December 31, 2015



(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, 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 West University Place,
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

CITY OF WEST UNIVERSITY PLACE, TEXAS

PRINCIPAL OFFICIALS

December 31, 2015

<u>City Officials</u>	<u>Elective Position</u>	<u>Term Expires</u>
Susan Sample	Mayor	05/2017
Bob Kelly	Mayor Pro Tem	05/2017
Burt Ballanfant	Council Member	05/2017
Brennan Reilly	Council Member	05/2017
Mardi Turner	Council Member	05/2017

<u>Key Staff</u>	<u>Position</u>
M. Christopher Peifer	City Manager
Thelma Gilliam	City Secretary
Wendy Standorf	Human Resources Director
Alan Petrov	City Attorney
Rhonda Daugherty	Finance Director
Robert Loper	Municipal Court Judge
Ken Walker	Police Chief
Aaron Taylor	Fire Chief
Tim O'Connor	Parks and Recreation Director
Gary McFarland	Information Technology Director

FINANCIAL SECTION

(This page intentionally left blank.)



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
City Council Members of the
City of West University Place, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West University Place, Texas (the "City"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

In 2015, the City adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
May 13, 2016

(This page intentionally left blank.)

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

(This page intentionally left blank.)

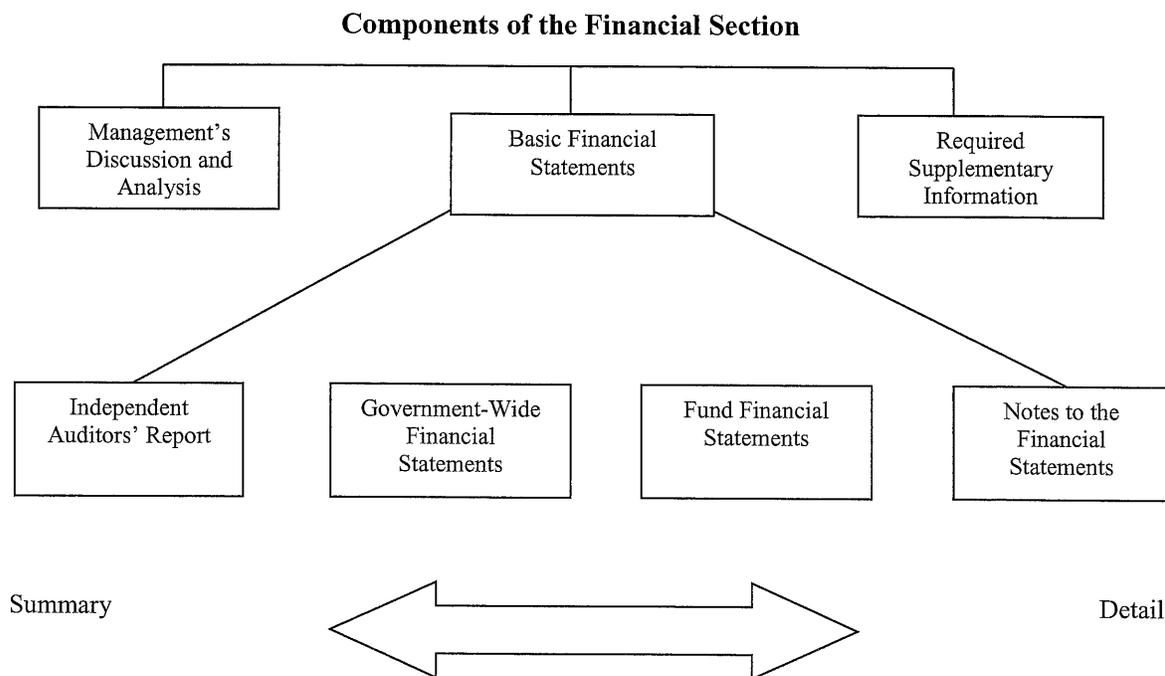
CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2015

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 West University Place, Texas (the "City") for the year ending December 31, 2015. 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 transmittal letter at the front of this report and the City's basic 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, which appear first in the City's financial statements, 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 inflows/outflows 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

CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2015

deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

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

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

1. *Governmental Activities* – Most of the City's basic services are reported here including general government (administration and finance), public safety (police and fire protection), public works (streets and drainage), and public services (leisure services and community development). Interest payments on the City's tax-supported debt are also reported here. Sales tax, property tax, franchise taxes, municipal court fines, and permit fees 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 and sewer services and solid waste collection, as well as interest payments on debt issued for water and wastewater improvements.

The Friends of West University Parks Fund, although legally separate, functions for all practical purposes as a department of the City and, therefore, has been 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 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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund

CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2015

balances for the general fund and debt service fund, which are considered to be major funds for reporting purposes.

The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds

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

The City also uses internal service funds to account for its vehicle and equipment replacement services and for expenses associated with health benefits and technology management. These internal service funds have been included within governmental activities in the government-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, schedule of changes in net pension liability and related ratios for the Texas Municipal Retirement System (TMRS), schedule of contributions for TMRS, and schedule of funding progress for other postemployment healthcare benefits. 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 of resources exceed liabilities and deferred inflows of resources by \$71,137,682 as of December 31, 2015. This compares with \$68,209,655 from the prior fiscal year. The largest portion of the City's net position, 85 percent, reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any outstanding debt used to acquire those assets. 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 WEST UNIVERSITY PLACE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2015

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 32,278,475	\$ 28,853,073	\$ 2,711,765	\$ 4,696,632	\$ 34,990,240	\$ 33,549,705
Capital assets, net	97,561,486	100,956,857	22,360,511	23,969,294	119,921,997	124,926,151
Total Assets	129,839,961	129,809,930	25,072,276	28,665,926	154,912,237	158,475,856
Deferred charge on refunding	1,619,205	2,022,081	49,114	57,299	1,668,319	2,079,380
Deferred outflows - pensions	1,524,289	693,794	231,906	105,554	1,756,195	799,348
Total Deferred Outflows of Resources	3,143,494	2,715,875	281,020	162,853	3,424,514	2,878,728
Long-term liabilities	62,941,925	68,609,347	3,601,725	4,172,185	66,543,650	72,781,532
Other liabilities	1,840,411	2,228,898	752,761	758,891	2,593,172	2,987,789
Total Liabilities	64,782,336	70,838,245	4,354,486	4,931,076	69,136,822	75,769,321
Property taxes	18,062,247	17,375,608	-	-	18,062,247	17,375,608
Total Deferred Inflows of Resources	18,062,247	17,375,608	-	-	18,062,247	17,375,608
Net Position:						
Net investment in capital assets	41,205,468	38,347,094	19,314,692	20,173,279	60,520,160	58,520,373
Restricted	2,246,833	1,580,648	725,000	695,000	2,971,833	2,275,648
Unrestricted	6,686,571	4,384,210	959,118	3,029,424	7,645,689	7,413,634
Total Net Position	\$ 50,138,872	\$ 44,311,952	\$ 20,998,810	\$ 23,897,703	\$ 71,137,682	\$ 68,209,655

A portion of the City's net position, \$2,971,833 or four percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$7,645,689 or eleven percent, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$2,928,027 during the current fiscal year, an increase of four percent in comparison to the prior year. This included an increase of \$5,826,920 in the governmental activities, which primarily was a result of an increase in revenues related to operating grants and contributions and ad valorem taxes, as well as a decrease in expenses for public services and interest and fiscal agent fees on long-term debt. The decrease in business-type activities of \$2,898,893 is primarily a result of increased costs for water and sewer services due to higher repair and maintenance expenses during the fiscal year.

As of December 31, 2015, the City reported deferred outflows of resources related to its pension plan of \$1,756,195. This line item is new to the presentation of the Statement of Net Position in the current year. In addition, the City reported a net pension liability of \$3,306,366, which is part of the \$66,543,650 reported in long-term liabilities. This change is attributed to the implementation of GASB 68, as discussed in the notes to the financial statements.

CITY OF WEST UNIVERSITY PLACE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2015

Statement of Activities:

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

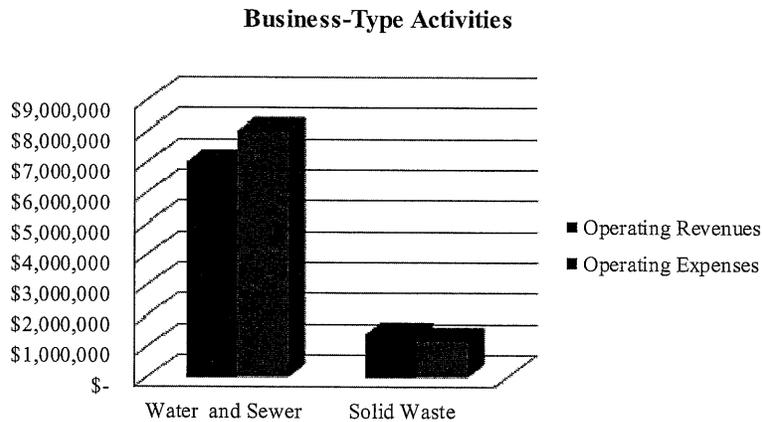
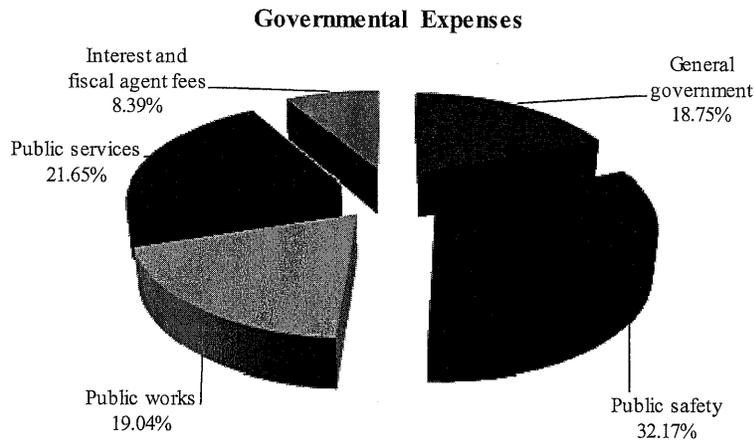
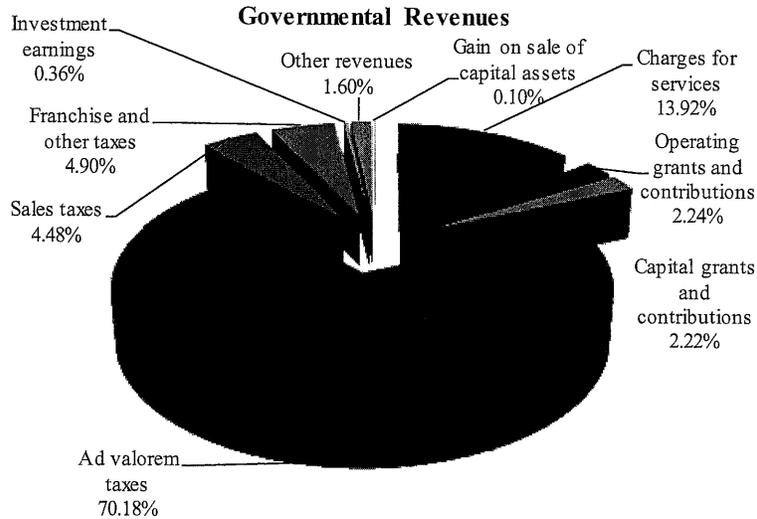
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	\$ 3,471,121	\$ 3,346,991	\$ 8,397,996	\$ 8,382,003	\$ 11,869,117	\$ 11,728,994
Operating grants and contributions	558,668	145,819	-	-	558,668	145,819
Capital grants and contributions	554,244	647,940	-	-	554,244	647,940
General revenues:						
Ad valorem taxes	17,504,551	16,397,049	-	-	17,504,551	16,397,049
Sales taxes	1,117,336	1,051,890	-	-	1,117,336	1,051,890
Franchise taxes	1,204,795	1,214,227	-	-	1,204,795	1,214,227
Other taxes	17,625	15,713	-	-	17,625	15,713
Investment earnings	89,970	60,784	15,515	17,823	105,485	78,607
Other revenues	398,199	503,889	-	-	398,199	503,889
Gain on sale of capital asset	24,076	21,354	3,988	-	28,064	21,354
Total Revenues	<u>24,940,585</u>	<u>23,405,656</u>	<u>8,417,499</u>	<u>8,399,826</u>	<u>33,358,084</u>	<u>31,805,482</u>
Expenses						
General government	3,948,145	3,811,192	-	-	3,948,145	3,811,192
Public safety	6,773,509	6,176,586	-	-	6,773,509	6,176,586
Public works	4,009,850	3,693,099	-	-	4,009,850	3,693,099
Public services	4,560,152	4,741,209	-	-	4,560,152	4,741,209
Interest and fiscal agent fees on long-term debt	1,765,809	1,986,301	-	-	1,765,809	1,986,301
Water and sewer	-	-	8,150,632	6,918,092	8,150,632	6,918,092
Solid waste	-	-	1,221,960	1,225,806	1,221,960	1,225,806
Total Expenses	<u>21,057,465</u>	<u>20,408,387</u>	<u>9,372,592</u>	<u>8,143,898</u>	<u>30,430,057</u>	<u>28,552,285</u>
Increase (Decrease) in Net Position Before Transfers	3,883,120	2,997,269	(955,093)	255,928	2,928,027	3,253,197
Transfers in (out)	1,943,800	1,740,504	(1,943,800)	(1,740,504)	-	-
Change in Net Position	5,826,920	4,737,773	(2,898,893)	(1,484,576)	2,928,027	3,253,197
Beginning net position	44,311,952	39,574,179	23,897,703	25,382,279	68,209,655	64,956,458
Ending Net Position	<u>\$ 50,138,872</u>	<u>\$ 44,311,952</u>	<u>\$ 20,998,810</u>	<u>\$ 23,897,703</u>	<u>\$ 71,137,682</u>	<u>\$ 68,209,655</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2015

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



For the year ended December 31, 2015, revenues from governmental activities totaled \$24,940,585, compared with \$23,405,656 in the prior year. This increase of \$1,534,929 occurred primarily as the result of \$1,107,502 in

CITY OF WEST UNIVERSITY PLACE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2015

additional property tax revenue, as well as an increase of \$412,849 in operating grants and contributions and an increase of \$65,446 in sales tax revenue. Increased property tax valuations and sales throughout the City attributed to the increase in property tax revenue and sales taxes, respectively. The increase in operating grants and contributions is due to an increase in funds received for the METRO grant fund.

For the year ended December 31, 2015, expenses for governmental activities totaled \$21,057,465, an increase of \$649,078 or 3 percent from last year. The overall increase is primarily due to increases in public safety expenses and public works. Public safety expenses increased primarily due to higher costs related to salaries and wages. The increase in public works expenses can be attributed to less capitalized costs as compared to prior year due to increased maintenance costs.

Charges for services for business-type activities increased \$15,993, which is comparable to prior year. Operating expenses for business-type activities increased by \$1,228,694. This increase is primarily due to an increase in professional service expenses during the year related to new meter readings, as well as increased repair 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, 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 \$10,455,479. Of this, \$174,259 is nonspendable, \$566,276 is restricted for debt service, \$37,352 is restricted for enabling legislation, \$42,933 is restricted for capital projects, \$1,214,990 is restricted for City parks, \$205,612 is restricted for METRO, \$19,741 is restricted for special projects, \$202,862 is restricted for governmental programming, \$210,000 is assigned for City operations, \$185,969 is assigned for tree replacement, and \$1,055,550 is assigned to capital projects funds.

There was an increase in the combined fund balance of \$2,239,923 compared to the prior year. This is largely attributable to increases in property and sales tax revenue and intergovernmental revenue.

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 \$6,539,935, while total fund balance reached \$7,124,684. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 41 percent of total general fund expenditures, while total fund balance represents 45 percent of the total general fund expenditures. The general fund demonstrated an overall increase of \$1,228,194 primarily due to increases in property and sales tax revenue, as well as increases in charges for services and other revenue. A decrease in expenditures related to transfers also contributed to the increase in fund balance.

The debt service fund has a total fund balance of \$566,276, all of which is restricted for the payment of debt service. Revenues exceeded expenditures by \$15,437, with an overall net increase in fund balance after transfers for the year of \$399,237. This increase in fund balance is due to transfers in from the water and sewer fund for its portion of debt related to governmental activities.

CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2015

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

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned decrease in budgeted fund balance in the amount of \$444,891 in the general fund. However, fund balance increased by \$1,228,194, resulting in a positive variance of \$1,673,085 from actual over budgeted as amended.

Actual general fund revenues were greater than the amended budgeted revenues by \$1,103,677 during 2015. This net variance includes the positive variances of \$117,336 for sales tax revenue; \$117,386 for permits, licenses, and fees; and \$589,172 for charges for services.

Actual expenditures were less than budgeted amounts in total by \$568,558 for the fiscal year. This net variance is due to positive variances of \$69,793 for general government, \$115,438 for public safety, \$250,731 for public works, and \$132,596 for public service.

CAPITAL ASSETS

At the end of fiscal year 2015, the City's governmental and business-type activities funds had invested \$97,561,486 and \$22,360,511, respectively, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents net decreases of \$3,395,371 and \$1,608,783, respectively.

Major capital asset events during the year included the following:

- Purchase of three vehicles in the amount of \$254,309
- Purchase of public works equipment in the amount of \$64,620
- Construction in progress for replacement of belt press project in the amount of \$240,199

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 bonds and certificates of obligation outstanding of \$60,195,000. Of this amount, \$46,130,000 was general obligation debt, \$3,090,000 was revenue bond debt, and certificates of obligation accounted for \$10,975,000. During the year, the City had a net decrease in long-term debt of \$6,237,882.

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

Current underlying ratings on debt issues are as follows:

	Standard and Poor's
Water revenue bonds	NR
General obligation bonds	AAA

CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2015

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Council approved a \$36.4 million operating budget for fiscal year 2016. The budget has a decrease in the property tax rate in the amount of \$0.03 per \$100 value. The ability to lower the current tax rate was made possible by the increase in appraised market values for the City. The City's tax rate is one of the lowest in the Houston area and is projected to remain relatively stable into the future due to projected stability in taxable values, the political stability of the community, and the underlying strength in the Houston area economy. Growth in taxable assessed values is over 34 percent in the last five years (since 2010), with about ten percent attributable to the growth from 2013 to 2014 and 13 percent attributable to the growth from 2014 to 2015. For the immediate future, the rate of growth is expected to remain steady with reconstruction continuing to impact the value of property well into the future as well as the recapture of value that has been capped at ten percent per year.

In the December 9, 2011 issue of the Houston Business Journal, the City was ranked number one in a study of the best locations for quality of life in the United States. In its April 2016 publication, *The Economy at a Glance*, the Greater Houston Partnership said:

- ✓ "The Metro Houston area led the nation in population growth last year, adding more than 159,000 residents, according to recent estimates by the U.S. Census Bureau."
- ✓ "Since the April 2010 census, Houston has added more than 736,000 residents, the largest gain of any metro area over that period."
- ✓ "Last year's population gains help to explain how Houston managed to eke out modest job growth despite the drop in oil prices, the collapse in the rig count, and the wave of oil industry layoffs."

The strength and continued diversity of the Metro Houston market area has a positive impact on the City.

The water and sewer fund had been a source of concern because of a series of wet years and dramatic increases in debt service, which had steadily decreased reserves and pushed the fund into non-compliance with its bond covenants. The City Council took action in late 2003 by increasing water and sewer rates bringing the fund into compliance with the bond covenants. Since then, the City has carefully monitored the performance of utility services and increased rates as needed. Additionally, as of January 2016, the water and sewer fund has no direct debt. General obligation refunding bonds were issued in 2010 and 2016 to refund all the outstanding revenue bonds for a substantial interest rate savings. Funds are transferred from the water and sewer fund to the debt service fund to cover the annual debt service requirement attributable to these refunded bonds.

The adopted fiscal 2016 budget maintains the 2015 water and sewer rates; however, the City Council approved an ordinance in April 2016 to increase the water rates due to an increase in the cost of treated water purchased from the City of Houston. Effective May 1, 2016, City residents will see a water rate increase of 0.50% on their utility billing statement. Because the City bills a month in arrears, this increase will be reflected beginning with the June billing statement covering May consumption. Estimated cost for a resident using 12,000 gallons of water each month will be approximately \$0.38. This rate increase is necessary to continue recovering the cost of purchasing treated surface water and maintaining "pay-as-you-go" capital improvements.

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 Rhonda Daugherty, Finance Director, 3800 University Boulevard, West University Place, TX, 77005; telephone 713.662.5816; or for general City information, visit the City's website at www.westutx.gov.

(This page intentionally left blank.)

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS

STATEMENT OF NET POSITION

December 31, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and equity in pooled cash and investments	\$ 16,704,186	\$ 1,574,244	\$ 18,278,430
Cash with fiscal agent	1,163,438	-	1,163,438
Cash and cash equivalents	740,160	-	740,160
Investments	452,794	-	452,794
Receivables, net of allowances	12,765,399	1,214,671	13,980,070
Internal balances	77,150	(77,150)	-
Inventory	30,406	-	30,406
Prepays	344,942	-	344,942
Capital assets:			
Non-depreciable capital assets	6,319,595	449,592	6,769,187
Depreciable capital assets, net	91,241,891	21,910,919	113,152,810
Total Assets	129,839,961	25,072,276	154,912,237
Deferred Outflows of Resources			
Deferred charge on refunding	1,619,205	49,114	1,668,319
Deferred outflows - pensions	1,524,289	231,906	1,756,195
Total Deferred Outflows of Resources	3,143,494	281,020	3,424,514
Liabilities			
Accounts payable and accrued liabilities	1,187,379	698,588	1,885,967
Accrued interest payable	653,032	54,173	707,205
Noncurrent liabilities:			
Due within one year	7,624,987	788,166	8,413,153
Due in more than one year	55,316,938	2,813,559	58,130,497
Total Liabilities	64,782,336	4,354,486	69,136,822
Deferred Inflows of Resources			
Property taxes	18,062,247	-	18,062,247
Total Deferred Inflows of Resources	18,062,247	-	18,062,247
Net Position			
Net investment in capital assets	41,205,468	19,314,692	60,520,160
Restricted for:			
Debt service	566,276	725,000	1,291,276
Enabling legislation	37,352	-	37,352
City parks	1,214,990	-	1,214,990
METRO	205,612	-	205,612
Special projects	19,741	-	19,741
Governmental programming	202,862	-	202,862
Unrestricted	6,686,571	959,118	7,645,689
Total Net Position	\$ 50,138,872	\$ 20,998,810	\$ 71,137,682

See Notes to Financial Statements.

CITY OF WEST UNIVERSITY PLACE, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,948,145	\$ -	\$ 558,668	\$ -
Public safety	6,773,509	198,840	-	-
Public works	4,009,850	665,089	-	-
Public services	4,560,152	2,607,192	-	554,244
Interest on long-term debt	1,765,809	-	-	-
Total Governmental Activities	<u>21,057,465</u>	<u>3,471,121</u>	<u>558,668</u>	<u>554,244</u>
Business-Type Activities				
Water and sewer	8,150,632	6,986,297	-	-
Solid waste	1,221,960	1,411,699	-	-
Total Business-Type Activities	<u>9,372,592</u>	<u>8,397,996</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 30,430,057</u>	<u>\$ 11,869,117</u>	<u>\$ 558,668</u>	<u>\$ 554,244</u>

General Revenues:

- Ad valorem taxes
- Sales taxes
- Franchise taxes
- Other taxes
- Investment earnings
- Other revenues
- Gain on sale of capital assets
- Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net Revenue (Expense) and Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (3,389,477)	\$ -	\$ (3,389,477)
(6,574,669)	-	(6,574,669)
(3,344,761)	-	(3,344,761)
(1,398,716)	-	(1,398,716)
(1,765,809)	-	(1,765,809)
<u>(16,473,432)</u>	<u>-</u>	<u>(16,473,432)</u>
-	(1,164,335)	(1,164,335)
-	189,739	189,739
<u>-</u>	<u>(974,596)</u>	<u>(974,596)</u>
<u>(16,473,432)</u>	<u>(974,596)</u>	<u>(17,448,028)</u>
17,504,551	-	17,504,551
1,117,336	-	1,117,336
1,204,795	-	1,204,795
17,625	-	17,625
89,970	15,515	105,485
398,199	-	398,199
24,076	3,988	28,064
1,943,800	(1,943,800)	-
<u>22,300,352</u>	<u>(1,924,297)</u>	<u>20,376,055</u>
5,826,920	(2,898,893)	2,928,027
<u>44,311,952</u>	<u>23,897,703</u>	<u>68,209,655</u>
<u>\$ 50,138,872</u>	<u>\$ 20,998,810</u>	<u>\$ 71,137,682</u>

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 10,133,679	\$ 2,817,412	\$ 1,491,108	\$ 14,442,199
Cash with fiscal agent	642,435	521,003	-	1,163,438
Cash and cash equivalents	-	-	740,160	740,160
Investments	-	-	452,794	452,794
Receivables, net	7,181,266	5,466,150	116,442	12,763,858
Due from other funds	77,150	-	-	77,150
Inventory	28,034	-	2,372	30,406
Prepaid costs	143,853	-	-	143,853
Total Assets	<u>\$ 18,206,417</u>	<u>\$ 8,804,565</u>	<u>\$ 2,802,876</u>	<u>\$ 29,813,858</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 950,974	\$ 1,000	\$ 38,357	\$ 990,331
Total Liabilities	<u>950,974</u>	<u>1,000</u>	<u>38,357</u>	<u>990,331</u>
<u>Deferred Inflow of Resources</u>				
Unavailable revenue - property taxes	10,130,759	8,237,289	-	18,368,048
<u>Fund Balances</u>				
Nonspendable:				
Inventory	28,034	-	2,372	30,406
Prepaid items	143,853	-	-	143,853
Restricted for:				
Debt service	-	566,276	-	566,276
Enabling legislation	-	-	37,352	37,352
Capital projects	-	-	42,933	42,933
City parks	-	-	1,214,990	1,214,990
METRO	-	-	205,612	205,612
Special projects	-	-	19,741	19,741
Governmental programming	202,862	-	-	202,862
Assigned to:				
City operations	210,000	-	-	210,000
Tree replacement	-	-	185,969	185,969
Capital projects funds	-	-	1,055,550	1,055,550
Unassigned:				
General fund	6,539,935	-	-	6,539,935
Total Fund Balances	<u>7,124,684</u>	<u>566,276</u>	<u>2,764,519</u>	<u>10,455,479</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,206,417</u>	<u>\$ 8,804,565</u>	<u>\$ 2,802,876</u>	<u>\$ 29,813,858</u>

See Notes to Financial Statements.

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2015

Total fund balances for governmental funds		\$ 10,455,479
Amounts reported for governmental activities in the Statement of Net Position are different, because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, non-depreciable	6,319,595	
Capital assets, net depreciable	91,241,891	97,561,486
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
		305,801
Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
Internal service funds' net position	3,171,688	
Capital assets accounted for in capital assets used in governmental activities	(1,016,313)	
Compensated absences accounted for in long-term liabilities	53,169	
Deferred outflows - pension accounted for in governmental activities	(66,869)	
Net pension liability accounted for in long-term liabilities	125,894	2,267,569
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest	(653,032)	
Deferred charge on refunding	1,619,205	
Deferred outflows - pension	1,524,289	
Non-current liabilities due in one year	(7,624,987)	
Non-current liabilities due in more than one year	(55,316,938)	(60,451,463)
		\$ 50,138,872

See Notes to Financial Statements.

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Revenues				
Ad valorem taxes	\$ 9,336,883	\$ 8,120,879	\$ -	\$ 17,457,762
Sales taxes	1,117,336	-	-	1,117,336
Franchise taxes	1,204,795	-	-	1,204,795
Other taxes	17,625	-	-	17,625
Permits, licenses, and fees	602,956	-	62,133	665,089
Fines and forfeitures	187,803	-	11,037	198,840
Charges for services	2,607,192	-	-	2,607,192
Intergovernmental	-	-	558,668	558,668
Contributions	-	-	554,244	554,244
Investment earnings	67,032	5,213	9,462	81,707
Other revenue	378,000	-	20,199	398,199
Total Revenues	<u>15,519,622</u>	<u>8,126,092</u>	<u>1,215,743</u>	<u>24,861,457</u>
Expenditures				
Current:				
General government	3,446,572	-	48,941	3,495,513
Public safety	7,012,054	-	-	7,012,054
Public works	2,449,669	-	23,437	2,473,106
Public services	2,864,683	-	373,226	3,237,909
Capital outlay	-	-	236,947	236,947
Debt service:				
Principal	-	6,420,000	-	6,420,000
Interest and fiscal agent fees	-	1,690,655	-	1,690,655
Total Expenditures	<u>15,772,978</u>	<u>8,110,655</u>	<u>682,551</u>	<u>24,566,184</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(253,356)</u>	<u>15,437</u>	<u>533,192</u>	<u>295,273</u>
Other Financing Sources (Uses)				
Transfers in	1,560,000	383,800	595,663	2,539,463
Transfers (out)	(79,300)	-	(516,363)	(595,663)
Sale of capital asset	850	-	-	850
Total Other Financing Sources	<u>1,481,550</u>	<u>383,800</u>	<u>79,300</u>	<u>1,944,650</u>
Net Change in Fund Balances	1,228,194	399,237	612,492	2,239,923
Beginning fund balances	5,896,490	167,039	2,152,027	8,215,556
Ending Fund Balances	<u>\$ 7,124,684</u>	<u>\$ 566,276</u>	<u>\$ 2,764,519</u>	<u>\$ 10,455,479</u>

See Notes to Financial Statements.

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Net changes in fund balances - total governmental funds \$ 2,239,923

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 expense.

Capital outlay	105,873
Disposal of capital assets	(4,041)
Depreciation expense	(3,481,162)

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

Principal payments	6,420,000
Amortization of premium	236,365
Amortization of deferred charges	(402,876)
Accrued interest	91,357

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds. 46,789

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

Compensated absences	(122,654)
OPEB obligation	(39,260)
Change in net pension liability	(739,911)
Change in deferred outflows - pension	794,062

Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The net revenue is reported with governmental activities. 682,455

Change in Net Position of Governmental Activities \$ 5,826,920

See Notes to Financial Statements.

CITY OF WEST UNIVERSITY PLACE, TEXAS

STATEMENT OF NET POSITION (Page 1 of 2)

PROPRIETARY FUNDS

December 31, 2015

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Total Funds	Activities Internal Service
Assets				
Current assets:				
Cash and equity in pooled cash and investments	\$ 1,561,113	\$ 13,131	\$ 1,574,244	\$ 2,261,987
Accounts receivable, net	973,895	240,776	1,214,671	1,541
Prepaid costs	-	-	-	201,089
Total Current Assets	2,535,008	253,907	2,788,915	2,464,617
Noncurrent assets:				
Capital assets:				
Land	193,875	-	193,875	-
Construction in progress	255,717	-	255,717	-
Buildings and improvements	459,625	-	459,625	-
Machinery and equipment	2,059,196	-	2,059,196	2,798,444
Water and sewer systems	55,321,581	-	55,321,581	-
Less: accumulated depreciation	(35,929,483)	-	(35,929,483)	(1,782,131)
Total Capital Assets, Net of Accumulated Depreciation	22,360,511	-	22,360,511	1,016,313
Total Noncurrent Assets	22,360,511	-	22,360,511	1,016,313
Total Assets	\$ 24,895,519	\$ 253,907	\$ 25,149,426	\$ 3,480,930

CITY OF WEST UNIVERSITY PLACE, TEXAS

STATEMENT OF NET POSITION (Page 2 of 2)

PROPRIETARY FUNDS

December 31, 2015

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Total	Activities Internal Service
<u>Deferred Outflows of Resources</u>				
Deferred charge on refunding	\$ 49,114	\$ -	\$ 49,114	\$ -
Deferred outflows - pension	172,362	59,544	231,906	66,869
Total Deferred Outflows of Resources	221,476	59,544	281,020	66,869
<u>Liabilities</u>				
Current liabilities:				
Accounts payable and accrued liabilities	615,052	83,536	698,588	197,048
Due to other funds	-	77,150	77,150	-
Accrued interest payable	54,173	-	54,173	-
Compensated absences	44,918	18,248	63,166	-
Revenue bonds due within one year	725,000	-	725,000	-
Total Current Liabilities	1,439,143	178,934	1,618,077	197,048
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts and premiums)	2,369,933	-	2,369,933	-
Compensated absences	4,991	2,028	7,019	53,169
Net pension liability	324,504	112,103	436,607	125,894
Total Noncurrent Liabilities	2,699,428	114,131	2,813,559	179,063
Total Liabilities	4,138,571	293,065	4,431,636	376,111
<u>Net Position</u>				
Net investment in capital assets	19,314,692	-	19,314,692	1,016,313
Restricted for:				
Debt service	725,000	-	725,000	-
Unrestricted	938,732	20,386	959,118	2,155,375
Total Net Position	\$ 20,978,424	\$ 20,386	\$ 20,998,810	\$ 3,171,688

See Notes to Financial Statements.

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2015

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water and</u>	<u>Solid</u>	<u>Total Funds</u>	<u>Activities</u>
	<u>Sewer</u>	<u>Waste</u>		<u>Internal</u>
				<u>Service</u>
<u>Operating Revenues</u>				
Charges for sales and services	\$ 6,986,297	\$ 1,396,158	\$ 8,382,455	\$ 3,999,340
Other revenues	-	15,541	15,541	69,091
Total Operating Revenues	<u>6,986,297</u>	<u>1,411,699</u>	<u>8,397,996</u>	<u>4,068,431</u>
<u>Operating Expenses</u>				
Costs of sales and services	4,811,736	788,963	5,600,699	2,604,067
Personnel	1,273,634	432,997	1,706,631	454,204
Repairs and maintenance	-	-	-	94,658
Depreciation	1,932,858	-	1,932,858	264,536
Total Operating Expenses	<u>8,018,228</u>	<u>1,221,960</u>	<u>9,240,188</u>	<u>3,417,465</u>
Operating Income (Loss)	<u>(1,031,931)</u>	<u>189,739</u>	<u>(842,192)</u>	<u>650,966</u>
<u>Nonoperating Revenues (Expenses)</u>				
Investment earnings	15,320	195	15,515	8,263
Interest expense	(132,404)	-	(132,404)	-
Gain on sale of capital assets	3,988	-	3,988	23,226
Total Nonoperating Revenues (Expenses)	<u>(113,096)</u>	<u>195</u>	<u>(112,901)</u>	<u>31,489</u>
Income (Loss) Before Transfers	<u>(1,145,027)</u>	<u>189,934</u>	<u>(955,093)</u>	<u>682,455</u>
Transfers (out)	<u>(1,633,800)</u>	<u>(310,000)</u>	<u>(1,943,800)</u>	<u>-</u>
Change in Net Position	<u>(2,778,827)</u>	<u>(120,066)</u>	<u>(2,898,893)</u>	<u>682,455</u>
Beginning net position	<u>23,757,251</u>	<u>140,452</u>	<u>23,897,703</u>	<u>2,489,233</u>
Ending Net Position	<u>\$ 20,978,424</u>	<u>\$ 20,386</u>	<u>\$ 20,998,810</u>	<u>\$ 3,171,688</u>

See Notes to Financial Statements.

CITY OF WEST UNIVERSITY PLACE, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended December 31, 2015

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Total Funds	Internal Service
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 7,026,529	\$ 1,414,601	\$ 8,441,130	\$ 2,156,652
Receipts from interfund charges for services	-	-	-	1,985,300
Payments to suppliers	(4,807,332)	(722,347)	(5,529,679)	(2,749,489)
Payments to employees	(1,278,910)	(428,711)	(1,707,621)	(449,973)
Net Cash Provided by Operating Activities	940,287	263,543	1,203,830	942,490
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers (out)	(1,633,800)	(310,000)	(1,943,800)	-
Net Cash (Used) by Noncapital Financing Activities	(1,633,800)	(310,000)	(1,943,800)	-
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition, disposal, and construction of capital assets	(324,075)	-	(324,075)	(248,495)
Principal paid on capital debt	(695,000)	-	(695,000)	-
Interest and fiscal charges	(125,041)	-	(125,041)	-
Proceeds from sale of capital assets	3,988	-	3,988	23,226
Net Cash (Used) by Capital and Related Financing Activities	(1,140,128)	-	(1,140,128)	(225,269)
<u>Cash Flows from Investing Activities</u>				
Interest received	15,320	195	15,515	8,263
Net Cash Provided by Investing Activities	15,320	195	15,515	8,263
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	(1,818,321)	(46,262)	(1,864,583)	725,484
Beginning cash and equity in pooled cash and investments	3,379,434	59,393	3,438,827	1,536,503
Ending Cash and Equity in Pooled Cash and Investments	\$ 1,561,113	\$ 13,131	\$ 1,574,244	\$ 2,261,987

See Notes to Financial Statements.

CITY OF WEST UNIVERSITY PLACE, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended December 31, 2015

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Solid Waste	Total Funds	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (1,031,931)	\$ 189,739	\$ (842,192)	\$ 650,966
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,932,858	-	1,932,858	264,536
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets:				
Accounts receivable	40,232	2,902	43,134	47,949
Prepaid costs	-	-	-	(125,148)
Deferred outflows	(93,910)	(32,442)	(126,352)	(36,433)
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	16,351	(10,534)	5,817	99,956
Due to other funds	-	77,150	77,150	-
Accrued interest payable	(11,947)	-	(11,947)	-
Compensated absences	1,128	6,498	7,626	6,715
Net pension liability	87,506	30,230	117,736	33,949
Net Cash Provided by Operating Activities	\$ 940,287	\$ 263,543	\$ 1,203,830	\$ 942,490

See Notes to Financial Statements.

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of West University Place, Texas (the “City”) was incorporated in 1924. The City has operated under a “Home Rule Charter” since 1940, which provides for a Council-Manager form of government. A Mayor and four Council members are elected by voters of the City at large for two-year terms.

The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety to include police and fire services, municipal court, leisure services, streets, drainage, water and sewer services, solid waste collection and disposal, community development, and general administration.

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

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

Friends of West University Parks Fund

Friends of West University Parks Fund (the “Corporation”) has been included in the reporting entity as a blended component unit. The Corporation is a not-for-profit entity created to solicit private contributions for the beautification, improvement, and maintenance of the City’s parkland. The Corporation’s Board of Directors is appointed by, and serves at the discretion of, City Council. City Council approval is required for any projects of the Corporation that exceed \$1,000. In the event of dissolution, any assets of the Corporation will be transferred to the City.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

The operations of the Corporation are presented as a governmental fund type. Separate financial statements of the Corporation may be obtained from the Finance Department of the City.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

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 internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

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

D. Basis of Presentation – Fund Financial Statements

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

The City reports the following governmental funds:

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

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest 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 *special revenue funds* are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds are considered nonmajor funds for reporting purposes.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

The *capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects funds are considered nonmajor funds for reporting purposes.

The City reports the following enterprise funds:

The *enterprise funds* are used to account for and report the operations that provide water and wastewater collection, wastewater treatment operations, and solid waste collection and disposal. 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 water and sewer fund is considered a major fund for reporting purposes. The solid waste fund is not considered a major fund for reporting purposes but, due to its significance, the City has elected to present it as such.

Additionally, the City reports the following fund type:

Internal service funds account for services provided to other departments or agencies of the primary government, or to other governments, on a cost reimbursement basis. The vehicle replacement and equipment replacement funds are used to account for vehicle and equipment replacement and maintenance services. The healthcare benefits fund accounts for costs associated with retired or separated employees, as well as healthcare benefits. The technology management fund accounts for technology services.

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

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

E. Measurement Focus and Basis of Accounting

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

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

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

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the 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 (TexPool), 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 pooled cash and investment accounts. Each fund whose monies are deposited in the pooled cash and investment accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and equity in pooled cash and investments."

2. Investments

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

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

- Direct obligations of the U.S. government
- Certificates of deposit that meet certain criteria
- Money market mutual funds that meet certain criteria
- Statewide investment pools

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. 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 and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings	10 to 50 years
Improvements	5 to 50 years
Machinery and equipment	3 to 30 years
Water and sewer system	5 to 60 years
Infrastructure	50 years

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category on the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience of the City's pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. Deferred charges have also been recognized as a result of the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The 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. At the government-wide level, the City reports a deferred inflow of resources for that portion of property taxes that was collected for use in the subsequent period.

6. Compensated Employee Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits, and compensatory time. Amounts accumulated, up to certain amounts, may be paid to employees upon termination of employment. The maximum amount of hours that can be carried from one year to the next is dependent on the number of years of service that the employee has with the City.

<u>Length of Service (Months)</u>	<u>Maximum Vacation Leave Accrual</u>
1-48	160 hours
49-144	240 hours
145-240	320 hours
More than 240	400 hours

The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

7. Long-Term Obligations

In 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 or business-type activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

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

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund. Although a portion of the general obligation debt was directly related to the purchase of water and sewer infrastructure, the debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of water system revenues.

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

8. 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.

9. 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,

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

Fund 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 fund balance.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the 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 approval of a resolution prior to the end of the fiscal year, commit fund balance. Once approved, the limitation imposed by the resolution remains in place until a similar action is taken (the approval of another resolution) 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 has, by resolution, authorized the City's Finance Director to assign fund balance to a specific purpose as approved by the City's fund balance policy. 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.

It is the City's policy to achieve and maintain an unassigned fund balance in the general fund equal to 20 percent of estimated revenue for the current annual budget. All other operating fund reserves will be maintained at ten percent of the estimated revenue for the current annual budget. Balances of less than the prescribed levels shall only be allowed with specific approval of City Council.

11. Post Employment Healthcare Benefits

The City provides post employment healthcare benefits as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by the employees who elect coverage under COBRA and the City incurs no direct costs.

For employees hired prior to January 1, 2009, the City provides continued healthcare coverage for eligible retirees until they become eligible for Medicare or other federal or state health insurance plans or if retirees become employed. The City pays 100 percent of the premium for the retiree. Spouses and dependents are eligible for continued coverage at the retirees' expense.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

12. Estimates

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

13. 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's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

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 funds and internal service funds are charges to customers for sales and services. The enterprise funds also recognize 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 funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except the capital projects funds, which adopt project length budgets. 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 charter in the approved budget is the department level in the general fund and all others are the fund level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended December 31, 2015. An annual budget is not adopted for the blended component unit, Friends of West University Parks fund, or the emergency grant fund. The parks fund, tree replacement fund, court technology/security fund, and METRO grant fund are all special revenue funds that have adopted budgets.

Encumbrances represent the estimated amount of expenditures ultimately to result when unperformed contracts (in progress at year end) are completed. Such encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

A. Deficit Fund Equity

At December 31, 2015, the technology management fund, a nonmajor internal service fund, had a deficit net position of \$171,052. The reason for the deficit is that the City had more expenses related to technology management services than revenue from charges for services. The City plans to transfer in money to offset the deficit during the following fiscal year.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of December 31, 2015, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. agencies	\$ 10,000,000	2.09
TexPool	8,068,965	0.00
Corporation's certificates of deposit	452,794	0.02
Total Fair Value	\$ 18,521,759	
Portfolio weighted average maturity		1.13

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. The City's policy requires that investment pools must be rated no lower than "AAA" or "AAAm". United States agency investments must be issued in the United States and carry a rating of "AAA" or "AAAE" as provided by two of the top nationally recognized rating agencies. As of December 31, 2015, the City's investment in TexPool was rated "AAAm" and the City's investment in United States agencies was rated between "AA+" and "AAA" by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency. More specifically, the U.S. agency securities held by the City as of December 31, 2015 consist of a variety of bonds and discount notes issued by the

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

Federal Home Loan Bank, the Federal National Mortgage Association, and the Federal Farm Credit Bank. These investments were rated not less than “Aaa” by Moody’s and not less than “AA+” by Standard & Poor’s.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of December 31, 2015, fair market values of pledged securities and FDIC coverage exceeded bank balances for the City. The Corporation’s fair market values of pledged securities and FDIC coverage did not exceed bank balances. The Corporation was under collateralized by \$495,150.

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

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor’s 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 operates in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

B. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, the debt service fund, the nonmajor governmental funds in the aggregate, the internal services funds in the aggregate, and the enterprise funds, including the applicable allowances for uncollectible accounts:

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Internal Service</u>	<u>Water and Sewer</u>	<u>Solid Waste</u>
Ad valorem taxes	\$ 6,708,502	\$ 5,466,150	\$ -	\$ -	\$ -	\$ -
Other taxes	332,984	-	-	-	-	-
Accounts	117,675	-	-	-	1,138,068	272,888
Intergovernmental	-	-	103,898	-	-	-
Other	23,602	-	12,544	1,541	8,842	-
Less allowance	(1,497)	-	-	-	(173,015)	(32,112)
	<u>\$ 7,181,266</u>	<u>\$ 5,466,150</u>	<u>\$ 116,442</u>	<u>\$ 1,541</u>	<u>\$ 973,895</u>	<u>\$ 240,776</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

C. Capital Assets

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

	Primary Government			Ending Balance
	Beginning Balance	Increases	(Decreases)	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 6,298,042	\$ -	\$ -	\$ 6,298,042
Construction in progress	441,438	41,595	(461,480)	21,553
Total capital assets not being depreciated	6,739,480	41,595	(461,480)	6,319,595
Other capital assets:				
Buildings and improvements	57,297,572	11,270	-	57,308,842
Machinery and equipment	7,667,008	307,317	(39,172)	7,935,153
Infrastructure	66,122,604	461,480	-	66,584,084
Total other capital assets	131,087,184	780,067	(39,172)	131,828,079
Less accumulated depreciation for:				
Buildings and improvements	(12,887,757)	(1,695,831)	-	(14,583,588)
Machinery and equipment	(5,671,850)	(718,184)	29,317	(6,360,717)
Infrastructure	(18,310,200)	(1,331,683)	-	(19,641,883)
Total accumulated depreciation	(36,869,807)	(3,745,698)	29,317	(40,586,188)
Other capital assets, net	94,217,377	(2,965,631)	(9,855)	91,241,891
Governmental Activities Capital Assets, Net	\$ 100,956,857	\$ (2,924,036)	\$ (471,335)	97,561,486
			Less associated debt	(58,018,156)
			Plus unspent bond proceeds	42,933
			Plus deferred charge on refunding	1,619,205
			Net Investment in Capital Assets	\$ 41,205,468

All capital assets constructed or paid for with funds of the component unit are titled in the City's name. Accordingly, component unit capital assets and construction in progress are recorded in the governmental activities totals.

Depreciation was charged to governmental functions as follows:

General government	\$ 548,942
Public safety	90,757
Public works	1,379,926
Public service	1,461,537
Capital assets held by the City's internal service fund	264,536
Total Governmental Activities Depreciation Expense	\$ 3,745,698

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

The following is a summary of changes in capital assets for business-type activities for the year end:

	Primary Government			Ending Balance
	Beginning Balance	Increases	(Decreases)/ Reclassifications	
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 193,875	\$ -	\$ -	\$ 193,875
Construction in progress	231,281	259,456	(235,020)	255,717
Total capital assets not being depreciated	425,156	259,456	(235,020)	449,592
Other capital assets:				
Buildings and improvements	459,625	-	-	459,625
Water and sewer systems	55,054,674	266,907	-	55,321,581
Machinery and equipment	2,026,464	32,732	-	2,059,196
Total other capital assets	57,540,763	299,639	-	57,840,402
Less accumulated depreciation for:				
Buildings and improvements	(400,405)	(18,385)	-	(418,790)
Water and sewer systems	(32,787,354)	(1,807,017)	-	(34,594,371)
Machinery and equipment	(808,866)	(107,456)	-	(916,322)
Total accumulated depreciation	(33,996,625)	(1,932,858)	-	(35,929,483)
Other capital assets, net	23,544,138	(1,633,219)	-	21,910,919
Business-Type Activities Capital Assets, Net	\$ 23,969,294	\$ (1,373,763)	\$ (235,020)	22,360,511
			Less associated debt	(3,094,933)
			Plus deferred charge on refunding	49,114
			Net Investment in Capital Assets	\$ 19,314,692

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 1,932,858
Total Business-Type Activities Depreciation Expense	\$ 1,932,858

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

D. Long-Term Debt

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

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. The governmental activities compensated absences, net pension obligation, and net other post employment benefits (OPEB) obligation are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

	<u>Beginning Balance*</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 51,775,000	\$ -	\$ 5,645,000	\$ 46,130,000 **	\$ 5,770,000
Certificates of obligation	11,750,000	-	775,000	10,975,000 **	810,000
Unamortized premiums and/or discounts	1,149,521	-	236,365	913,156 **	-
	<u>64,674,521</u>	<u>-</u>	<u>6,656,365</u>	<u>58,018,156</u>	<u>6,580,000</u>
Other liabilities:					
Compensated absences	985,274	495,520	319,697	1,161,097	1,044,987
Net pension liability	2,095,899	773,860	-	2,869,759	-
Net OPEB obligation	853,653	39,260	-	892,913	-
	<u>853,653</u>	<u>39,260</u>	<u>-</u>	<u>892,913</u>	<u>-</u>
Total Governmental Activities	<u>\$ 68,609,347</u>	<u>\$ 1,308,640</u>	<u>\$ 6,976,062</u>	<u>\$ 62,941,925</u>	<u>\$ 7,624,987</u>
				<u>Long-term debt due in more than one year</u>	<u>\$ 55,316,938</u>
				**Debt associated with governmental activities capital assets	<u>\$ 58,018,156</u>

*Beginning balances have been restated.

	<u>Beginning Balance*</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities:					
Revenue bonds					
Revenue bonds	\$ 3,785,000	\$ -	\$ 695,000	\$ 3,090,000 ***	\$ 725,000
Unamortized premiums and/or discounts	5,755	-	822	4,933 ***	-
	<u>3,790,755</u>	<u>-</u>	<u>695,822</u>	<u>3,094,933</u>	<u>725,000</u>
Other liabilities:					
Compensated absences	62,559	67,699	60,073	70,185	63,166
Net pension liability	318,871	117,736	-	436,607	-
	<u>318,871</u>	<u>117,736</u>	<u>-</u>	<u>436,607</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 4,172,185</u>	<u>\$ 185,435</u>	<u>\$ 755,895</u>	<u>\$ 3,601,725</u>	<u>\$ 788,166</u>
				<u>Long-term debt due in more than one year</u>	<u>\$ 2,813,559</u>
				***Debt associated with business-type activities capital assets	<u>\$ 3,094,933</u>

*Beginning balances have been restated.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

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

Description	Interest Rates	Balance
<u>Governmental Activities</u>		
General Obligation Bonds		
Permanent improvement		
Series 2010	2.00-4.00%	\$ 4,835,000
Permanent improvement and refunding		
Series 2009	2.50-4.50%	9,110,000
Series 2010	2.00-4.00%	6,845,000
Series 2011	2.00-3.00%	2,080,000
Series 2012	2.00%	7,755,000
Series 2013	0.34-1.75%	15,505,000
Total General Obligation Bonds		46,130,000
Certificates of Obligation		
Series 2001	4.40%	1,145,000
Series 2009	2.50-4.50%	1,110,000
Series 2010	2.00-4.00%	6,615,000
Series 2010A	1.00-4.00%	1,275,000
Series 2011	2.00-2.25%	830,000
Total Certificates of Obligation		10,975,000
Total Governmental Activities Long-Term Debt		\$ 57,105,000
 <u>Business-Type Activities</u>		
Revenue Bonds		
Water and sewer, refunding series 2005	3.00-4.40%	\$ 3,090,000
Total Business-Type Activities Long-Term Debt		\$ 3,090,000

The annual requirements to amortize general obligation bonds, certificates of obligation, and revenue bonds outstanding at year ending were as follows:

Year Ending Dec 31	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2016	\$ 6,580,000	\$ 1,513,721	\$ 725,000	\$ 115,516	\$ 8,934,237
2017	7,075,000	1,391,039	380,000	93,226	8,939,265
2018	7,230,000	1,245,489	405,000	76,931	8,957,420
2019	7,405,000	1,090,311	400,000	59,926	8,955,237
2020	7,575,000	927,525	395,000	42,934	8,940,459
2021-2025	13,265,000	2,925,130	785,000	34,381	17,009,511
2026-2028	7,975,000	512,350	-	-	8,487,350
Total	\$ 57,105,000	\$ 9,605,565	\$ 3,090,000	\$ 422,914	\$ 70,223,479

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities (streets, drainage, public safety, water, and wastewater) and equipment for general government and enterprise fund activities. These instruments include general obligation bonds,

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

certificates of obligation, and revenue bonds. Future ad valorem tax revenues, water and sewer system revenues, or liens on property and equipment secure these debt obligations.

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

Federal Arbitrage

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

The composition of interfund balances as of year end was as follows:

Due To	Due From	Amounts
General	Solid waste	\$ 77,150

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

F. Interfund Transfers

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

Transfer Out	Transfer In	Amounts
General	Nonmajor	\$ 79,300
Nonmajor	Nonmajor	516,363
Water and sewer	Debt service	383,800
Water and sewer	General	1,250,000
Solid waste	General	310,000
		\$ 2,539,463

Transfers to the general fund were subsidies for administrative expenditures. Other amounts transferred between funds related to amounts collected by the nonmajor governmental funds for various governmental expenditures. Transfers to the debt service fund are used to move revenues from the water and sewer fund with collection authorization as debt service principal and interest payments become due.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

G. Leases

The City is the lessor of approximately 1.0874 acres of its land to Goode Cook, Inc. (the “Company”). This lease agreement is an operating lease with fixed minimum rental payments with annually adjusted rates. The lease expires July 31, 2022; however, at any time after July 31, 2016, the City may terminate the lease by giving the Company a minimum of nine months written notice. Rental income is earned from leasing this parcel of land to the Company.

Minimum guaranteed income on all City non-cancelable operating leases is as follows:

Year Ending Dec 31	Annual Base Rent
2016	\$ 75,085
2017	77,335
2018	79,657
2019	82,051
2020	84,517
2021-2022	138,715
Total	\$ 537,360

H. Restatement of Net Position

The City implemented Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result, the City has restated beginning net position to account for a net pension liability as of the initial measurement date, December 31, 2013. In addition, the City has restated beginning net position to record a deferred outflow for contributions made to the pension plan between the initial measurement date and the end of the prior fiscal year, December 31, 2014. Net position was also restated to remove the TMRS net pension obligation, as previously reported.

	<u>Internal Service Technology Management</u>	<u>Governmental Activities</u>	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Business-Type Activities</u>
Beginning net position - as reported	\$ (79,702)	\$ 44,598,988	\$ 23,915,797	\$ 195,223	\$ 24,111,020
Restatement - net pension liability	(91,945)	(2,095,899)	(236,998)	(81,873)	(318,871)
Restatement - deferred outflows	30,436	693,794	78,452	27,102	105,554
Restatement - net pension obligation	-	1,115,069	-	-	-
Beginning net position - as restated	\$ (141,211)	\$ 44,311,952	\$ 23,757,251	\$ 140,452	\$ 23,897,703

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League’s Intergovernmental Risk Pools (the “Pool”). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

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

B. Contingent Liabilities

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

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

C. Pension Plans

Texas Municipal Retirement System

Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmr.com.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75 percent of the member's deposits and interest.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

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:

	2015	2014
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, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Employees Covered by Benefit Terms

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	100
Inactive employees entitled to, but not yet receiving benefits	79
Active employees	108
Total	287

Contributions

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

Employees for the City were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.17 percent and 11.92 percent in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the fiscal year ended December 31, 2015 were \$1,045,142, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

Actuarial Assumptions

The TPL in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109 percent and female rates multiplied by 103 percent. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the EAN actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is seven percent. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

Discount Rate

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

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 1,163,400	\$ -	\$ 1,163,400
Interest	2,744,057	-	2,744,057
Change of benefit terms	-	-	-
Difference between expected and actual experience	440,869	-	440,869
Changes of assumptions	-	-	-
Contributions - employer	-	799,153	(799,153)
Contributions - employee	-	550,058	(550,058)
Net investment income	-	2,131,607	(2,131,607)
Benefit payments, including refunds of employee contributions	(2,123,925)	(2,123,925)	-
Administrative expense	-	(22,258)	22,258
Other changes	-	(1,830)	1,830
Net Changes	2,224,401	1,332,805	891,596
Balance at December 31, 2013	39,681,083	37,266,313	2,414,770
Balance at December 31, 2014	\$ 41,905,484	\$ 38,599,118	\$ 3,306,366

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the City, calculated using the discount rate of seven percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's Net Pension Liability	\$ 8,916,351	\$ 3,306,366	\$ (1,326,618)

Pension Plan Fiduciary Net Position

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

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

For the fiscal year ended December 31, 2015, the City recognized net pension expense of \$979,695.

At December 31, 2015, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 329,426
Difference between projected and actual investment earnings	381,628
Contributions subsequent to the measurement date	1,045,142
Total	\$ 1,756,196

\$1,045,142 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending December 31, 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense
2016	\$ 206,850
2017	206,850
2018	201,947
2019	95,407
2020	-
Thereafter	-
Total	\$ 711,054

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

D. Other Post Employment Benefits

1. Healthcare Plan

Plan Description

The City of West University Place Retiree Health Care Plan (the "Plan") is a single employer defined benefit healthcare plan administered by the City. The Plan provides medical benefits to eligible retirees and their spouses.

Employees Hired January 1, 2009 and Thereafter

A retiree and his or her covered dependent(s) may be eligible for continued coverage through COBRA according to regulatory requirements. Retirees may not add dependents after retiring. Retirees are responsible for all costs, including premiums and administrative fees, associated with COBRA benefits. Retiree/dependent COBRA benefits will be terminated if the City (or the City's third-party administrator) does not receive the required contributions by the date due.

Employees Hired Prior to January 1, 2009

Non-exempt Employees – If a non-exempt employee retires through TMRS and has been employed full-time for the City for at least ten years immediately preceding the date of retirement, the employee may continue coverage with the City's health plan.

Exempt Employees – If an exempt employee retires through TMRS and has a minimum of ten years of service credit with TMRS, of which three years immediately preceding the date of retirement were with the City, the employee may continue to be covered through the City's health plan. The benefit includes basic medical coverage, excluding accidental death, life, disability, and dental.

The City pays 100 percent of the premium for the retiree. Spouses and dependents are eligible for continued coverage. Retirees are responsible for all costs associated with spouse and dependent benefits. Surviving spouses of deceased retirees are eligible for continued coverage through COBRA according to regulatory requirements. All benefits terminate when the retiree becomes eligible for Medicare or other federal or state health insurance plans or if the retiree becomes employed.

Employees who retire under a disability retirement are eligible for retiree health benefits if they have met the eligibility for a regular retirement upon their disability. The TMRS retirement requirement is five years of service at age 60 or 20 years of service regardless of age.

Funding Policy

The contribution requirements of Plan members and the City are established and may be amended by the City Council. Funding is provided on a pay-as-you-go basis.

Annual Other Post Employment Employee Benefit Cost

The City's annual Other Post Employment Benefits (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The annual OPEB cost for the fiscal year ending December 31, 2015 is as follows:

Annual required contribution	\$ 280,784
Interest on net OPEB obligation	38,414
Adjustment to annual required contribution	<u>(51,262)</u>
Annual OPEB cost (expense)	267,936
Contributions made	<u>(228,676)</u>
Increase in net OPEB obligation	39,260
Net OPEB obligation-beginning of year	<u>853,653</u>
Net OPEB obligation-end of year	<u><u>\$ 892,913</u></u>

The City's annual OPEB cost, the amount contributed by the City, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year ending December 31, 2015 and the two preceding fiscal years are as follows:

Fiscal Year	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation	
				Beginning	Ending
2013	\$ 344,822	\$ 271,503	78.70%	\$ 754,716	\$ 828,035
2014	\$ 343,719	\$ 318,101	92.50%	\$ 828,035	\$ 853,653
2015	\$ 267,936	\$ 228,676	85.30%	\$ 853,653	\$ 892,913

Funded Status

As of December 31, 2014, the most recent actuarial valuation date, the City's retiree health care plan was zero percent funded with an estimated actuarial accrued liability exceeding actuarial assets by \$2,633,126. The annual covered payroll as of December 31, 2014 was \$7,803,300, and the ratio of the unfunded actuarial accrued liability to annual covered payroll was 33.7 percent.

Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial costs method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

Significant methods and assumptions were as follows:

Actuarial Cost Method	Projected unit credit
Amortization Method	Level dollar
Amortization Period	30 year, open amortization
Investment Rate of Return	4.50%, net of expenses
Inflation rate	3.00% per year
Healthcare Cost Trend Rate	Initial rate of 7.25% declining to an ultimate rate of 4.50% after 14 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the ARC of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, presented as RSI, provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

2. TMRS Supplemental Death Benefits Fund

Plan Description

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post employment benefit," or OPEB. For the year ended December 31, 2015, the City offered the supplemental death benefit to both active and retired employees.

Contributions

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

The City's contributions to the TMRS SDBF for the years ended December 31, 2015, 2014, and 2013 were \$3,507, \$3,144, and \$3,194, respectively, which equaled the required contributions each year.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2015

The City's contribution rates for the past three years are shown below:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual Req. Contrib. (Rate)	0.04%	0.04%	0.04%
Actual Contribution Made	0.04%	0.04%	0.04%
Percentage of ARC Contrib.	100.00%	100.00%	100.00%

E. Subsequent Event

On January 12, 2016, the City issued \$3,170,000 of general obligation refunding bonds, series 2016, for the purpose of refunding \$3,090,000 of outstanding revenue refunding bonds, series 2005. The interest rate for series 2016 issuance is 1.445 percent and will mature on February 1, 2022.

(This page intentionally left blank.)

REQUIRED SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2015

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Ad valorem	\$ 9,279,300	\$ 9,279,300	\$ 9,336,883	\$ 57,583
Sales	1,000,000	1,000,000	1,117,336	117,336
Franchise	1,155,300	1,155,300	1,204,795	49,495
Other	11,500	11,500	17,625	6,125
Permits, licenses, and fees	485,570	485,570	602,956	117,386
Fines and forfeitures	192,300	192,300	187,803	(4,497)
Charges for services	2,018,020	2,018,020	2,607,192	589,172
Investment earnings	20,000	20,000	67,032	47,032
Other revenue	240,400	253,955	378,000	124,045
Total Revenues	14,402,390	14,415,945	15,519,622	1,103,677
Expenditures				
General government:				
Administration	1,378,740	1,529,565	1,529,563	2
Finance	1,986,800	1,986,800	1,917,009	69,791
Total general government expenditures	3,365,540	3,516,365	3,446,572	69,793
Public safety:				
Police	4,090,750	4,003,715	3,888,278	115,437
Fire	3,019,200	3,123,777	3,123,776	1
Total public safety expenditures	7,109,950	7,127,492	7,012,054	115,438
Public works	2,700,400	2,700,400	2,449,669	250,731
Public service	3,148,090	2,997,279	2,864,683	132,596
Total Expenditures	16,323,980	16,341,536	15,772,978	568,558
(Deficiency) of Revenues (Under) Expenditures	(1,921,590)	(1,925,591)	(253,356)	1,672,235
Other Financing Sources (Uses)				
Transfers in	1,035,000	1,560,000	1,560,000	-
Transfers (out)	(79,300)	(79,300)	(79,300)	-
Sale of capital asset	-	-	850	850
Total Other Financing Sources	955,700	1,480,700	1,481,550	850
Net Change in Fund Balance	\$ (965,890)	\$ (444,891)	1,228,194	\$ 1,673,085
Beginning fund balance			5,896,490	
Ending Fund Balance			\$ 7,124,684	

Notes to Required Supplementary Information:

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

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended December 31, 2015

	Measurement
	Year*
	2014
Total Pension Liability	
Service cost	\$ 1,163,400
Interest (on the total pension liability)	2,744,057
Changes of benefit terms	-
Difference between expected and actual experience	440,869
Change of assumptions	-
Benefit payments, including refunds of employee contributions	(2,123,925)
Net Change in Total Pension Liability	2,224,401
Beginning total pension liability	39,681,083
Ending Total Pension Liability	\$ 41,905,484
 Plan Fiduciary Net Position	
Contributions - employer	\$ 799,153
Contributions - employee	550,058
Net investment income	2,131,607
Benefit payments, including refunds of employee contributions	(2,123,925)
Administrative expense	(22,258)
Other	(1,830)
Net Change in Plan Fiduciary Net Position	1,332,805
Beginning plan fiduciary net position	37,266,313
Ending Plan Fiduciary Net Position	\$ 38,599,118
Net Pension Liability	\$ 3,306,366
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 92.11%
 Covered Employee Payroll	 \$ 7,803,300
 Net Pension Liability as a Percentage of Covered Employee Payroll	 42.37%

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

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS

SCHEDULE OF CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended December 31, 2015

	Fiscal Year*	
	2014	2015
Actuarially determined contribution	\$ 799,153	\$ 1,045,142
Contributions in relation to the actuarially determined contribution	(799,153)	(1,045,142)
Contribution deficiency (excess)	\$ -	\$ -
 Covered employee payroll	 \$ 7,803,300	 \$ 8,767,969
 Contributions as a percentage of covered employee payroll	 10.24%	 11.92%

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

Notes to Required Supplementary Information:

1. Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months 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	30 years
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	3.0%
Salary increases	3.50% to 12.0% including inflation
Investment rate of return	7.0%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

3. Other Information:

There were no benefit changes during the year.

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS

SCHEDULE OF FUNDING PROGRESS

POST EMPLOYMENT HEALTHCARE BENEFITS

For the Year Ended December 31, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/07	\$ -	\$ 2,875,330	\$ 2,875,330	0.0%	\$ 6,848,075	42.0%
12/31/09	\$ -	\$ 3,300,494	\$ 3,300,494	0.0%	\$ 6,848,075	48.2%
12/31/11	\$ -	\$ 3,349,018	\$ 3,349,018	0.0%	\$ 7,764,719	43.1%
12/31/14	\$ -	\$ 2,633,126	\$ 2,633,126	0.0%	\$ 7,803,300	33.7%

(This page intentionally left blank.)

***COMBINING STATEMENTS
AND SCHEDULES***

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended December 31, 2015

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Ad valorem taxes	\$ 8,063,500	\$ 8,063,500	\$ 8,120,879	\$ 57,379
Investment earnings	1,500	1,500	5,213	3,713
Total Revenues	8,065,000	8,065,000	8,126,092	61,092
<u>Expenditures</u>				
Debt service:				
Principal	6,420,000	6,420,000	6,420,000	-
Interest and fiscal agent fees	1,697,000	1,697,000	1,690,655	6,345
Total Expenditures	8,117,000	8,117,000	8,110,655	6,345
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,000)	(52,000)	15,437	67,437
<u>Other Financing Sources (Uses)</u>				
Transfers in	383,800	383,800	383,800	-
Total Other Financing Sources	383,800	383,800	383,800	-
Net Change in Fund Balance	\$ 331,800	\$ 331,800	399,237	\$ 67,437
Beginning fund balance			167,039	
Ending Fund Balance			\$ 566,276	

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2015

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects.

Parks Fund

This fund is used to account for donations made by citizens for the specific purpose of improving the City's parks.

Friends of West University Parks Fund

This fund is used to account for the financial activity of the Friends of West University Parks. This fund's revenues are restricted to use in improving the City's parks.

Tree Replacement Fund

This fund is used to account for permits and fines collected to replace trees within the City.

Court Technology/Security Fund

This fund is used to account for a portion of traffic fines revenue set aside to acquire technology and provide security for the municipal court.

METRO Grant Fund

This fund is used to account for the proceeds of a multi-year transportation grant from METRO.

Emergency Grant Fund

This fund is used to account for the proceeds for disaster reimbursement.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Projects Fund

This fund is used to account for a wide range of construction projects and the acquisition of very costly capital equipment.

Capital Reserve Fund

This fund is used to hold reserve funds to be spent on capital construction projects in the future.

Drainage Improvement Fund

This fund is used to account for the cost and financing of a major project to improve City drainage.

2011 Certificates of Obligation

This fund is used to account for bonds issued to finance the construction for the College Street Transportation Drainage Project.

CITY OF WEST UNIVERSITY PLACE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)

December 31, 2015

	Special Revenue Funds			
	Parks	Friends of the Parks	Tree Replacement	Court Technology/ Security
<u>Assets</u>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 11,117	\$ -	\$ 189,786	\$ 37,352
Cash and cash equivalents	-	740,160	-	-
Investments	-	452,794	-	-
Accounts receivable	12,544	-	-	-
Inventory	-	2,372	-	-
Total Assets	\$ 23,661	\$ 1,195,326	\$ 189,786	\$ 37,352
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 1,625	\$ -	\$ 3,817	\$ -
Total Liabilities	1,625	-	3,817	-
Fund balances:				
Nonspendable:				
Inventory	-	2,372	-	-
Restricted for:				
Enabling legislation	-	-	-	37,352
Capital projects	-	-	-	-
City parks	22,036	1,192,954	-	-
METRO	-	-	-	-
Special projects	-	-	-	-
Assigned to:				
Tree replacement	-	-	185,969	-
Capital projects funds	-	-	-	-
Total Fund Balances	22,036	1,195,326	185,969	37,352
Total Liabilities and Fund Balances	\$ 23,661	\$ 1,195,326	\$ 189,786	\$ 37,352

Special Revenue Funds		Capital Projects Funds				2011
METRO Grant	Emergency Grant	Capital Projects	Capital Reserve	Drainage Improvement	Certificates of Obligation	
\$ 101,714	\$ 19,741	\$ 73,102	\$ 302,196	\$ 713,167	\$ 42,933	
-	-	-	-	-	-	
-	-	-	-	-	-	
103,898	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 205,612</u>	<u>\$ 19,741</u>	<u>\$ 73,102</u>	<u>\$ 302,196</u>	<u>\$ 713,167</u>	<u>\$ 42,933</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,474</u>	<u>\$ -</u>	<u>\$ 22,441</u>	<u>\$ -</u>	
<u>-</u>	<u>-</u>	<u>10,474</u>	<u>-</u>	<u>22,441</u>	<u>-</u>	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	42,933	
-	-	-	-	-	-	
205,612	-	-	-	-	-	
-	19,741	-	-	-	-	
-	-	-	-	-	-	
<u>-</u>	<u>-</u>	<u>62,628</u>	<u>302,196</u>	<u>690,726</u>	<u>-</u>	
<u>205,612</u>	<u>19,741</u>	<u>62,628</u>	<u>302,196</u>	<u>690,726</u>	<u>42,933</u>	
<u>\$ 205,612</u>	<u>\$ 19,741</u>	<u>\$ 73,102</u>	<u>\$ 302,196</u>	<u>\$ 713,167</u>	<u>\$ 42,933</u>	

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)

December 31, 2015

	Total Nonmajor Governmental Funds
<u>Assets</u>	
Current assets:	
Cash and equity in pooled cash and investments	\$ 1,491,108
Cash and cash equivalents	740,160
Investments	452,794
Accounts receivable	116,442
Inventory	2,372
	<hr/>
Total Assets	\$ 2,802,876
	<hr/> <hr/>
<u>Liabilities and Fund Balances</u>	
Liabilities:	
Accounts payable	\$ 38,357
	<hr/>
Total Liabilities	38,357
	<hr/>
Fund balances:	
Nonspendable:	
Inventory	2,372
Restricted for:	
Enabling legislation	37,352
Capital projects	42,933
City parks	1,214,990
METRO	205,612
Special projects	19,741
Assigned to:	
Tree replacement	185,969
Capital projects funds	1,055,550
	<hr/>
Total Fund Balances	2,764,519
	<hr/>
Total Liabilities and Fund Balances	\$ 2,802,876
	<hr/> <hr/>

CITY OF WEST UNIVERSITY PLACE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)
For the Year Ended December 31, 2015

	Special Revenue Funds			
	Parks	Friends of the Parks	Tree Replacement	Court Technology/ Security
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ 11,037
Permits, licenses, and fees	-	-	62,133	-
Intergovernmental	-	-	-	-
Contributions	5,368	548,876	-	-
Investment earnings	121	1,474	938	237
Other revenue	20,199	-	-	-
Total Revenues	25,688	550,350	63,071	11,274
Expenditures				
Current:				
General government	25,451	-	-	6,249
Public works	-	-	-	-
Public services	-	349,444	23,782	-
Capital outlay	-	-	-	-
Total Expenditures	25,451	349,444	23,782	6,249
Excess (Deficiency) of Revenues Over (Under) Expenditures	237	200,906	39,289	5,025
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	237	200,906	39,289	5,025
Beginning fund balances	21,799	994,420	146,680	32,327
Ending Fund Balances	\$ 22,036	\$ 1,195,326	\$ 185,969	\$ 37,352

Special Revenue Funds		Capital Projects Funds			
METRO Grant	Emergency Grant	Capital Projects	Capital Reserve	Drainage Improvement	2011 Certificates of Obligation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
558,668	-	-	-	-	-
-	-	-	-	-	-
446	108	1,413	1,599	2,870	256
-	-	-	-	-	-
<u>559,114</u>	<u>108</u>	<u>1,413</u>	<u>1,599</u>	<u>2,870</u>	<u>256</u>
-	-	-	17,241	-	-
-	-	-	-	23,437	-
-	-	-	-	-	-
-	-	236,947	-	-	-
-	-	236,947	17,241	23,437	-
<u>559,114</u>	<u>108</u>	<u>(235,534)</u>	<u>(15,642)</u>	<u>(20,567)</u>	<u>256</u>
-	5,372	10,991	79,300	500,000	-
<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>(16,363)</u>	<u>-</u>	<u>-</u>
<u>(500,000)</u>	<u>5,372</u>	<u>10,991</u>	<u>62,937</u>	<u>500,000</u>	<u>-</u>
59,114	5,480	(224,543)	47,295	479,433	256
146,498	14,261	287,171	254,901	211,293	42,677
<u>\$ 205,612</u>	<u>\$ 19,741</u>	<u>\$ 62,628</u>	<u>\$ 302,196</u>	<u>\$ 690,726</u>	<u>\$ 42,933</u>

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)
For the Year Ended December 31, 2015

	Total Nonmajor Governmental Funds
<u>Revenues</u>	
Fines and forfeitures	\$ 11,037
Permits, licenses, and fees	62,133
Intergovernmental	558,668
Contributions	554,244
Investment earnings	9,462
Other revenue	20,199
Total Revenues	1,215,743
<u>Expenditures</u>	
Current:	
General government	48,941
Public works	23,437
Public services	373,226
Capital outlay	236,947
Total Expenditures	682,551
Excess (Deficiency) of Revenues Over (Under) Expenditures	533,192
<u>Other Financing Sources (Uses)</u>	
Transfers in	595,663
Transfers (out)	(516,363)
Total Other Financing Sources (Uses)	79,300
Net Change in Fund Balances	612,492
Beginning fund balances	2,152,027
Ending Fund Balances	\$ 2,764,519

CITY OF WEST UNIVERSITY PLACE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES - BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2015

		Parks			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
	Contributions	\$ 5,000	\$ 5,000	\$ 5,368	\$ 368
	Investment earnings	-	-	121	121
	Other revenue	-	19,591	20,199	608
	Total Revenues	5,000	24,591	25,688	1,097
Expenditures					
	General government	7,000	26,591	25,451	1,140
	Total Expenditures	7,000	26,591	25,451	1,140
	Net Change in Fund Balance	<u><u>(2,000)</u></u>	<u><u>(2,000)</u></u>	237	<u><u>2,237</u></u>
	Beginning fund balance			21,799	
	Ending Fund Balance			<u><u>\$ 22,036</u></u>	

CITY OF WEST UNIVERSITY PLACE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2015

Tree Replacement				
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Permits, licenses, and fees	\$ 25,000	\$ 25,000	62,133	\$ 37,133
Investment earnings	-	-	938	938
Total Revenues	25,000	25,000	63,071	38,071
Expenditures				
Public services	55,000	55,000	23,782	31,218
Total Expenditures	55,000	55,000	23,782	31,218
Net Change in Fund Balance	<u>(30,000)</u>	<u>(30,000)</u>	39,289	<u>69,289</u>
Beginning fund balance			146,680	
Ending Fund Balance			<u>\$ 185,969</u>	

CITY OF WEST UNIVERSITY PLACE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2015

		<u>Court Technology/Security</u>			
		<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>					
	Fines and forfeitures	\$ 10,500	\$ 10,500	\$ 11,037	\$ 537
	Investment earnings	-	-	237	237
	Total Revenues	<u>10,500</u>	<u>10,500</u>	<u>11,274</u>	<u>774</u>
<u>Expenditures</u>					
	General government	<u>23,000</u>	<u>23,000</u>	<u>6,249</u>	<u>16,751</u>
	Total Expenditures	<u>23,000</u>	<u>23,000</u>	<u>6,249</u>	<u>16,751</u>
	Net Change in Fund Balance	<u><u>\$ (12,500)</u></u>	<u><u>\$ (12,500)</u></u>	5,025	<u><u>\$ 17,525</u></u>
	Beginning fund balance			<u>32,327</u>	
	Ending Fund Balance			<u><u>\$ 37,352</u></u>	

CITY OF WEST UNIVERSITY PLACE, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES - BUDGET AND ACTUAL

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2015

	METRO Grant			Variance with Final Budget Positive (Negative)
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
<u>Revenues</u>				
Intergovernmental	\$ 259,000	\$ 500,000	\$ 558,668	\$ 58,668
Investment earnings	300	300	446	146
Total Revenues	259,300	500,300	559,114	58,814
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(259,000)	(500,000)	(500,000)	-
Total Other Financing (Uses)	(259,000)	(500,000)	(500,000)	-
Net Change in Fund Balance	\$ 300	\$ 300	59,114	\$ 58,814
Beginning fund balance			146,498	
Ending Fund Balance			\$ 205,612	

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS

INTERNAL SERVICE FUNDS

December 31, 2015

Vehicle Replacement Fund

This internal service fund is used to account for and report vehicle replacement and maintenance services to departments or agencies of the City on a cost reimbursement basis.

Equipment Replacement Fund

This internal service fund is used to account for and report equipment replacement and maintenance services to departments or agencies of the City on a cost reimbursement basis.

Healthcare Benefits Fund

This internal service fund is used to account for and report the costs associated with health benefits to departments or agencies of the City on a cost reimbursement basis, as well as costs associated with retiring and separating employees.

Technology Management Fund

This internal service fund is used to account for and report the costs associated with technology management services to departments or agencies of the City on a cost reimbursement basis.

CITY OF WEST UNIVERSITY PLACE, TEXAS

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2015

	Vehicle Replacement	Equipment Replacement	Healthcare Benefits	Technology Management
<u>Assets</u>				
Current assets:				
Equity in pooled cash and investments	\$ 1,204,750	\$ 288,717	\$ 738,823	\$ 29,697
Receivables	-	-	1,541	-
Prepaid costs	-	-	201,089	-
Total Current Assets	1,204,750	288,717	941,453	29,697
Noncurrent assets:				
Capital assets:				
Machinery and equipment	2,798,444	-	-	-
Less: accumulated depreciation	(1,782,131)	-	-	-
Total Capital Assets (Net of Accumulated Depreciation)	1,016,313	-	-	-
Total Noncurrent Assets	1,016,313	-	-	-
Total Assets	2,221,063	288,717	941,453	29,697
<u>Deferred Outflows of Resources</u>				
Deferred outflows - pension	-	-	-	66,869
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	30,696	-	77,797	88,555
Total Current Liabilities	30,696	-	77,797	88,555
Noncurrent liabilities:				
Compensated absences	-	-	-	53,169
Net pension liability	-	-	-	125,894
Total Noncurrent Liabilities	-	-	-	179,063
Total Liabilities	30,696	-	77,797	267,618
<u>Net Position</u>				
Net investment in capital assets	1,016,313	-	-	-
Unrestricted	1,174,054	288,717	863,656	(171,052)
Total Net Position	\$ 2,190,367	\$ 288,717	\$ 863,656	\$ (171,052)

**Total
Internal
Service Funds**

\$ 2,261,987
1,541
201,089
2,464,617

2,798,444
(1,782,131)

1,016,313
1,016,313
3,480,930

66,869

197,048
197,048

53,169
125,894
179,063
376,111

1,016,313
2,155,375

\$ 3,171,688

CITY OF WEST UNIVERSITY PLACE, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES,

AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2015

	Vehicle Replacement	Equipment Replacement	Healthcare Benefits	Technology Management
<u>Operating Revenues</u>				
Charges for sales and services	\$ 597,000	\$ 89,000	\$ 2,014,040	\$ 1,299,300
Other revenues	669	17,949	35,048	15,425
Total Operating Revenues	597,669	106,949	2,049,088	1,314,725
<u>Operating Expenses</u>				
Repairs and maintenance	1,433	65,458	-	27,767
Costs of sales and services	-	-	1,741,325	862,742
Personnel	-	-	-	454,204
Depreciation	264,536	-	-	-
Total Operating Expenses	265,969	65,458	1,741,325	1,344,713
Operating Income (Loss)	331,700	41,491	307,763	(29,988)
<u>Nonoperating Revenues (Expenses)</u>				
Investment earnings	6,522	1,594	-	147
Gain on sale of capital assets	23,226	-	-	-
Total Nonoperating Revenues	29,748	1,594	-	147
Change in Net Position	361,448	43,085	307,763	(29,841)
Beginning net position	1,828,919	245,632	555,893	(141,211)
Ending Net Position	\$ 2,190,367	\$ 288,717	\$ 863,656	\$ (171,052)

**Total
Internal
Service Funds**

\$ 3,999,340
69,091
4,068,431

94,658
2,604,067
454,204
264,536
3,417,465

650,966

8,263
23,226
31,489

682,455

2,489,233

\$ 3,171,688

CITY OF WEST UNIVERSITY PLACE, TEXAS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2015

	Vehicle Replacement	Equipment Replacement	Healthcare Benefits	Technology Management
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 26,241	\$ 17,949	\$ 2,097,037	\$ 15,425
Receipts from interfund charges for services	597,000	89,000	-	1,299,300
Payments to suppliers	(1,433)	(65,458)	(1,818,609)	(863,989)
Payments to employees	-	-	-	(449,973)
Net Cash Provided by Operating Activities	621,808	41,491	278,428	763
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition, disposal, and construction of capital assets	(248,495)	-	-	-
Proceeds from sale of capital assets	23,226	-	-	-
Net Cash (Used) by Capital and Related Financing Activities	(225,269)	-	-	-
<u>Cash Flows from Investing Activities</u>				
Interest received	6,522	1,594	-	147
Net Cash Provided by Investing Activities	6,522	1,594	-	147
Net Increase in Equity in Pooled Cash and Investments	403,061	43,085	278,428	910
Beginning equity in pooled cash and investments	801,689	245,632	460,395	28,787
Ending Equity in Pooled Cash and Investments	\$ 1,204,750	\$ 288,717	\$ 738,823	\$ 29,697
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 331,700	\$ 41,491	\$ 307,763	\$ (29,988)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	264,536	-	-	-
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets:				
Receivables	-	-	47,949	-
Prepaid costs	-	-	(130,912)	5,764
Deferred outflows	-	-	-	(36,433)
Increase (decrease) in liabilities:				
Accounts payable	25,572	-	53,628	20,756
Compensated absences	-	-	-	6,715
Net pension liability	-	-	-	33,949
Net Cash Provided by Operating Activities	\$ 621,808	\$ 41,491	\$ 278,428	\$ 763

**Total
Internal
Service Funds**

\$ 2,156,652
1,985,300
(2,749,489)
(449,973)

942,490

(248,495)
23,226

(225,269)

8,263
8,263

725,484
1,536,503
\$ 2,261,987

\$ 650,966

264,536

47,949
(125,148)
(36,433)

99,956
6,715
33,949

\$ 942,490

(This page intentionally left blank.)

STATISTICAL SECTION

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

Contents	Page
-----------------	-------------

Financial Trends	114
------------------	-----

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

Revenue Capacity	126
------------------	-----

These schedules contain information to help the reader assess the City’s most significant local revenue source, property tax.

Debt Capacity	136
---------------	-----

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

Demographic and Economic Information	146
--------------------------------------	-----

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

Operating Information	150
-----------------------	-----

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.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NET POSITION BY COMPONENT

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Governmental Activities				
Net investment in capital assets	\$ 11,786,607	\$ 17,515,320	\$ 24,421,719	\$ 32,145,988
Restricted	3,605,569	4,491,985	6,470,948	2,466,227
Unrestricted	3,976,998	2,566,351	1,910,197	1,262,360
Total Governmental Activities Net Position	\$ 19,369,174	\$ 24,573,656	\$ 32,802,864	\$ 35,874,575
 Business-Type Activities				
Net investment in capital assets	\$ 20,924,046	\$ 19,768,267	\$ 18,512,926	\$ 17,662,268
Restricted	813,673	1,186,557	715,000	745,000
Unrestricted	525,387	186,418	1,640,695	1,841,953
Total Business-Type Activities Net Position	\$ 22,263,106	\$ 21,141,242	\$ 20,868,621	\$ 20,249,221
 Primary Government				
Net investment in capital assets	\$ 32,710,653	\$ 37,283,587	\$ 42,934,645	\$ 49,808,256
Restricted	4,419,242	5,678,542	7,185,948	3,211,227
Unrestricted	4,502,385	2,752,769	3,550,892	3,104,313
Total Primary Government Net Position	\$ 41,632,280	\$ 45,714,898	\$ 53,671,485	\$ 56,123,796

*Restated balances

Fiscal Year

<u>2010</u>	<u>2011*</u>	<u>2012*</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 25,112,652	\$ 30,510,547	\$ 31,464,253	\$ 34,881,486	\$ 38,347,094	\$ 41,205,468
1,977,589	1,315,036	2,260,764	2,197,619	1,580,648	2,246,833
5,341,671	872,283	1,987,281	2,782,110	4,671,246	6,686,571
<u>\$ 32,431,912</u>	<u>\$ 32,697,866</u>	<u>\$ 35,712,298</u>	<u>\$ 39,861,215</u>	<u>\$ 44,598,988</u>	<u>\$ 50,138,872</u>
\$ 22,196,178	\$ 21,612,826	\$ 21,320,705	\$ 20,285,944	\$ 20,235,838	\$ 19,314,692
785,000	720,000	645,000	675,000	695,000	725,000
2,343,524	4,000,276	3,965,913	4,634,652	3,180,182	959,118
<u>\$ 25,324,702</u>	<u>\$ 26,333,102</u>	<u>\$ 25,931,618</u>	<u>\$ 25,595,596</u>	<u>\$ 24,111,020</u>	<u>\$ 20,998,810</u>
\$ 47,308,830	\$ 52,123,373	\$ 52,784,958	\$ 55,167,430	\$ 58,582,932	\$ 60,520,160
2,762,589	2,035,036	2,905,764	2,872,619	2,275,648	2,971,833
7,685,195	4,872,559	5,953,194	7,416,762	7,851,428	7,645,689
<u>\$ 57,756,614</u>	<u>\$ 59,030,968</u>	<u>\$ 61,643,916</u>	<u>\$ 65,456,811</u>	<u>\$ 68,710,008</u>	<u>\$ 71,137,682</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

CHANGES IN NET POSITION

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental activities				
General government	\$ 2,706,514	\$ 4,552,568	\$ 2,387,061	\$ 2,841,391
Public safety	5,187,464	4,904,003	5,593,513	6,217,723
Public works	2,654,368	3,288,626	2,925,781	4,046,079
Public services	1,874,113	1,972,400	3,894,834	4,421,189
Interest and fiscal agent fees on long-term debt	2,984,308	3,169,545	3,195,884	2,860,685
Total Governmental Activities Expenses	<u>15,406,767</u>	<u>17,887,142</u>	<u>17,997,073</u>	<u>20,387,067</u>
Business-type activities				
Water and sewer	5,084,326	5,297,894	5,752,744	5,686,180
Solid waste	844,754	918,984	996,582	1,161,724
Total Business-Type Activities Expenses	<u>5,929,080</u>	<u>6,216,878</u>	<u>6,749,326</u>	<u>6,847,904</u>
Total Expenses	<u>\$ 21,335,847</u>	<u>\$ 24,104,020</u>	<u>\$ 24,746,399</u>	<u>\$ 27,234,971</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 1,260,376	\$ 3,523,007	\$ -	\$ -
Public safety	267,609	196,070	817,411	525,650
Public works	-	-	-	-
Public services	580,297	580,869	1,402,881	4,237,581
Operating grants and contributions	259,000	843,941	1,675,641	360,310
Capital grants and contributions	-	-	5,291,500	134,821
Total Governmental Activities Program Revenues	<u>2,367,282</u>	<u>5,143,887</u>	<u>9,187,433</u>	<u>5,258,362</u>
Business-type activities				
Charges for services				
Water and sewer	4,795,073	4,702,577	5,912,369	6,151,138
Solid waste	944,897	930,705	1,452,975	1,096,652
Total Business-Type Activities Program Revenues	<u>5,739,970</u>	<u>5,633,282</u>	<u>7,365,344</u>	<u>7,247,790</u>
Total Program Revenues	<u>\$ 8,107,252</u>	<u>\$ 10,777,169</u>	<u>\$ 16,552,777</u>	<u>\$ 12,506,152</u>
Net (Expense)/Revenue				
Governmental activities	\$ (13,039,485)	\$ (12,743,255)	\$ (8,809,640)	\$ (15,128,705)
Business-type activities	(189,110)	(583,596)	616,018	399,886
Total Net Expense	<u>\$ (13,228,595)</u>	<u>\$ (13,326,851)</u>	<u>\$ (8,193,622)</u>	<u>\$ (14,728,819)</u>

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 3,150,380	\$ 2,785,502	\$ 3,208,930	\$ 3,049,656	\$ 3,811,192	\$ 3,948,145
6,287,887	5,870,061	6,211,784	6,515,194	6,176,586	6,773,509
4,549,951	5,176,660	4,240,301	3,944,561	3,693,099	4,009,850
2,734,441	3,858,501	4,158,008	4,433,865	4,741,209	4,560,152
3,453,311	3,351,762	2,633,700	2,178,324	1,986,301	1,765,809
<u>20,175,970</u>	<u>21,042,486</u>	<u>20,452,723</u>	<u>20,121,600</u>	<u>20,408,387</u>	<u>21,057,465</u>
5,415,974	6,927,509	6,409,131	6,092,231	6,918,092	8,150,632
1,111,560	1,322,082	1,427,997	1,376,583	1,225,806	1,221,960
6,527,534	8,249,591	7,837,128	7,468,814	8,143,898	9,372,592
<u>\$ 26,703,504</u>	<u>\$ 29,292,077</u>	<u>\$ 28,289,851</u>	<u>\$ 27,590,414</u>	<u>\$ 28,552,285</u>	<u>\$ 30,430,057</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
734,150	743,486	818,182	1,009,760	187,347	198,840
-	-	-	-	711,155	665,089
1,656,098	1,785,518	2,160,728	2,264,753	2,448,489	2,607,192
263,780	259,000	300,048	259,000	145,819	558,668
369,316	360,741	604,758	454,115	647,940	554,244
<u>3,023,344</u>	<u>3,148,745</u>	<u>3,883,716</u>	<u>3,987,628</u>	<u>4,140,750</u>	<u>4,584,033</u>
5,917,931	8,986,444	7,777,386	7,623,233	6,868,133	6,986,297
1,486,413	1,787,636	1,512,079	1,443,125	1,513,870	1,411,699
7,404,344	10,774,080	9,289,465	9,066,358	8,382,003	8,397,996
<u>\$ 10,427,688</u>	<u>\$ 13,922,825</u>	<u>\$ 13,173,181</u>	<u>\$ 13,053,986</u>	<u>\$ 12,522,753</u>	<u>\$ 12,982,029</u>
\$ (17,152,626)	\$ (17,893,741)	\$ (16,569,007)	\$ (16,133,972)	\$ (16,267,637)	\$ (16,473,432)
876,810	2,524,489	1,452,337	1,597,544	238,105	(974,596)
<u>\$ (16,275,816)</u>	<u>\$ (15,369,252)</u>	<u>\$ (15,116,670)</u>	<u>\$ (14,536,428)</u>	<u>\$ (16,029,532)</u>	<u>\$ (17,448,028)</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

CHANGES IN NET POSITION (Continued)

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Ad valorem taxes, levied for general purposes	\$ 5,888,180	\$ 6,219,953	\$ 6,487,224	\$ 7,319,407
Ad valorem taxes, levied for debt service	6,748,355	6,738,071	6,300,879	6,756,375
Sales taxes	1,028,946	1,026,948	1,042,096	946,726
Franchise and local taxes	1,000,930	933,834	1,312,260	1,162,420
Other taxes	14,795	15,010	15,643	12,485
Contributions	326,656	891,760	257,869	306,410
Investment earnings	695,749	622,787	394,218	210,481
Other revenues	1,828,944	254,997	288,659	446,112
Gain on sale of capital assets	-	-	-	-
(Loss) on sale of asset held for resale	-	-	-	-
Transfers	1,053,941	940,000	940,000	1,040,000
Total Governmental Activities	<u>18,586,496</u>	<u>17,643,360</u>	<u>17,038,848</u>	<u>18,200,416</u>
Business-type activities				
Investment earnings	72,757	39,173	51,361	20,715
Other revenues	139,805	362,559	-	-
Gain on disposal of capital assets	-	-	-	-
Transfers	(1,053,941)	(940,000)	(940,000)	(1,040,000)
Total Business-Type Activities	<u>(841,379)</u>	<u>(538,268)</u>	<u>(888,639)</u>	<u>(1,019,285)</u>
Total Primary Government	<u>\$ 17,745,117</u>	<u>\$ 17,105,092</u>	<u>\$ 16,150,209</u>	<u>\$ 17,181,131</u>
Change in Net Position				
Governmental activities	\$ 5,547,011	\$ 4,900,105	\$ 8,229,208	\$ 3,071,711
Business-type activities	(1,030,489)	(1,121,864)	(272,621)	(619,399)
Total Change in Net Position	<u>\$ 4,516,522</u>	<u>\$ 3,778,241</u>	<u>\$ 7,956,587</u>	<u>\$ 2,452,312</u>

Fiscal Year

	2010	2011	2012	2013	2014	2015
\$	8,004,202	\$ 7,962,210	\$ 7,527,047	\$ 8,087,360	\$ 8,605,582	\$ 9,360,277
	7,098,065	7,360,224	7,713,377	7,733,658	7,791,467	8,144,274
	1,050,079	997,318	1,003,897	957,658	1,051,890	1,117,336
	1,207,429	1,148,390	1,142,265	1,170,448	1,214,227	1,204,795
	11,144	8,994	9,685	11,546	15,713	17,625
	-	-	-	-	-	-
	73,035	33,333	27,270	35,087	60,784	89,970
	424,381	347,242	286,619	320,123	503,889	398,199
	32,466	10,686	427	23,909	21,354	24,076
	-	-	(68,150)	-	-	-
	(4,190,838)	1,517,223	1,861,848	1,943,100	1,740,504	1,943,800
	<u>13,709,963</u>	<u>19,385,620</u>	<u>19,504,285</u>	<u>20,282,889</u>	<u>21,005,410</u>	<u>22,300,352</u>
	7,833	8,369	8,027	9,534	17,823	15,515
	-	-	-	-	-	-
	-	-	-	-	-	3,988
	<u>4,190,838</u>	<u>(1,517,223)</u>	<u>(1,861,848)</u>	<u>(1,943,100)</u>	<u>(1,740,504)</u>	<u>(1,943,800)</u>
	<u>4,198,671</u>	<u>(1,508,854)</u>	<u>(1,853,821)</u>	<u>(1,933,566)</u>	<u>(1,722,681)</u>	<u>(1,924,297)</u>
\$	<u>17,908,634</u>	<u>\$ 17,876,766</u>	<u>\$ 17,650,464</u>	<u>\$ 18,349,323</u>	<u>\$ 19,282,729</u>	<u>\$ 20,376,055</u>
\$	(3,442,663)	\$ 1,491,879	\$ 2,935,278	\$ 4,148,917	\$ 4,737,773	\$ 5,826,920
	5,075,481	1,015,635	(401,484)	(336,022)	(1,484,576)	(2,898,893)
\$	<u>1,632,818</u>	<u>\$ 2,507,514</u>	<u>\$ 2,533,794</u>	<u>\$ 3,812,895</u>	<u>\$ 3,253,197</u>	<u>\$ 2,928,027</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES

Last Ten Years

(accrual basis of accounting)

Function	Fiscal Year			
	2006	2007	2008	2009
Property	\$ 12,636,535	\$ 12,958,024	\$ 12,788,103	\$ 13,462,911
Sales	1,028,946	1,026,948	1,042,096	11,553,199
Franchise	1,000,930	933,834	1,312,260	1,659,737
Other taxes	14,795	15,010	15,643	2,400
	<u>\$ 14,681,206</u>	<u>\$ 14,933,816</u>	<u>\$ 15,158,102</u>	<u>\$ 26,678,247</u>

Fiscal Year						Change
2010	2011	2012	2013	2014	2015	2014-2015
\$ 15,102,267	\$ 15,322,434	\$ 15,240,424	\$ 15,821,018	\$ 16,397,049	\$ 17,504,551	6.8%
1,050,079	997,318	1,003,897	957,658	1,051,890	1,117,336	6.2%
1,207,429	1,148,390	1,142,265	1,170,448	1,214,227	1,204,795	-0.8%
11,144	8,994	9,685	11,546	15,713	17,625	12.2%
<u>\$ 17,370,919</u>	<u>\$ 17,477,136</u>	<u>\$ 17,396,271</u>	<u>\$ 17,960,670</u>	<u>\$ 18,678,879</u>	<u>\$ 19,844,307</u>	6.2%

CITY OF WEST UNIVERSITY PLACE, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Reserved	\$ 15,516	\$ 429,437	\$ 430,797	\$ 444,508
Unreserved	4,187,536	2,457,227	3,580,317	2,736,833
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	\$ 4,203,052	\$ 2,886,664	\$ 4,011,114	\$ 3,181,341
All Other Governmental Funds				
Reserved	\$ 1,658,449	\$ 2,067,501	\$ 2,745,745	\$ 1,388,198
Unreserved, reported in:				
Capital project funds	1,545,312	178,493	3,219,460	1,035,760
Special revenue funds	1,484,935	2,883,727	281,814	240,926
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	\$ 4,688,696	\$ 5,129,721	\$ 6,247,019	\$ 2,664,884

(1) GASB Statement No. 54 requirement for statistical data is ten years with retroactive implementation encouraged; only four fiscal years are available at this time. The City chose not to restate 2005 to 2010.

*Restated balances

Fiscal Year					
2010	2011	2012*	2013	2014	2015
\$ 561,038	\$ -	\$ -	\$ -	\$ -	\$ -
3,107,736	-	-	-	-	-
-	130,265	134,564	157,515	170,933	171,887
-	410,238	95,322	127,437	163,999	202,862
-	-	210,000	210,000	210,000	210,000
-	3,538,757	3,823,951	4,181,880	5,351,558	6,539,935
<u>\$ 3,668,774</u>	<u>\$ 4,079,260</u>	<u>\$ 4,263,837</u>	<u>\$ 4,676,832</u>	<u>\$ 5,896,490</u>	<u>\$ 7,124,684</u>
\$ 1,639,115	\$ -	\$ -	\$ -	\$ -	\$ -
4,128,598	-	-	-	-	-
(20,470)	-	-	-	-	-
-	2,372	2,372	2,372	2,372	2,372
-	1,890,177	2,244,596	2,070,182	1,416,649	2,086,904
-	528,575	734,460	1,215,634	900,045	1,241,519
-	(20,343)	(20,161)	(19,982)	-	-
<u>\$ 5,747,243</u>	<u>\$ 2,400,781</u>	<u>\$ 2,961,267</u>	<u>\$ 3,268,206</u>	<u>\$ 2,319,066</u>	<u>\$ 3,330,795</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Revenues				
Taxes	\$ 14,658,182	\$ 14,681,206	\$ 15,471,664	\$ 16,197,413
Permits, licenses, and fees	580,297	580,869	495,127	351,120
Fines and forfeitures	267,609	196,070	322,284	174,530
Charges for services	1,260,376	1,381,586	1,402,881	1,186,941
Intergovernmental	259,000	843,941	6,967,141	495,131
Contributions	326,656	891,760	257,869	306,410
Investment earnings	688,893	602,593	379,164	205,371
Other revenues	1,814,311	250,408	265,397	430,180
Total Revenues	<u>19,855,324</u>	<u>19,428,433</u>	<u>25,561,527</u>	<u>19,347,096</u>
Expenditures				
General government	2,381,154	2,312,853	2,329,591	2,638,596
Public safety	5,028,528	4,931,044	5,242,522	6,091,415
Public works	1,557,955	1,927,231	1,935,450	2,167,936
Public services	1,712,208	1,785,093	3,869,698	3,803,862
Capital outlay	6,840,403	3,738,838	4,113,991	13,290,611
Debt service				
Principal	3,375,000	3,612,472	3,780,922	3,969,515
Interest	3,319,913	3,188,875	2,987,603	2,848,046
Bond issuance costs	-	-	-	226,636
Advance refunding escrow	-	-	-	-
Total Expenditures	<u>24,215,161</u>	<u>21,496,406</u>	<u>24,259,777</u>	<u>35,036,617</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,359,837)	(2,067,973)	1,301,750	(15,689,521)
Other Financing Sources (Uses)				
Transfers in	1,540,713	4,931,336	4,618,732	4,065,742
Transfers out	(670,713)	(3,991,336)	(3,678,732)	(3,075,742)
Issuance of debt	473,285	-	-	13,035,000
Premium on debt issued	-	-	-	283,639
Payment to refunded bond escrow agent	-	-	-	(3,022,444)
Sale of capital assets	-	-	-	-
Total Other Financing Sources	<u>1,343,285</u>	<u>940,000</u>	<u>940,000</u>	<u>11,286,195</u>
Net Change in Fund Balances	<u>\$ (3,016,552)</u>	<u>\$ (1,127,973)</u>	<u>\$ 2,241,750</u>	<u>\$ (4,403,326)</u>
Debt service as a percentage of noncapital expenditures	38.53%	38.30%	33.60%	31.68%

Fiscal Year

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 17,362,337	\$ 17,469,999	\$ 17,380,393	\$ 17,934,252	\$ 18,668,734	\$ 19,797,518
461,419	467,123	609,037	796,562	711,155	665,089
272,731	276,363	209,145	213,198	187,347	198,840
1,656,098	1,785,518	2,160,728	2,264,753	2,448,489	2,607,192
263,780	259,000	300,048	259,000	145,819	558,668
369,316	360,741	604,758	454,115	647,940	554,244
71,447	31,575	25,035	31,760	55,079	81,707
394,071	347,242	218,469	320,123	503,889	398,199
<u>20,851,199</u>	<u>20,997,561</u>	<u>21,507,613</u>	<u>22,273,763</u>	<u>23,368,452</u>	<u>24,861,457</u>
2,919,174	2,678,292	2,427,755	2,582,560	3,298,890	3,495,513
5,956,779	5,492,793	5,615,673	6,617,056	6,271,557	7,012,054
2,586,314	2,504,438	2,628,156	2,596,798	2,262,843	2,473,106
2,127,336	2,336,591	2,402,878	3,043,191	3,219,455	3,237,909
10,645,694	4,244,191	214,662	209,284	1,886,749	236,947
3,903,250	4,671,167	5,305,000	5,605,000	6,190,000	6,420,000
3,214,201	3,437,756	3,015,941	2,320,806	1,906,944	1,690,655
419,931	141,802	-	217,067	-	-
-	-	100,000	350,000	-	-
<u>31,772,679</u>	<u>25,507,030</u>	<u>21,710,065</u>	<u>23,541,762</u>	<u>25,036,438</u>	<u>24,566,184</u>
(10,921,480)	(4,509,469)	(202,452)	(1,267,999)	(1,667,986)	295,273
2,017,451	3,090,405	2,127,938	2,789,897	2,964,128	2,539,463
(1,350,702)	(2,542,851)	(1,419,885)	(1,010,591)	(1,025,624)	(595,663)
24,630,000	5,700,000	8,555,000	16,360,000	-	-
859,692	191,134	282,219	-	-	-
(11,546,886)	(4,868,423)	(8,676,911)	(16,151,373)	-	-
32,466	3,228	-	-	-	850
<u>14,642,021</u>	<u>1,573,493</u>	<u>868,361</u>	<u>1,987,933</u>	<u>1,938,504</u>	<u>1,944,650</u>
<u>\$ 3,720,541</u>	<u>\$ (2,935,976)</u>	<u>\$ 665,909</u>	<u>\$ 719,934</u>	<u>\$ 270,518</u>	<u>\$ 2,239,923</u>
34.37%	38.39%	38.89%	34.82%	34.88%	33.16%

CITY OF WEST UNIVERSITY PLACE, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES

Last Ten Years

(modified accrual basis of accounting)

Function	Fiscal Year			
	2006	2007	2008	2009
Ad valorem	\$ 12,613,511	\$ 12,958,024	\$ 13,101,665	\$ 14,067,200
Sales	1,028,946	1,026,948	1,042,096	946,726
Franchise	1,000,930	933,834	1,312,260	1,162,420
Other taxes	14,796	15,010	15,643	12,485
	<u>\$ 14,658,183</u>	<u>\$ 14,933,816</u>	<u>\$ 15,471,664</u>	<u>\$ 16,188,831</u>

Fiscal Year						Change
2010	2011	2012	2013	2014	2015	2014-2015
\$ 15,093,685	\$ 15,315,297	\$ 15,224,546	\$ 15,794,600	\$ 16,386,904	\$ 17,457,762	6.5%
1,050,079	997,318	1,003,897	957,658	1,051,890	1,117,336	6.2%
1,207,429	1,148,390	1,142,265	1,170,448	1,214,227	1,204,795	-0.8%
11,144	8,994	9,685	11,546	15,713	17,625	12.2%
<u>\$ 17,362,337</u>	<u>\$ 17,469,999</u>	<u>\$ 17,380,393</u>	<u>\$ 17,934,252</u>	<u>\$ 18,668,734</u>	<u>\$ 19,797,518</u>	6.0%

CITY OF WEST UNIVERSITY PLACE, TEXAS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

	Fiscal Year (2)			
	2006	2007	2008	2009
Residential Property	\$ 2,816,526,599	\$ 3,032,378,632	\$ 3,518,127,265	\$ 3,835,791,345
Commercial Property	79,232,269	200,638,039	111,498,007	129,077,944
Less: Tax Exempt Property	(128,158,556)	(238,088,255)	(133,439,938)	(216,954,373)
Total Taxable Assessed Value (1)	\$ 2,767,600,312	\$ 2,994,928,416	\$ 3,496,185,334	\$ 3,747,914,916
Total Direct Tax Rate	\$ 0.43000	\$ 0.40200	\$ 0.36600	\$ 0.35900

Source: Harris County Certified / Uncertified Tax Roll

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.

Tax rates are per \$100 of assessed value.

(2) Tax information was adjusted during fiscal year 2014 to reflect tax year assessed valuations.

Fiscal Year (2)

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 4,287,201,794	\$ 4,173,451,521	\$ 4,106,994,971	\$ 4,335,656,103	\$ 4,497,103,352	\$ 4,943,195,212
125,992,897	203,444,929	278,070,080	205,183,728	219,273,264	259,878,387
<u>(158,978,494)</u>	<u>(296,685,633)</u>	<u>(325,525,373)</u>	<u>(323,044,475)</u>	<u>(340,252,719)</u>	<u>(386,360,932)</u>
<u>\$ 4,254,216,197</u>	<u>\$ 4,080,210,817</u>	<u>\$ 4,059,539,678</u>	<u>\$ 4,217,795,356</u>	<u>\$ 4,376,123,897</u>	<u>\$ 4,816,712,667</u>
\$ 0.35875	\$ 0.37411	\$ 0.37411	\$ 0.37411	\$ 0.37400	\$ 0.36179

CITY OF WEST UNIVERSITY PLACE, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

	Fiscal Year (2)			
	2006	2007	2008	2009
City of West University Place by fund:				
General	\$ 0.20100	\$ 0.19200	\$ 0.18600	\$ 0.18600
Debt service	0.22900	0.21000	0.18000	0.17300
Total Direct Rates	<u>\$ 0.43000</u>	<u>\$ 0.40200</u>	<u>\$ 0.36600</u>	<u>\$ 0.35900</u>
Houston Independent School District	\$ 1.62000	\$ 1.47570	\$ 1.15670	\$ 1.15670
Harris County	0.39986	0.40239	0.39239	0.38923
Harris County Flood Control District	0.03322	0.03241	0.03106	0.03086
Port of Houston Authority	0.01474	0.01302	0.01437	0.01773
Harris County Hospital District	0.19216	0.19216	0.19216	0.19216
Harris County Department of Education	0.00629	0.00629	0.00585	0.00584
Houston Community College	0.09577	0.09518	0.09243	0.09243
Total Direct and Overlapping Rates (1)	<u>\$ 2.79204</u>	<u>\$ 2.61915</u>	<u>\$ 2.25096</u>	<u>\$ 2.24395</u>

Tax rates per \$100 of assessed valuation
Source: Harris County Appraisal District

- (1) Overlapping rates are those of local and county governments that apply within the City of West University Place.
(2) Tax information was adjusted during fiscal year 2014 to reflect tax year assessed valuations.

Fiscal Year (2)

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 0.18893	\$ 0.19443	\$ 0.18475	\$ 0.19125	\$ 0.19631	\$ 0.19356
0.16982	0.17968	0.18936	0.18286	0.17769	0.16823
<u>\$ 0.35875</u>	<u>\$ 0.37411</u>	<u>\$ 0.37411</u>	<u>\$ 0.37411</u>	<u>\$ 0.37400</u>	<u>\$ 0.36179</u>
\$ 1.15670	\$ 1.15670	\$ 1.15670	\$ 1.15670	\$ 1.18670	\$ 1.19670
0.39224	0.38805	0.39117	0.40021	0.41455	0.41731
0.02922	0.29230	0.02809	0.02809	0.02827	0.02736
0.01636	0.02054	0.01856	0.01952	0.01716	0.01531
0.19216	0.19216	0.19216	0.18216	0.17000	0.17000
0.00605	0.00658	0.00658	0.00662	0.00636	0.00600
0.09222	0.09222	0.09722	0.09717	0.09717	0.10689
<u>\$ 2.24370</u>	<u>\$ 2.52266</u>	<u>\$ 2.26459</u>	<u>\$ 2.26458</u>	<u>\$ 2.29421</u>	<u>\$ 2.30136</u>

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Fiscal Year (1)

Property Taxpayer	2015		% of		2006		% of	
	Taxable Assessed Value	Rank	Taxable Assessed Value		Taxable Assessed Value	Rank	Taxable Assessed Value	
U West Marketplace Assoc	\$ 11,422,038	1	-		\$ 5,357,095	2	0.19%	
Southwestern Bell	10,874,877	2	0.23%		8,957,200	1	0.32%	
Vincere Village Place LLC	7,885,479	3	0.16%		-	n/a	-	
Centerpoint Energy Inc	5,445,560	4	0.11%		4,756,050	3	0.17%	
5650 Kirby Partnership	-	n/a	-		4,474,771	4	0.16%	
Douglas L & Sarah L Foshee	4,977,240	5	0.10%		-	n/a	-	
Stella Link 6700 LTD	4,850,000	6	0.10%		-	n/a	-	
Webster Properties LP	4,676,596	7	0.10%		-	n/a	-	
Eric & Shanna Bass	4,600,000	8	0.10%		-	n/a	-	
Craig A & Patricia Biggio	4,450,000	9	0.09%		-	n/a	-	
Marc & Krista Hensel	4,368,148	10	0.09%		-	n/a	-	
Max & Christine Lukens	-	n/a	-		2,466,234	8	0.09%	
Kenneth & Kimberly Alo	-	n/a	-		3,747,900	5	0.14%	
James & Karen Gerstner	-	n/a	-		2,380,400	10	0.09%	
Southwestern Bell Tele Co	-	n/a	-		2,679,650	6	0.10%	
Whole Foods Market	-	n/a	-		2,480,520	7	0.09%	
Willowick Partners LTD	-	n/a	-		2,406,481	9	0.09%	
Subtotal	<u>63,549,938</u>		<u>1.08%</u>		<u>39,706,301</u>		<u>1.43%</u>	
Other Taxpayers	<u>4,753,162,729</u>		<u>98.68%</u>		<u>2,727,894,011</u>		<u>98.57%</u>	
Total	<u><u>\$ 4,816,712,667</u></u>		<u><u>99.76%</u></u>		<u><u>\$ 2,767,600,312</u></u>		<u><u>100.00%</u></u>	

Source: Harris County Tax Assessor-Collector's records.

(1) Tax information was adjusted during fiscal year 2014 to reflect tax year assessed valuations.

CITY OF WEST UNIVERSITY PLACE, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Tax levy	\$ 12,192,921	\$ 12,621,201	\$ 12,890,583	\$ 13,951,979
Current tax collected	\$ 12,124,169	\$ 12,539,957	\$ 11,944,071	\$ 13,895,039
Percent of current tax collections	99.44%	99.36%	92.66%	99.59%
Delinquent tax collections	\$ 50,981	\$ 57,821	\$ 28,776	\$ 42,286
Total tax collections	\$ 12,175,150	\$ 12,597,778	\$ 11,972,847	\$ 13,937,325
Total collections as a percentage of current levy	99.85%	99.81%	92.88%	99.89%
Outstanding delinquent taxes	\$ 17,771	\$ 23,423	\$ 35,850	\$ 81,139
Outstanding delinquent taxes as percentage of current levy	0.15%	0.19%	0.28%	0.58%

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 15,031,309	\$ 15,265,103	\$ 15,193,428	\$ 15,778,014	\$ 16,365,976	\$ 17,426,385
\$ 14,977,921	\$ 15,197,463	\$ 15,123,562	\$ 15,705,681	\$ 16,287,801	\$ 17,335,980
99.64%	99.56%	99.54%	99.54%	99.52%	99.48%
\$ 34,246	\$ 42,841	\$ 31,077	\$ 25,738	\$ 24,032	\$ 47,566
<u>\$ 15,012,167</u>	<u>\$ 15,240,304</u>	<u>\$ 15,154,639</u>	<u>\$ 15,731,419</u>	<u>\$ 16,311,833</u>	<u>\$ 17,383,546</u>
99.87%	99.84%	99.74%	99.70%	99.67%	99.75%
\$ 190,853	\$ 202,537	\$ 206,571	\$ 222,473	\$ 205,926	\$ 305,801
1.27%	1.33%	1.36%	1.41%	1.26%	1.75%

CITY OF WEST UNIVERSITY PLACE, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Governmental Activities:				
General obligation bonds	\$ 56,323,704	\$ 53,019,573	\$ 49,555,442	\$ 54,795,999
Certificates of obligation	12,630,000	12,380,000	12,125,000	13,140,776
Capital leases	473,285	385,819	294,897	200,381
Subtotal	69,426,989	65,785,392	61,975,339	68,137,156
Business-Type Activities:				
Revenue bonds	14,469,549	13,811,912	13,129,276	12,421,640
Total Primary Government	\$ 83,896,538	\$ 79,597,304	\$ 75,104,615	\$ 80,558,796
 Personal Income (1)	-	-	-	-
 Debt as a Percentage Of Personal Income (1)	-	-	-	-
 Population	14,211	14,211	14,211	14,211
 Debt Per Capita	\$ 5,904	\$ 5,601	\$ 5,285	\$ 5,669

(1) Personal income data is not available.

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

Fiscal Year

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 61,763,373	\$ 57,530,495	\$ 62,271,173	\$ 58,445,351	\$ 52,775,550	\$ 46,904,963
21,643,463	22,218,433	13,154,781	12,654,747	11,898,971	11,113,193
102,131	-	-	-	-	-
<u>83,508,967</u>	<u>79,748,928</u>	<u>75,425,954</u>	<u>71,100,098</u>	<u>64,674,521</u>	<u>58,018,156</u>
6,526,466	5,751,365	5,112,399	4,466,577	3,790,755	3,094,933
<u>\$ 90,035,433</u>	<u>\$ 85,500,293</u>	<u>\$ 80,538,353</u>	<u>\$ 75,566,675</u>	<u>\$ 68,465,276</u>	<u>\$ 61,113,089</u>
-	-	-	-	-	-
-	-	-	-	-	-
14,787	14,787	15,109	15,221	15,369	15,604
<u>\$ 6,089</u>	<u>\$ 5,782</u>	<u>\$ 5,330</u>	<u>\$ 4,965</u>	<u>\$ 4,455</u>	<u>\$ 3,917</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

RATIO OF NET BONDED DEBT TO ASSESSED VALUE, NET BONDED DEBT PER CAPITA, AND ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Net Taxable Assessed Value				
All property	\$ 2,767,600,312	\$ 2,994,928,416	\$ 3,496,185,334	\$ 3,747,914,916
Net Bonded Debt				
Gross bonded debt	\$ 68,953,704	\$ 65,399,573	\$ 61,680,442	\$ 67,936,775
Less debt service funds	(1,169,072)	(1,208,268)	(975,765)	(954,687)
Net Bonded Debt	\$ 67,784,632	\$ 64,191,305	\$ 60,704,677	\$ 66,982,088
Ratio of Net Bonded Debt To Assessed Value	2.45%	2.14%	1.74%	1.79%
Population	14,211	14,211	14,211	14,211
Net Bonded Debt Per Capita	\$ 4,770	\$ 4,517	\$ 4,272	\$ 4,713

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 4,254,216,197	\$ 4,059,539,678	\$ 4,059,539,678	\$ 4,217,795,356	\$ 4,376,123,897	\$ 4,816,712,667
\$ 83,406,836 (992,033)	\$ 79,748,928 (446,094)	\$ 75,425,954 (273,963)	\$ 71,100,098 (95,668)	\$ 64,674,521 (167,039)	\$ 58,018,156 (566,276)
<u>\$ 82,414,803</u>	<u>\$ 79,302,834</u>	<u>\$ 75,151,991</u>	<u>\$ 71,004,430</u>	<u>\$ 64,507,482</u>	<u>\$ 57,451,880</u>
1.50%	1.95%	1.85%	1.68%	1.47%	1.19%
14,787	14,787	15,109	15,221	15,369	15,604
<u>\$ 4,300</u>	<u>\$ 5,363</u>	<u>\$ 4,974</u>	<u>\$ 4,665</u>	<u>\$ 4,197</u>	<u>\$ 3,682</u>

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2015

	<u>Net Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Governmental Unit			
Harris County	\$ 2,530,303,330	1.25%	\$ 31,628,792
Harris County Dept of Education	7,210,000	1.25%	90,125
Harris County Flood Control District	83,075,000	1.25%	1,038,438
Houston Community College	641,795,000	3.11%	19,959,825
Houston ISD	2,537,045,691	3.13%	79,409,530
Port of Houston Authority	<u>674,269,397</u>	1.25%	<u>8,428,367</u>
 Subtotal, overlapping debt	 \$ 6,473,698,418		 140,555,076
 City Direct Debt	 \$ 58,018,156	 100.00%	 <u>58,018,156</u>
	 Total Direct and Overlapping Debt		 <u><u>\$ 198,573,232</u></u>

Source: Municipal Advisory Council of Texas

- (1) Estimated percentage applicable obtained from Municipal Advisory Council of Texas. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the City's boundaries and dividing it by the City's total taxable assessed value.

CITY OF WEST UNIVERSITY PLACE, TEXAS

LEGAL DEBT MARGIN INFORMATION

Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Debt limit	\$ 153,627,947	\$ 174,809,267	\$ 194,317,845	\$ 212,710,810
Total net debt applicable to limit	67,405,928	63,841,732	64,074,235	60,212,967
Legal debt margin	\$ 86,222,019	\$ 110,967,535	\$ 130,243,610	\$ 152,497,843
Total net debt applicable to the limit as a percentage of debt limit	43.88%	36.52%	32.97%	28.31%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	4,816,712,667
Debt limit (5% of assessed value)	240,835,633
Debt applicable to limit:	
General obligation bonds	58,018,156
Less: amount set aside for repayment of general obligation debt	(566,276)
Total net debt applicable to limit	57,451,880
Legal debt margin	183,383,753

Note: The City's Home Rule Charter (1983), Section 7.07 limits all bonded debt to no more than five percent of the assessed valuation.

Fiscal Year

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 204,010,541	\$ 202,976,984	\$ 210,889,768	\$ 210,889,768	\$ 218,806,195	\$ 240,835,633
<u>60,212,967</u>	<u>56,568,906</u>	<u>73,605,191</u>	<u>71,004,430</u>	<u>64,507,482</u>	<u>57,451,880</u>
<u>\$ 143,797,574</u>	<u>\$ 146,408,078</u>	<u>\$ 137,284,577</u>	<u>\$ 139,885,338</u>	<u>\$ 154,298,713</u>	<u>\$ 183,383,753</u>
29.51%	27.87%	34.90%	33.67%	29.48%	23.86%

CITY OF WEST UNIVERSITY PLACE, TEXAS

PLEDGED-REVENUE COVERAGE

Last Ten Years

	Fiscal Year			
	2006	2007	2008	2009
Gross Revenues (1)	\$ 4,842,481	\$ 4,702,577	\$ 5,912,369	\$ 6,151,138
Operating Expenses (2)	2,737,998	4,673,933	5,114,579	5,141,913
Net Revenues Available for Debt Service	\$ 2,104,483	\$ 28,644	\$ 797,790	\$ 1,009,225
Debt Service Requirements (3)				
Principal	\$ 675,000	\$ 665,000	\$ 690,000	\$ 715,000
Interest	597,295	601,873	577,813	551,749
Total	\$ 1,272,295	\$ 1,266,873	\$ 1,267,813	\$ 1,266,749
Coverage	1.65	0.02	0.63	0.80

(1) Total revenues including interest, excluding tap fees

(2) Total operating expenses less depreciation

(3) Includes revenue bonds only

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 5,917,931	\$ 8,986,455	\$ 7,777,386	\$ 7,623,233	\$ 6,868,133	\$ 6,986,297
<u>5,003,479</u>	<u>4,802,445</u>	<u>4,293,010</u>	<u>3,962,028</u>	<u>4,580,425</u>	<u>6,085,370</u>
<u>\$ 914,452</u>	<u>\$ 4,184,010</u>	<u>\$ 3,484,376</u>	<u>\$ 3,661,205</u>	<u>\$ 2,287,708</u>	<u>\$ 900,927</u>
\$ 745,000	\$ 785,000	\$ 720,000	\$ 645,000	\$ 675,000	\$ 695,000
523,446	255,154	225,323	198,585	172,185	144,351
<u>\$ 1,268,446</u>	<u>\$ 1,040,154</u>	<u>\$ 945,323</u>	<u>\$ 843,585</u>	<u>\$ 847,185</u>	<u>\$ 839,351</u>
0.72	4.02	3.69	4.34	2.70	1.07

CITY OF WEST UNIVERSITY PLACE, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Fiscal Year Ended Dec 31	Population (1)	Personal Income (3)	Per Capita Personal Income (4)	Median Age	School Enrollment (2)	Unemployment Rate (5)
2006	14,211	-	-	39.30	981	N/A
2007	14,211	-	-	39.30	981	N/A
2008	14,211	-	-	39.30	980	N/A
2009	14,211	-	-	39.30	1,272	N/A
2010	14,787	-	-	39.30	1,165	N/A
2011	14,787	-	-	39.30	1,215	N/A
2012	15,109	-	-	41.40	1,225	N/A
2013	15,221	-	-	41.40	1,210	N/A
2014	15,369	-	-	41.40	1,280	N/A
2015	15,604	-	-	41.80	1,253	N/A

Data sources:

- (1) Bureau of the Census
- (2) The school enrollment reflects enrollment in schools located within the City limits.
- (3) Personal income data not available.
- (4) Per capita personal income data not available.
- (5) Beginning 2005 and after, cities with population under 25,000 do not have unemployment information available.

CITY OF WEST UNIVERSITY PLACE, TEXAS

PRINCIPAL EMPLOYERS ^{(1) (2)}

Current Year and Nine Years Ago

Employer	Fiscal Year	
	2015 Rank	2006 Rank
Southwestern Bell	1	1
West University Elementary School	2	2
City of West University Place	3	3

Note: The residents of the City of West University Place are primarily employed outside of the City limits.

(1) The number of employees of each of the employers is currently unavailable.

(2) The percentage of total employment is currently unavailable.

(This page intentionally left blank.)

CITY OF WEST UNIVERSITY PLACE, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 Last Ten Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Administration	4	4	4	5	5	5	5	5	6	6
Finance	8	8	8	7	7	6	6	6	5	5
Police Department	32	32	32	32	32	32	35	35	35	35
Fire Department	25	24	24	24	24	24	23	23	23	23
Public Works	21	20	19	19	21	20	20	20	19	18
Parks and Recreation	8	10	10	10	11	11	11	11	11	12
General Fund Total	98	98	97	97	100	98	100	100	99	99
Enterprise Fund:										
Water	14	14	12	12	12	14	14	14	14	14
Solid Waste	7	7	7	7	7	8	8	8	6	6
Enterprise Fund Total	21	21	19	19	19	22	22	22	20	20
Internal Service Fund:										
Administration	-	2	3	3	3	3	3	3	3	4
Internal Service Fund Total	-	2	3	4						
Total City Positions	119	121	119	119	122	123	125	125	122	123

Notes:

Around 20-35 temporary and seasonal employees are hired during the summer months as camp counselors, pool personnel, and front desk. This count is not reflected above.

Around 6 contract personnel are used year round to augment solid waste crews. This count is not reflected above.

CITY OF WEST UNIVERSITY PLACE, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2006	2007	2008	2009
Police				
Arrests	432	287	230	342
Accident reports	123	116	137	137
Citations	3,581	2,940	2,411	2,479
Offense reports	1,040	794	650	823
Calls for service	25,790	36,260	22,367	27,029
Fire				
Emergency responses	686	698	644	489
Average response time	3:06	4:29	4:24	4:00
Fire incidents	740	840	857	673
Water				
New accounts	860	854	744	724
Source:				
Water	80	80	80	80
Sewer	20	20	20	20
Average daily consumption (millions of gallons)	2.15	1.89	2.16	2.36
Number of million gallons of surface water pumped	687.97	569.34	690.74	400.44
Number of million gallons of well water pumped	87.84	120.30	99.09	461.41
Total consumption (millions of gallons)	784.50	689.65	789.83	861.85
Peak daily consumption (millions of gallons)	4.98	4.30	6.27	5.62
Sewer				
Average daily sewage treatment (millions of gallons)	1.36	1.43	1.16	1.21
Total consumption (millions of gallons)	495.25	523.06	421.32	448.57
Peak daily consumption (millions of gallons)	6.71	5.31	3.43	4.32

Source: Various City departments

Fiscal Year

2010	2011	2012	2013	2014	2015
325	294	231	323	226	360
99	121	142	127	122	162
4,830	3,379	2,260	2,779	2,482	2,322
669	583	609	695	581	874
29,148	25,964	24,844	26,835	22,071	26,354
581	660	659	683	669	717
3:49	4:25	4:45	4:34	4:35	4:34
774	765	734	663	721	801
724	678	669	665	608	526
80	80	80	80	80	62
20	20	20	20	20	38
2.22	2.79	2.38	2.31	2.06	2.06
357.42	658.80	530.06	466.25	437.00	468.12
452.95	359.55	335.24	375.06	313.88	282.03
810.37	1018.34	869.48	841.31	750.88	750.16
4.34	5.10	4.89	5.36	4.24	4.50
1.25	1.10	1.18	1.09	1.10	1.20
455.02	402.36	430.12	397.30	402.95	436.57
4.63	2.66	4.85	4.04	4.04	5.43

CITY OF WEST UNIVERSITY PLACE, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2006	2007	2008	2009
Police				
Stations	1	1	1	1
Patrol units	7	7	7	7
Fire stations	1	1	1	1
Other public works				
Streets (miles - centerlines)	43	43	43	43
Streetlights	690	747	690	1,694
Parks and recreation				
Parks	9	9	9	9
Parks acreage	12.6	12.6	12.6	14.0
Swimming pools	2	2	2	2
Baseball / softball diamonds	6	6	6	6
Tennis courts	5	5	5	5
Racquetball/handball courts	2	2	2	2
Gymnasiums	1	1	1	-
Basketball courts	2	2	2	2
Water				
Water mains (miles)	40	40	40	40
Fire hydrants	357	357	357	357
Storage capacity (millions of gallons)	3.65	3.65	3.65	3.65
Sewer				
Sanitary sewers (miles)	40	40	40	40
Storm sewers (miles)	32	32	32	32
Open ditch / creek / canal drainage (miles)	1.32	1.32	1.32	1.32
Treatment capacity (millions of gallons)	2	2	2	2

Source: Various City departments

Fiscal Year

2010	2011	2012	2013	2014	2015
1	1	1	1	1	1
7	7	7	7	7	8
1	1	1	1	1	1
43	43	43	46	46	46
1,694	1,687	1,687	1,687	1,687	1,687
9	9	9	9	9	9
14.0	13.7	13.7	13.7	13.7	13.7
2	2	2	2	2	2
6	6	7	7	7	8
5	5	5	5	5	5
2	2	2	2	2	2
-	-	-	-	-	-
2	2	2	2	2	2
40	40	40	40	40	40
357	357	357	357	357	357
3.65	3.65	3.65	3.65	3.65	3.65
40	40	40	40	40	40
32	32	32	32	32	32
1.32	1.32	1.32	1.32	1.32	1.32
2	2	2	2	2	2

(This page intentionally left blank.)



Required Auditor Disclosure Letter

May 13, 2016

To the Honorable Mayor and
City Council Members of the
City of West University Place, Texas:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West University Place, Texas (the "City") as of and for the year ended December 31, 2015, and have issued our report thereon dated May 13, 2016. Professional standards require that we provide the City Council (the "governing body") with the following information related to our audit.

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

As stated in our engagement letter dated June 6, 2014, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with the governing body's oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve the governing body or management of its responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

II. Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management in our engagement letter dated June 6, 2014.

III. Significant Audit Findings

I. 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 pension benefits by adopting Governmental Accounting Standards Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2015. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in 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 post employment 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 disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

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

2. Difficulties Encountered in Performing the Audit

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

3. Corrected and Uncorrected Misstatements

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

4. Disagreements with Management

For purposes of this letter, 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 May 13, 2016.

6. Management Consultations with Other Independent Accountants

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

7. Other Audit Findings or Issues

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

IV. Other Matters

We applied certain limited procedures to the Required Supplementary Information (RSI), as identified on the table of contents, which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, 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 information, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

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.

Very truly yours,

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas

Client: **City of West University Place, Texas**
 Engagement: **4.1 - West University Place 12/31/15**
 Period Ending: **12/31/2015**
 Trial Balance: **2.2.01 - TB**
 Workpaper: **2.5.06 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		2.3.01a		
Client prepared entry. To correct balances in 101-0000-20103 (reference JE # 270014).				
101-0000-10101	CONCENTRATION CASH		10.00	
101-0000-20103	PENDING INVOICES		18.38	
101-0000-20103	PENDING INVOICES		18.38	
101-0000-20103	PENDING INVOICES		44.88	
101-0000-20103	PENDING INVOICES		2,901.96	
101-0000-22502	REFUNDABLE DEPOSITS		2,091.00	
101-2020-74090	OTHER CONTRACTED SERVICES		708.00	
502-8010-74007	TELE-COMMUNICATIONS & DATA & RADIO		10.00	
101-0000-20103	PENDING INVOICES			10.00
101-0000-20103	PENDING INVOICES			708.00
101-0000-20103	PENDING INVOICES			2,091.00
101-0000-20105	ACCOUNTS PAYABLE			2,901.96
101-6020-72011	OPERATING SUPPLIES			18.38
101-6020-72011	OPERATING SUPPLIES			18.38
101-6020-75001	COMMUNITY RELATIONS			44.88
502-0000-10101	CONCENTRATION CASH			10.00
Total			5,802.60	5,802.60
Adjusting Journal Entries JE # 2		2.3.01b		
Client prepared entry. To post payment of Lift station electrical upgrades (reference JE # 270035).				
340-7000-85010	OTHER CONSTRUCTION COSTS		24,019.90	
340-0000-20601	RETAINAGE PAYABLE			24,019.90
Total			24,019.90	24,019.90
Adjusting Journal Entries JE # 3		2.3.01c		
Client prepared entry. To adjust water and sewer fund fixed assets (reference JE # 270096).				
340-9000-91401	TRANSFER TO WATER & SEWER FUND		259,455.85	
401-0000-17005	WATER DISTRIBUTION SYSTEM		250,343.72	
401-0000-17007	TREATMENT PLANT		16,564.00	
401-0000-17009	FURNITURE & EQUIPMENT		32,732.00	
401-0000-17011	CONSTRUCTION IN PROGRESS		259,455.85	
401-2030-82100	DEPRECIATION		1,932,858.04	
340-7000-85001	PROFESSIONAL SERVICES			19,256.85
340-7000-85010	OTHER CONSTRUCTION COSTS			240,199.00
401-0000-17004	ACCUMULATED DEPRECIATION - BUILDINGS			18,385.00
401-0000-17006	ACCUMULATED DEPRECIATION - WATER DIST SYSTEM			1,498,300.07
401-0000-17008	ACCUMULATED DEPRECIATION - TREATMENT PLANT			308,717.06
401-0000-17010	ACCUMULATED DEPRECIATION - FURNITURE & EQUIPMENT			107,455.91
401-0000-17011	CONSTRUCTION IN PROGRESS			235,019.72
401-0000-61340	TRANSFER FROM WATER & SEWER CAPITAL PROJECTS FUND			259,455.85
401-5050-73045	SEWER SYSTEM MAINTENANCE			26,006.00
401-5050-84065	OTHER EQUIPMENT			38,614.00
Total			2,751,409.46	2,751,409.46
Adjusting Journal Entries JE # 4		2.3.01d		
Client prepared entry. Reference JE #271102.				
101-0000-11515	MISC ACCOUNTS RECEIVABLE		14.00	
101-0000-20287	POLICE ASSOC DUES			14.00
Total			14.00	14.00
Adjusting Journal Entries JE # 5		F.04		
Client prepared entry. To correct 2015 YE salaries payable (Reference JE # 271377)				
101-0000-20251	SALARIES PAYABLE		154,367.77	
401-0000-10101	CONCENTRATION CASH		46,743.73	
402-0000-10101	CONCENTRATION CASH		19,883.66	
502-0000-10101	CONCENTRATION CASH		18,599.45	
510-0000-10101	CONCENTRATION CASH		69,140.93	
801-0000-29101	GENERAL FUND		154,367.77	
101-0000-10101	CONCENTRATION CASH			154,367.77
401-0000-20251	SALARIES PAYABLE			46,743.73
402-0000-20251	SALARIES PAYABLE			19,883.66

Client: **City of West University Place, Texas**
 Engagement: **4.1 - West University Place 12/31/15**
 Period Ending: **12/31/2015**
 Trial Balance: **2.2.01 - TB**
 Workpaper: **2.5.06 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
502-0000-20251	SALARIES PAYABLE			18,599.45
510-0000-20251	SALARIES PAYABLE			69,140.93
801-0000-29401	WATER & SEWER FUND			46,743.73
801-0000-29402	SOLID WASTE FUND			19,883.66
801-0000-29502	TECHNOLOGY MANAGEMENT FUND			18,599.45
801-0000-29510	EMPLOYEE BENEFITS FUND			69,140.93
Total			463,103.31	463,103.31
Adjusting Journal Entries JE # 6				
To reverse prior year sales tax receivable and post current year sales tax receivable for METRO grant fund.				
		C.02		
213-0000-10507	SALES TAX		103,897.58	
213-0000-43301	METRO		100,308.07	
213-0000-10507	SALES TAX			100,308.07
213-0000-43301	METRO			103,897.58
Total			204,205.65	204,205.65
Adjusting Journal Entries JE # 7				
To reverse FOWU expenses that were accrued during FY14 audit. (Reference FY14 AJE #10)				
990-0000 301 0 00	Capital Expenditure-Colonial		27,052.45	
990-0000 301 4 00	Capital Expenditure-Colonial:Rec Center Distribution		12,257.00	
990-0000 302 0 00	Opening Bal Equity		65,120.00	
990-0000 631 2 00	Park Expense - Colonial Park			27,052.45
990-0000 650 02 00	Park Expense: Rec Center Distr			12,257.00
990-0000 650 07 00	Park Expense - Judson			7,420.00
990-0000 650 07 00	Park Expense - Judson			57,700.00
Total			104,429.45	104,429.45
Adjusting Journal Entries JE # 8				
For reporting purposes only. To correct beginning fund balance in the EGF and CRF. (Reference PBC 224935)				
		J.01		
240-0000-30003	FUND BALANCE		5,371.98	
304-7000-99010	UNFORESEEN EXPENDITURES		5,371.98	
304-9000-91240	TRANSFER TO EMERGENCY MANAGEMENT FUND		5,371.98	
240-0000-61304	TRANSFER FROM CAPITAL RESERVE FUND			5,371.98
304-0000-30003	FUND BALANCE			10,743.96
Total			16,115.94	16,115.94
Adjusting Journal Entries JE # 9				
To reclassify adjustment for franchise fee receivable (Reference JE#269140 and #216287)				
		C.03a		
101-0000-10503	PROPERTY TAX - PRIOR YEAR		74,151.13	
101-0000-28016	RESTRICTED - PEG FEE		9,541.96	
101-0000-10513	FRANCHISE FEES			9,541.96
101-0000-10513	FRANCHISE FEES			74,151.13
Total			83,693.09	83,693.09
Adjusting Journal Entries JE # 10				
To adjust PEG fees as restricted revenue/fund balance.				
101-0000-28016	RESTRICTED - PEG FEE		29,133.77	
101-0000-30003	FUND BALANCE		38,863.88	
101-0000-41303	TELEPHONE		9,730.11	
101-0000-30005	FUND BALANCE - RESTRICTED			38,863.88
101-0000-41305	TELEPHONE-PEG FEES			9,730.11
101-0000-41305	TELEPHONE-PEG FEES			29,133.77
Total			77,727.76	77,727.76
Adjusting Journal Entries JE # 11				
For reporting purposes. To adjust for negative cash in the SWM fund.				
		A.02		
101-0000-13000	DUE FROM OTHER FUNDS		77,150.49	
402-0000-10101	CONCENTRATION CASH		77,150.49	
801-0000-29101	GENERAL FUND		77,150.49	
101-0000-10101	CONCENTRATION CASH			77,150.49
402-0000-27000	DUE TO OTHER FUNDS			77,150.49

Client: **City of West University Place, Texas**
 Engagement: **4.1 - West University Place 12/31/15**
 Period Ending: **12/31/2015**
 Trial Balance: **2.2.01 - TB**
 Workpaper: **2.5.06 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
801-0000-29402	SOLID WASTE FUND			77,150.49
Total			231,451.47	231,451.47
Adjusting Journal Entries JE # 12				
To adjust compensated absences for TM, WSF and SWM funds.				
		F.03		
401-2040-71551	ACCRUED VACATION		2,333.98	
402-5070-71551	ACCRUED VACATION		5,560.11	
402-5076-71551	ACCRUED VACATION		938.14	
502-8010-71551	ACCRUED VACATION		6,715.37	
401-0000-20301	COMPENSATED ABSENCES			1,128.29
401-5050-71551	ACCRUED VACATION			1,205.69
402-0000-20301	COMPENSATED ABSENCES			6,498.25
502-0000-20301	COMPENSATED ABSENCES			6,715.37
Total			15,547.60	15,547.60
Adjusting Journal Entries JE # 13				
To adjust for GASB 68 implementation.				
		F.07a		
401-0000-15000	DEFERRED OUTFLOWS - PENSION		172,362.05	
401-0000-30003	FUND BALANCE		158,545.74	
402-0000-15000	DEFERRED OUTFLOWS - PENSION		59,544.07	
402-0000-30003	FUND BALANCE		54,771.09	
502-0000-15000	DEFERRED OUTFLOWS - PENSIONS		66,869.22	
502-0000-30003	FUND BALANCE		61,509.08	
401-0000-22000	NET PENSION LIABILITY			324,503.73
401-2040-71555	PENSION EXPENSE			6,404.06
402-0000-22000	NET PENSION LIABILITY			112,102.82
402-5070-71555	PENSION EXPENSE			2,212.34
502-0000-22000	NET PENSION LIABILITY			125,893.80
502-8010-71555	PENSION EXPENSE			2,484.50
Total			573,601.25	573,601.25
Adjusting Journal Entries JE # 14				
Client prepared entry. To adjust for expenditures that should be recorded in FY15. (Reference JE#'s 271578 and 271579)				
		2.3.01e/f		
101-1010-74011	LEGAL		15,447.93	
401-5050-74004	SURFACE WATER		96,178.02	
101-0000-20101	VENDORS PAYABLE			15,447.93
401-0000-20101	VENDORS PAYABLE			96,178.02
Total			111,625.95	111,625.95
Adjusting Journal Entries JE # 15				
Client prepared entry. To adjust for 2015 fleet (tire) expenses. (Reference JE # 271811)				
		2.3.01g		
101-0000-10101	CONCENTRATION CASH		7,233.02	
101-3010-73011	VEHICLE MAINTENANCE		407.68	
101-3010-73011	VEHICLE MAINTENANCE		433.59	
101-3010-73011	VEHICLE MAINTENANCE		528.20	
101-3010-73011	VEHICLE MAINTENANCE		578.12	
101-3010-73011	VEHICLE MAINTENANCE		792.30	
101-4010-73011	VEHICLE MAINTENANCE		695.32	
101-4010-73011	VEHICLE MAINTENANCE		2,079.76	
101-5080-73011	VEHICLE MAINTENANCE		534.76	
401-5050-73011	VEHICLE MAINTENANCE		423.28	
402-5070-73011	VEHICLE MAINTENANCE		360.92	
402-5070-73011	VEHICLE MAINTENANCE		399.98	
402-5070-73011	VEHICLE MAINTENANCE		559.98	
402-5070-73011	VEHICLE MAINTENANCE		599.97	
402-5070-73011	VEHICLE MAINTENANCE		1,440.00	
402-5070-73011	VEHICLE MAINTENANCE		2,000.00	
402-5076-73011	VEHICLE MAINTENANCE		100.00	
402-5076-73011	VEHICLE MAINTENANCE		199.99	
402-5076-73011	VEHICLE MAINTENANCE		239.98	
402-5076-73011	VEHICLE MAINTENANCE		428.92	
402-5076-73011	VEHICLE MAINTENANCE		480.00	
801-0000-29401	WATER & SEWER FUND		423.28	
801-0000-29402	SOLID WASTE FUND		6,809.74	

Client: **City of West University Place, Texas**
 Engagement: **4.1 - West University Place 12/31/15**
 Period Ending: **12/31/2015**
 Trial Balance: **2.2.01 - TB**
 Workpaper: **2.5.06 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
101-0000-14403	FLEET INVENTORY			5,058.73
101-0000-14403	FLEET INVENTORY			8,224.02
401-0000-10101	CONCENTRATION CASH			423.28
402-0000-10101	CONCENTRATION CASH			6,809.74
801-0000-29101	GENERAL FUND			7,233.02
Total			27,748.79	27,748.79
Adjusting Journal Entries JE # 16		C.01, C.01d		
To adjust for property tax receivable, deferred revenue, and cash with fiscal agent.				
100-0000-10500	Cash with Fiscal Agent		521,003.04	
100-0000-10501	PROPERTY TAX - CURRENT		26,700.33	
101-0000-10500	Cash with Fiscal Agent		642,434.82	
101-0000-10501	PROPERTY TAX - CURRENT		30,577.74	
100-0000-10501	PROPERTY TAX - CURRENT			521,003.04
100-0000-22309	DEFERRED REVENUE - TAXES			26,700.33
101-0000-10501	PROPERTY TAX - CURRENT			642,434.82
101-0000-22309	DEFERRED REVENUE - TAXES			30,577.74
Total			1,220,715.93	1,220,715.93
Adjusting Journal Entries JE # 17		2.3.01h		
Client prepared entry. To correct FY 2015 PARD transactions. (Reference JE # 271408)				
101-0000-11502	PARKS & RECREATION RECEIVABLE		20,475.00	
101-0000-22505	PARKS & RECREATION REFUNDABLE DEPOSITS		800.00	
101-0000-44281	POOL RENTAL - COLONIAL PARK		657.50	
101-0000-11502	PARKS & RECREATION RECEIVABLE			132.50
101-0000-22505	PARKS & RECREATION REFUNDABLE DEPOSITS			5,000.00
101-0000-22510	OVERPAYMENTS			1,325.00
101-0000-44260	RENTALS - RECREATION CENTER			150.00
101-0000-44281	POOL RENTAL - COLONIAL PARK			15,325.00
Total			21,932.50	21,932.50
Adjusting Journal Entries JE # 18		2.3.01i		
Client prepared entry. To adjust 2015 postage to actual. (Reference JE # 272119)				
101-1000-74001	COMMUNICATION		6,611.49	
101-0000-14303	PREPAID POSTAGE			6,611.49
Total			6,611.49	6,611.49
Adjusting Journal Entries JE # 19		1.02		
To adjust deferred charges, premium, and discount balances in WSF.				
401-0000-23231	PREMIUM		2,537.47	
401-2030-89026	ISSUANCE COSTS		1,715.35	
401-2030-89026	ISSUANCE COSTS		8,185.59	
401-0000-23233	DISCOUNT			1,715.35
401-0000-23235	DEFERRED CHARGES			8,185.59
401-2030-89026	ISSUANCE COSTS			2,537.47
Total			12,438.41	12,438.41
Adjusting Journal Entries JE # 20		2.3.01j		
Client prepared entry. To accrue 2015 Blastco expenses. (Reference JE # 272268)				
340-7000-85002	CONSTRUCTION COSTS		32,212.42	
340-7000-85002	CONSTRUCTION COSTS		32,537.50	
340-7000-85002	CONSTRUCTION COSTS		102,914.45	
340-0000-20105	ACCOUNTS PAYABLE			167,664.37
Total			167,664.37	167,664.37
Adjusting Journal Entries JE # 21		H.01b		
For reporting purposes, insurance recoveries is netted with related loss.				
501-8020-84060	AUTOMOBILES		23,832.00	
501-8020-79001	LOSS ON DISPOSAL OF CITY PROPERTY			23,832.00
Total			23,832.00	23,832.00

Client: **City of West University Place, Texas**
 Engagement: **4.1 - West University Place 12/31/15**
 Period Ending: **12/31/2015**
 Trial Balance: **2.2.01 - TB**
 Workpaper: **2.5.06 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 22		2.3.01k		
Client prepared entry. To reclass public works receipts. (Reference JE 273006)				
101-0000-22510	OVERPAYMENTS		2,415.60	
101-0000-42001	BUILDING PERMIT			766.54
101-0000-42001	BUILDING PERMIT			1,174.06
101-0000-42002	PLUMBING PERMIT			125.00
101-0000-42007	TREE DISPOSITION FEE			75.00
101-0000-42007	TREE DISPOSITION FEE			125.00
101-0000-42007	TREE DISPOSITION FEE			150.00
Total			2,415.60	2,415.60
Adjusting Journal Entries JE # 23		2.3.01l		
Client prepared entry. To move 2016 insurance payments to prepaid account (Reference JE # 273385).				
510-0000-14305	PREPAID HEALTH PREMIUMS		3,966.66	
510-0000-14305	PREPAID HEALTH PREMIUMS		6,085.69	
510-0000-14305	PREPAID HEALTH PREMIUMS		125,022.68	
510-1000-71510	MEDICAL PREMIUMS - ACTIVE			114,455.57
510-1000-71511	MEDICAL PREMIUMS - RETIRED			9,520.95
510-1000-71513	DENTAL PREMIUMS - ACTIVE			6,085.69
510-1000-71516	LIFE & AD&D, DISABILITY			3,966.66
510-1000-71522	HEALTH CARE REFORM UNFUNDED MANDATE			1,046.16
Total			135,075.03	135,075.03
Adjusting Journal Entries JE # 24		2.3.01m		
Client prepared entry. To adjust GL to Parks & Rec RECTRAC (Reference JE # 275290).				
101-0000-11502	PARKS & RECREATION RECEIVABLE		17,361.46	
101-0000-22505	PARKS & RECREATION REFUNDABLE DEPOSITS			1,400.00
101-0000-22510	OVERPAYMENTS			4,922.38
101-0000-44291	MISCELLANEOUS - CULT & REC			11,039.08
Total			17,361.46	17,361.46



Management Letter

May 13, 2016

To the Honorable Mayor and
City Council Members of the
City of West University Place, 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. 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, each major fund, and the aggregate remaining fund information of the City of West University Place, Texas (the "City") as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the City's 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and 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.

Partners

Robert Belt, CPA
Stephanie E. Harris, CPA
Nathan Krupke, CPA

Houston

3210 Bingle Rd., Ste. 300
Houston, TX 77055
713.263.1123

Bellville

P.O. Box 826
Bellville, TX 77418
713.263.1123

Austin

100 Congress Ave., Ste. 2000
Austin, TX 78701
512.381.0222

All Offices

www.texasauditors.com
info@txauditors.com
713.263.1550 fax



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.

Our findings and additional comments are as follows:

CURRENT YEAR MATTERS

Other Matters:

2015-001. DEFICIT NET POSITION

Finding

As disclosed in the notes to the financial statements, the City reported a deficit net position for the technology management fund as of December 31, 2015.

Recommendation

The City should monitor expenses in all funds and budget for transfers as necessary to cover applicable expenses.

PRIOR YEAR MATTERS

Significant Deficiency:

2013-001. ADJUSTMENTS LINE ITEM – POOLED CASH

Background

The City maintains a pooled cash and investment account. Each fund whose monies are deposited in the pooled cash and investment account has equity therein. The City uses an 'adjustments' line item on its bank reconciliation to account for transactions other than outstanding checks and deposits, such as transfers related to payroll, manual posting of accounts payable, and other miscellaneous transactions. Any ending balance in adjustments is used to reconcile the bank balance to the general ledger.

Finding

During audit procedures, it was noted that there was a significant balance for the adjustments line item which could not be specifically identified. Since many of the transactions accounted for through the adjustments line item are system generated, it is difficult to trace and determine which transactions cleared. In addition, the software system is unable to produce a direct listing that shows the detail for the balance of the adjustments.

Recommendation

The City should ensure that there is adequate support for the adjustments balance at month end. During the bank reconciliation process, the City should review all the transactions that were posted through the adjustments line item to verify their validity and accuracy. The City should develop a process to directly track the transactions that have not cleared and should produce a listing of outstanding items that ties to the adjustments balance.

Other Matters:

2013-002. CUSTODIAL CREDIT RISK – DEPOSITS

Background

Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, an entity's deposits may not be returned to it.

Finding

As of December 31, 2015, the Friends of West University Parks fund, a blended component unit of the City, had bank accounts that were not fully insured by the Federal Deposit Insurance Corporation (FDIC) or fully collateralized with pledged securities by the respective bank.

Recommendation

The City should seek to eliminate this risk by allocating funds to various banks or seeking pledged securities from the banks as collateral for account balances in excess of FDIC.

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.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas

Response to the Management Letter for Fiscal Year 2015

Each year, the City's auditors issue a management letter in conjunction with the annual audit. Below is a copy of that letter in its entirety with responses from the Finance Department below each recommendation.

Management Letter

May 13, 2016

To the Honorable Mayor and
City Council Members of the
City of West University Place, 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. 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, each major fund, and the aggregate remaining fund information of the City of West University Place, Texas (the "City") as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the City's 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and 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.

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.

Our findings and additional comments are as follows:

CURRENT YEAR MATTERS

Other Matters:

2015-001. DEFICIT NET POSITION

Finding

As disclosed in the notes to the financial statements, the City reported a deficit net position for the technology management fund as of December 31, 2015.

Recommendation

The City should monitor expenses in all funds and budget for transfers as necessary to cover applicable expenses.

The deficit net position of the technology management fund was anticipated during the preparation of the 2016 budget. The deficit was incorporated into the transfers for the 2016 budget.

The technology management fund is an internal service fund, financed by transfers from the departments and divisions in the major operating funds. There is no fund balance reserve; therefore any unexpected expenditure can deplete any fund balance that may exist. The budgeted transfers are set according to the planned annual expenditures, which includes a small contingency. Any fund overages are incorporated into the funding transfers in the following fiscal year. When the 2016 budget was prepared, additional transfers were budgeted to cover the 2015 anticipated deficit. When we prepare the 2017 annual budget, we will ensure that the fund balance is returned to a positive balance.

PRIOR YEAR MATTERS

Significant Deficiency:

2013-001. ADJUSTMENTS LINE ITEM - POOLED CASH

Background

The City maintains a pooled cash and investment account. Each fund whose monies are deposited in the pooled cash and investment account has equity therein. The City uses an 'adjustments' line item on its bank reconciliation to account for transactions other than outstanding checks and deposits, such as transfers related to payroll, manual posting of accounts payable, and other miscellaneous transactions. Any ending balance in adjustments is used to reconcile the bank balance to the general ledger.

Finding

During audit procedures, it was noted that there was a significant balance for the adjustments line item which could not be specifically identified. Since many of the transactions accounted for through the adjustments line item are system generated, it is difficult to trace and determine which transactions cleared. In addition, the software system is unable to produce a direct listing that shows the detail for the balance of the adjustments.

Recommendation

The City should ensure that there is adequate support for the adjustments balance at month end. During

the bank reconciliation process, the City should review all the transactions that were posted through the adjustments line item to verify their validity and accuracy. The City should develop a process to directly track the transactions that have not cleared and should produce a listing of outstanding items that ties to the adjustments balance.

This is a repeat from the prior year. The City's Finance Department reconciles every bank account every month. The current years' activity has been identified and is reconciled to the penny. The unidentified remaining balance is attributable to the years prior to 2011 and continues to be researched.

Other Matters:

2013-002. CUSTODIAL CREDIT RISK - DEPOSITS

Background

Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, an entity's deposits may not be returned to it.

Finding

As of December 31, 2015, the Friends of West University Parks fund, a blended component unit of the City, had bank accounts that were not fully insured by the Federal Deposit Insurance Corporation (FDIC) or fully collateralized with pledged securities by the respective bank.

Recommendation

The City should seek to eliminate this risk by allocating funds to various banks or seeking pledged securities from the banks as collateral for account balances in excess of FDIC.

This is a repeat from the prior year. Last year, the City's Finance Director, met via conference call with the Executive Director of Friends of West University Place Parks Fund, Inc. (FWUP) and Tom Frost of Frost Bank. In a follow-up email, Mr. Frost stated that a 501(c)3 is not eligible for pledged collateral; only public entities and trust deposits are allowed to have collateral pledged. The FWUP Executive Director and Treasurer are investigating moving some of their deposits to another bank and will make a decision by the end of the current fiscal year.

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.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas

AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF WEST UNIVERSITY PLACE, TEXAS

AGENDA OF:	June 27, 2016	AGENDA ITEM:	6
DATE SUBMITTED:	May 31, 2016	DEPARTMENT:	Finance
PREPARED BY:	Rhonda Daugherty, Finance Director	PRESENTER:	Rhonda Daugherty, Finance Director
SUBJECT:	Matters related to the City of West University Place's Investment Policy		
ATTACHMENTS:	Resolution Approving the Investment Policy West University Place Investment Policy - Redline		
EXPENDITURE REQUIRED:	N/A		
AMOUNT BUDGETED:	N/A		
ACCOUNT NO.:	N/A		
ADDITIONAL APPROPRIATION REQUIRED:	N/A		
ACCOUNT NO.:	N/A		

EXECUTIVE SUMMARY

Texas Government Code, Section 2256.005(e) states that “the governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.” West University Place’s investment policy was last reviewed and approved on June 22, 2015.

The city’s investment policy was reviewed by a representative from Public Trust Advisors in November 2015. The following changes are based on the recommendations from that review.

In Section VIII. A., Investment Parameters, Diversification, we are adding Government-sponsored enterprises (GSEs) to the list of permissible investments that are not subject to the 5% diversification requirements. GSEs such as Fannie Mae, Freddie Mac and the Federal Home Loan Bank are large and offer excellent liquidity in the marketplace if such a need arises in our portfolio, therefore there is no need to restrict the securities to a certain percentage of the portfolio. Additionally, we are specifying that any diversification parameters be tested and measured based on the portfolio at the time of purchase.

In Section X. Reporting, these are housekeeping in nature, updating the frequency of the investment reports to monthly, as is the charter requirement and current practice.

RECOMMENDATION

Approve the resolution adopting the West University Place Investment Policy.

City of West University Place
Harris County Texas

RESOLUTION NO. XX-XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST UNIVERSITY PLACE, TEXAS, REVIEWING AND ACCEPTING THE CITY OF WEST UNIVERSITY PLACE'S INVESTMENT POLICY AND INVESTMENT STRATEGIES IN ACCORDANCE WITH THE PUBLIC FUNDS INVESTMENT ACT; DESIGNATING AN INVESTMENT OFFICER; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST UNIVERSITY PLACE, TEXAS:

Section 1: That the City Council of the City of West University Place, Texas, has reviewed the City's Investment Policy and Investment Strategies and the policy and strategies in Section 2 hereof records any changes made by the City Council to either such document.

Section 2: That the City Council of the City of West University Place, Texas, hereby approves the Investment Policy, including the Investment Strategies, of the City of West University Place, which is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

Section 3: The City Council of the City of West University Place, Texas, hereby designates those individuals named in Exhibit A of the Investment Policy as the investment officials of the City who are responsible for the investment of the City's funds consistent with the Investment Policy adopted pursuant to Section 2 of this resolution.

Section 4: This resolution shall take effect immediately from and after its passage by the City Council of the City of West University Place.

INTRODUCED, READ and PASSED, by the affirmative vote of the City Council of the City of West University Place this the 27th day of June, 2016.

Mayor

ATTEST:

Thelma Gilliam, City Secretary

APPROVED AS TO FORM:

Alan Petrov, City Attorney

***CITY OF WEST UNIVERSITY
PLACE, TEXAS
INVESTMENT POLICY***



City of West University Place Investment Policy

Table of Contents

I.	Policy	1
II.	Purpose	1
III.	Scope	1
IV.	General Objectives	
	A. Safety	2
	B. Liquidity	2
	C. Public Trust	2
	D. Yield	3
V.	Standards of Care	
	A. Prudence	3
	B. Ethics and Conflicts of Interest	3
	C. Delegation of Authority	4
	D. Training	4
	E. Internal Controls	4
VI.	Safekeeping and Custody	
	A. Authorized Financial Dealers and Institutions	5
	B. Competitive Bids	5
	C. Delivery vs. Payment	5
VII.	Suitable and Authorized Investments	
	A. Eligible Investments	5
	B. Collateralization	6
	C. Existing Investments	6
VIII.	Investment Parameters	
	A. Diversification	7
	B. Maximum Maturities	7
IX.	Investment Strategies	7
X.	Reporting	
	A. Methods	8
	B. Performance Standards	8
	C. Marking to Market	8
EXHIBITS		
A -	Authorized Investment Officials	9
B -	Statement of Ethics and Conflicts of Interest	10
C -	Approved Broker/Dealers, Financial Institutions and Investment Pools	11
D -	Certification by Business Organization	12
E -	Investment Strategy	13

I. Policy

It is the policy of the City of West University Place (the “City”) to administer and invest its funds in a manner that will preserve the principal and maintain the liquidity while meeting the daily cash flow requirements of the City. The City will conform to all federal, state and local statutes, rules and regulations governing the investment of the City’s funds.

The City’s policy is to hold investments to maturity; however, securities may be sold in order to minimize the potential loss of principal on a security whose credit quality has declined; to swap into another security which would improve the quality, yield or target duration of the portfolio; or to meet unanticipated liquidity needs of the portfolio.

Not less than annually, City Council shall adopt a written instrument by resolution stating that it has reviewed the Investment Policy and investment strategies and that the written instrument so adopted shall record any changes made to the Investment Policy or investment strategies.

II. Purpose

The purpose of this policy is to comply with Chapter 2256 of the Texas Government Code (“Public Funds Investment Act”), which requires each entity to adopt a written investment policy regarding the investment of its funds and funds under its control. The investment policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the entity’s funds.

III. Scope

This investment policy applies to all financial assets of the City. These funds are accounted for in the City's **Comprehensive Annual Financial Report** and include all financial assets of all funds managed by the City, including but not limited to tax revenues, charges for services, bond proceeds, interest income, loans and funds received by the City where the City performs a custodial function. However, this policy does not apply to the assets administered for the benefit of the City by outside agencies under deferred compensation programs or other retirement programs.

The City will consolidate cash balances from all funds to maximize investment earnings, (except as otherwise required by covenants in bond ordinances, credit agreements as defined in V.T.C.A., Government Code § 1371.001 or other applicable regulations). Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

IV. General Objectives

The primary objectives, in priority order, of the City's investment activities shall be safety, liquidity, and yield:

- A. **Safety** – Safety of the principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to minimize credit risk and interest rate risk.
- i. **Credit Risk and Concentration of Credit Risk** – The City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, and concentration of credit risk, the risk of loss attributed to the magnitude of investment in a single issuer, by:
- Limiting investments to the safest types of securities,
 - Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business, and;
 - Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- ii. **Interest Rate Risk** – The City will manage the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:
- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity,
 - Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools, and;
 - Diversify maturities and stagger purchase dates to minimize the impact of market movements over time.
- B. **Liquidity** – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in money market mutual funds or local government investment pools that offer same-day liquidity for short-term funds. Additionally, a portion of the portfolio will consist of securities with active secondary or resale markets.
- C. **Public Trust** – All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment officers

shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

- D. **Yield** – The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
- A security with declining credit may be sold early to minimize loss of principal
 - Liquidity needs of the portfolio require that the security be sold

V. **Standards of Care**

- A. **Prudence** - The standard of prudence to be used by investing officials shall be the "**prudent investor**" rule. This rule states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The determination of whether an investing official has exercised prudence with respect to an investment decision shall be applied in the context of managing an overall portfolio rather than a consideration as to the prudence of a single investment.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control unfavorable developments.

- B. **Ethics and Conflicts of Interest** - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City any material interests in financial institutions that conduct business with the City. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. (See Exhibit B.)

Furthermore, an investment official who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An investment official who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

- C. **Delegation of Authority** - Authority to manage the City's investment program is granted to the Finance Director, hereinafter referred to as investment officer, and derived from the following: City Charter Article VII, Section 7.01c. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with established procedures and internal controls for the operation of the investment program consistent with this investment policy. This policy includes explicit delegation of authority to persons responsible for investment transactions. (See Exhibit A) No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate activities of subordinate officials.

- D. **Training** - Investment officials must complete at least 10 hours of investment training within 12 months of taking office or assuming duties, and shall attend an investment training session not less than once in a two year period and receive not less than 10 hours of instruction relating to investment responsibilities. The City shall provide the training through courses and seminars offered by professional organizations and associations in order to insure the quality and capability of the City's investment personnel making investment decisions in compliance with Public Funds Investment Act (PFIA). Professional organizations and associations that may provide investment training included the Government Treasurer's Organization of Texas, the University of North Texas, the Government Finance Officers Association of Texas, or the Texas Municipal League.

- E. **Internal Controls** - The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived and (b) the valuation of costs and benefits requires estimates and judgments by management. Therefore, the Finance Director shall

establish a process for annual independent review by an external auditor during the annual audit to assure compliance with policies and procedures.

Comment [r1]: Added phrase to more appropriately describe the current practice.

VI. Safekeeping and Custody

- A. **Authorized Financial Dealers and Institutions** –The investment officer will maintain a list of financial institutions and security broker/dealers authorized to provide investment services (Exhibit C) to the City. This list shall be reviewed, revised as necessary and adopted at least annually. No public deposit shall be made except in a qualified public depository as established by state laws.

Those firms that request to become qualified bidders for securities transactions will be required to provide 1) a completed broker/dealer questionnaire (Exhibit D) that provides information regarding creditworthiness, experience and reputation, and 2) a certification stating the firm has received, read and understood the Entity’s investment policy and agree to comply with the policy. Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule), and qualified depositories. All investment providers, including financial institutions, banks, money market mutual funds, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the Entity’s investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the Entity’s policy.

- B. **Competitive Bids** – The City’s policy requires competitive bidding for all individual security purchases and sales except for a) transactions with money market mutual funds and local government investment pools and b) treasury and agency securities purchased at issue through an approved broker/dealer or financial institution.
- C. **Delivery vs. Payment** – All trades with the exception of investment pools and mutual funds will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities and collateral will be held in the City’s name by a third-party custodian as evidenced by safekeeping receipts of the institution with which the securities are deposited.

VII. Suitable and Authorized Investments

- A. **Eligible Investments** – Assets of the City may be invested in the following instruments described below. All of these investments are authorized by the Public Funds Investment Act. Only those instruments listed in this section are authorized.

1. Obligations of the United States of America, its agencies and instrumentalities
2. Certificates of Deposit issued by a depository institution that has its main office or a branch in Texas. The certificate of deposit must be guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor and secured by obligations in a manner and amount as provided by law. In addition, certificates of deposit obtained through a depository institution which are fully collateralized under a pledge agreement approved by the City are authorized investments.
3. No-load Money Market Mutual Funds that 1) are registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or less, 3) seek to maintain a net asset value of \$1.00 per share and 4) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.
4. Local Government Investment Pools, authorized by a separate resolution, which meet the requirements of Chapter 2256.016 of the Public Funds Investment Act and are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.

Comment [r2]: No changes based on last year's council meeting discussion. I consulted with a representative from Public Trust Advisors who recommended no changes. The rep advised that governmental money market funds will not be required to float, therefore, the city may still invest in governmental money market funds, but not prime money market funds.

- B. **Collateralization** – Collateralization will be required on all funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be one hundred two percent (102%) of market value of principal and accrued interest on the deposits, less an amount insured by the FDIC.

Securities pledged as collateral will be held in the City's name by an independent third party with whom the City has a current custodial agreement. The Finance Director is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relation to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. Collateral shall be reviewed at least quarterly to assure that the market value of the pledged securities is adequate.

- C. **Existing Investments** – Any investment currently held that does not meet the guidelines of this policy, but were authorized investments at the time

of purchase, is not required to be liquidated; however, the City shall take all prudent measures consistent with this Investment Policy to liquidate an investment that does not or no longer qualifies as an authorized investment.

VIII. Investment Parameters

- A. **Diversification** – The investments shall be diversified by security type and institution. With the exception of U.S. Treasury securities, [Government-sponsored enterprises \(GSE's\)](#) and authorized pools, the City will diversify the entire portfolio to comply with the investment strategy; however, in no case shall any single investment transaction be more than five-percent (5%) of the entire portfolio [at the time of purchase of the security](#).
- B. **Maximum Maturities** – To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three (3) years from the date of purchase. The composite portfolio will have a weighted average maturity of 365 days or less. This dollar weighted average maturity will be calculated using the stated final maturity dates of each security.

IX. Investment Strategies

The City maintains separate portfolios for individual funds or groups of funds that are managed according to the terms of this Policy and the corresponding investment strategies listed in Exhibit E. The investment strategy for portfolios established after the annual Investment Policy review and adoption will be managed in accordance with the terms of this Policy and applicable agreements until the next annual review when a specific strategy will be adopted.

The City maintains a pooled fund group that is an aggregation of the majority of City funds including tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, and grants. This portfolio is maintained to meet anticipated daily cash needs for City operations, capital projects and debt service. In order to ensure the ability of the City to meet obligations and to minimize potential liquidation losses, the dollar-weighted average stated maturity of the investment portfolio shall not exceed one (1) year. The objectives of this portfolio are to ensure safety of principal; ensure adequate investment liquidity; limit market and credit risk through diversification; and attain the best feasible yield in accordance with the objectives and restrictions set for in this Policy.

X. Reporting

- A. **Methods** – In compliance with the City charter, (The investment officer shall prepare an investment report at least ~~quarterly~~monthly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last ~~quarter~~month. This management summary will be prepared in a manner consistent with the requirements of Section 2256.023 (Internal Management Reports) of the PFIA, and that will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the City Council.

Comment [r3]: Updated to comply with City Charter requirements. Monthly investment reports are prepared and available on the city's website, on the transparency page.

An independent auditor shall formally review the ~~quarterly~~reports prepared under this section at least annually, and that auditor shall report ~~the results of the review~~instances of non-compliance to City Council in the annual audit management letter.

Comment [r4]: The current practice is, the auditor reviews the monthly reports and reports any exceptions in the annual audit management letter.

- B. **Performance Standards** – The investment portfolio shall be managed in accordance with the objectives specified in this policy (safety, liquidity, and yield). The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The investment officer shall determine whether market yields are being achieved by comparing the portfolio market yield to the three (3) month U.S. Treasury Bill, the six (6) month U.S. Treasury Bill and the two (2) year U.S. Treasury Note.
- C. **Marking to Market** – The market value of the portfolio shall be calculated at least monthly and a statement of the market value of the portfolio shall be issued at least ~~quarterly~~monthly. The market value of each investment shall be obtained from a source such as the Wall Street Journal, a reputable brokerage firm or security pricing service and reported on the investment reports.

EXHIBIT A

**City of West University Place
Authorized Investment Officials**

Rhonda Daugherty, CPA, Finance Director

Renea Dobbs, Treasurer

EXHIBIT B

**City of West University Place
Statement of Ethics and Conflicts of Interest**

Investment officials for the City of West University Place shall refrain from personal business relationships with business organizations that could conflict with the proper execution of the investment program, or which could impair their ability to make partial investment decisions. This would only apply to personal business relationships with business organizations that have been approved by City Council to conduct investment transactions with the City of West University Place.

An investment official is considered to have a personal business relationship with a business organization if:

- (1) The investment official owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business.
- (2) Funds received by the investment official from the business organization exceed 10 percent of the investment official's gross income for the previous year.
- (3) The investment official has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment official.

I do hereby certify that I do not have a personal business relationship with any business organization approved to conduct investment transactions with the City of West University Place, nor am I related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the City of West University Place as of the date of this statement.

City of West University Place
Investment Officials

Rhonda Daugherty, CPA, Finance Director

Date

Renea Dobbs, Treasurer

Date

EXHIBIT C

**City of West University Place
Approved Broker/Dealers, Financial Institutions and Investment Pools**

Broker/Dealers

Coastal Securities
First Southwest Company

Public Depositories

JP Morgan Chase, NA (Primary)

Investment Pools

TexPool

EXHIBIT D

**City of West University Place
Certification by Business Organization**

(date)

City of West University Place, Texas
(Attn: Designated Investment official)
3800 University Blvd.
West University Place, TX 77005

Dear Mr/s. *(investment official)*:

This certification is executed on behalf of the City of West University Place, Texas (the Investor) and _____ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and Business Organization.

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

Registered Principal

Broker Assigned to the Account

Signed By: _____

Printed Name _____

Title _____

Date _____

EXHIBIT E

INVESTMENT STRATEGY

The City of West University's investment portfolio will be designed and managed to ensure that it will meet all the requirements established by the City of West University's investment policy and the Public Funds Investment Act. The overall investment strategy outlined in the investment policy has been further refined in this investment strategy statement by the following fund types.

Operating Funds:

Operating Funds generally have greater cash flow needs than other funds types. The operating fund portfolio may consist of any approved investment type with the understanding that the financial requirements of the operating funds will dictate the maturity dates of the investment. At utmost importance is the preservation and safety of the investment principal.

Additionally each investment will be viewed for its liquidity and marketability of the investment if the need arises to liquidate the investment before maturity. The final determining factors for the investment strategy will be the diversification of the investment portfolio and the yield of the investment.

To achieve short-term needs of one (1) to one hundred and eighty (180) days, funds will be invested in approved investment pools. For longer-term needs of six (6) months to five (5) years, funds will be invested in approved investments with objectives prioritized as follows:

- 1) understanding the suitability of the investment to the financial requirements of the City of West University Place;
- 2) preservation and safety of principal;
- 3) liquidity;
- 4) marketability of the investment if the need arises to liquidate the investment before maturity;
- 5) diversification of the investment portfolio; and
- 6) yield.

INVESTMENT STRATEGY (Continued)

Debt Service Funds:

The debt service requirements are usually semi-annual, thus allowing the investment strategy to mirror debt obligation payment dates. The strategy for debt service funds allows greater flexibility since the actual requirements are known into the future. Investments will still meet the adopted policies; however, planning maturity dates to match debt requirement dates will be the primary objective.

The investment instruments will be primarily in approved investment types with maturities at six or twelve months established to match debt requirement dates. Shorter-term investment may be used to meet these objectives and longer-term investments may be used when fund balance reserves exceed one year's debt service requirements.

To achieve this strategy the following objectives are prioritized to evaluate investment opportunities:

- 1) understanding the suitability of the investment to the financial requirements of the City of West University Place;
- 2) preservation and safety of principal;
- 3) yield;
- 4) marketability of the investment if the need arises to liquidate the investment before maturity;
- 5) diversification of the investment portfolio; and
- 6) liquidity.

INVESTMENT STRATEGY (Continued)

Capital Improvement Funds:

Bond proceeds can be invested over the life of the project; however, the exact disbursement of the funds is not always known. The investment objective of the capital improvement funds is to schedule maturities to maximize investment earnings while preserving principle. The key to an effective strategy is to be aware of the project needs and match maturities to the period funds are needed.

The investment objective for capital projects funds is still to match investment maturities with funding needs. As short-term needs are recognized investment maturities will be moved into approved investment pools to meet financial requirements. Longer-term needs will be invested with the following objectives as prioritized for capital improvement funds:

- 1) understanding the suitability of the investment to the financial requirements of the City of West University Place;
- 2) preservation and safety of principal;
- 3) diversification of the investment portfolio;
- 4) yield;
- 5) liquidity; and
- 6) marketability of the investment if the need arises to liquidate the investment before maturity.

INVESTMENT STRATEGY (Continued)

Reserve Funds:

Certain reserve funds have been established as required by bond covenants. The investment objective is to invest reserve funds to the extent that maturities are established to the limit of the investment policy or to the end of the bond requirements whichever is shorter.

The overall investment strategy for reserve funds will not rely on investment pools; however, the use of pools is not prohibited. Longer-term investment objectives are prioritized as follows:

- 1) understanding the suitability of the investment to the financial requirements of the City of West University Place;
- 2) diversification of the investment portfolio;
- 3) preservation and safety of principal;
- 4) yield;
- 5) liquidity; and
- 6) marketability of the investment if the need arises to liquidate the investment before maturity.

AGENDA MEMO
BUSINESS OF THE CITY COUNCIL
CITY OF WEST UNIVERSITY PLACE, TEXAS

AGENDA OF:	June 27, 2016	AGENDA ITEM:	7
DATE SUBMITTED:	June 21, 2016	DEPARTMENT:	Fire Department
PREPARED BY:	Aaron Taylor, Fire Chief / EMC	PRESENTER:	Aaron Taylor, Fire Chief / EMC
SUBJECT:	Gulf Coast State Planning Mutual Aid Agreement		
ATTACHMENTS:	Gulf Coast State Planning Mutual Aid Agreement		
EXPENDITURE REQUIRED:	N/A		
AMOUNT BUDGETED:	N/A		
ACCOUNT NO.:	N/A		
ADDITIONAL APPROPRIATION REQUIRED:	N/A		
ACCOUNT NO.:	N/A		

EXECUTIVE SUMMARY

In 2003, the counties in the HGAC region signed off on a Regional Mutual Aid Agreement that allowed resources to be shared between the counties during a disaster. Since that time, there have been several disasters including Hurricanes Katrina, Rita and Ike. Lessons learned from those disasters indicated that changes needed to be made in the Region's Mutual Aid Agreement to ensure that FEMA would honor requests for reimbursement.

The HGAC Regional Homeland Security Coordinating Committee took on the task of revising the regional mutual aid agreement to accomplish these goals. The new mutual aid agreement better addresses reimbursement issues raised by FEMA. It also provides financial protection to both the requesting and the responding jurisdictions during a major disaster. This agreement recognizes the vulnerability of the people and communities located in the region to damage, injury, and loss of life and property resulting from emergencies which may present equipment and manpower requirements beyond the capacity of each individual community. The Mutual Aid Agreement will allow for better coordination of effort, provide that adequate equipment is available, and help ensure that Mutual Aid is accomplished in the minimum time possible. Mutual Aid will be consistent with the mutual aid plans developed and approved by the respective jurisdictions.

RECOMMENDATION

Staff recommends authorizing the Mutual Aid Agreement with the Gulf Coast State Planning Region and HGAC which will secure the benefits of Mutual Aid and protection of life and property in the event of a disaster.

**GULF COAST STATE PLANNING REGION
MUTUAL AID AGREEMENT**

State of Texas §
County of _____ §

This Mutual Aid Agreement (the "Agreement") is entered into by, between, and among local government entities wholly or partially within the Gulf Coast State Planning Region (the "Region"), as defined in the By-Laws of the Houston-Galveston Area Council, that by their signatures on duplicate original copies of this Agreement have consented to the terms of this Agreement (individually, a "Party", and collectively, the "Parties").

WHEREAS, the Parties recognize the vulnerability of the people and communities located in the Region to damage, injury, and loss of life and property resulting from Emergencies and recognize that Emergencies may present equipment and manpower requirements beyond the capacity of each individual Party; and,

WHEREAS, the Parties to this Agreement recognize that in the past Mutual Aid has been provided between or among the Parties in the form of personnel, equipment, and other resources during Emergencies and to help with recovery; and,

WHEREAS, the governing officials of the Parties desire to secure for each Party the benefits of Mutual Aid and protection of life and property in the event of an Emergency; and,

WHEREAS, the Parties wish to make suitable arrangements for furnishing Mutual Aid in coping with Emergencies and are so authorized and make this Agreement pursuant to Chapter 791 of the Texas Government Code (Interlocal Cooperation Act), Chapter 418 of the Texas Government Code (Texas Disaster Act of 1975), Chapter 421 of the Texas Government Code (Homeland Security), and Chapter 362 of the Local Government Code; and,

WHEREAS, the Parties recognize that a formal agreement for Mutual Aid would allow for better coordination of effort, provide that adequate equipment is available, and help ensure that Mutual Aid is accomplished in the minimum time possible and desire to enter into this Agreement to provide Mutual Aid consistent with the mutual aid plans developed by the respective jurisdictions and approved by the governing bodies of the jurisdictions.

NOW, THEREFORE, the Parties agree as follows:

Terms

1. RECITALS

The recitals set forth above are true and correct.

2. DEFINITIONS

For purposes of this Agreement, the terms listed below shall have the following meanings:

- a. Agreement – this Gulf Coast State Planning Region Mutual Aid Agreement.
- b. Emergency – Any incident, whether natural or human-caused, that requires responsive action to protect life and property.
- c. Mutual Aid – a homeland security activity, such as an activity related to the prevention or discovery of, response to, or recovery from a terrorist attack, natural or man-made disaster, hostile military or paramilitary action, or extraordinary law enforcement emergency and also includes personnel, equipment, and other resources.
- d. NIMS – the National Incident Management System.
- e. The Plan – The Regional Catastrophic Coordinating Plan (RCCP), adopted by the Board of Directors of the Houston-Galveston Area Council on December 21, 2010, as amended. The RCCP outlines the coordinating of emergency management resources during emergencies involving multiple jurisdictions.
- f. Point of Contact – the individual or individuals authorized by the governing body of each Party to request or respond to a request for Mutual Aid on behalf of the Party. A Party’s Emergency Management Director or Chief Executive Officer is always a Point of Contact, in addition to those designated as the Point of Contact.
- g. Regional Homeland Security Coordinating Council. The advisory committee created by the Board of Directors of the H-GAC to assist and advise elected officials in their decision-making responsibilities on matters related to regional homeland security (hereinafter, “RHSCC”)
- h. Requesting Party – the Party requesting Mutual Aid under this Agreement.
- i. Responding Party – the Party providing Mutual Aid assistance under this Agreement.

3. ADMINISTRATIVE AGENCY

The Parties hereby designate the Houston-Galveston Area Council, (hereinafter, “H-GAC”) to be the Administrative Agency under this Agreement. H-GAC shall be responsible for maintaining and distributing current Point of Contact information to all Parties. H-GAC is also responsible for maintaining duplicate or

certified copies of the original signature pages of the Parties to this Agreement. H-GAC is not a signatory to the Agreement, and is not bound by any provision contained herein that is not directly related to the duties of the Administrative Agency.

4. POINT OF CONTACT DESIGNATION

Each party shall provide the Administrative Agency with written protocol by which its' designated Point of Contact may be contacted twenty-four hours a day, seven days a week. This protocol shall designate, by name or position, the person or persons authorized to request or respond to a request for Mutual Aid on behalf of a Party under this Agreement. Each Party must notify the Administrative Agency in writing of any change in its Point of Contact protocol as soon as practicable.

5. ACTIVATION OF AGREEMENT

This Agreement is activated when a request is made for mutual aid assistance. The request shall be documented by the Requesting Party and forwarded to each Party from whom assistance is sought.

6. INITIATION OF REQUEST

A request under this Agreement may be made by a Point of Contact after one of the following occurs:

- a. After a declaration of a local state of Disaster pursuant to Chapter 418 of the Texas Government Code, as amended; or,
- b. After a finding of an Emergency as defined in this Agreement.

7. PROCEDURES FOR REQUESTS

Subject to the conditions in this Section, a Point of Contact may request Mutual Aid assistance by: (1) submitting a written request for assistance to a Point of Contact of a Responding Party, or (2) orally communicating a request for Mutual Aid assistance to a Point of Contact of a Responding Party, which shall be followed up by written documentation.

- a. The written request shall state that the request is made pursuant to this Agreement.
- b. Mutual aid shall not be requested by a Party unless it is directly related to the Emergency and resources available from the normal responding agencies to the stricken area are deemed to be inadequate, or are predicted to be expended prior to the resolution of the Emergency.
- c. All requests for Mutual Aid shall be transmitted by a Point of Contact of the Requesting Party to a Point of Contact of the Responding Party or in accordance with the terms of the Plan.
- d. Each request for assistance shall be accompanied by the following information, to the extent known:

- i. A general description of the Emergency and the damage or injury sustained or threatened;
- ii. Identification of the general emergency service function or functions for which assistance is needed (e.g. fire, law enforcement, emergency medical, search and rescue, transportation, communications, public works and engineering, building, inspection, planning and information assistance, mass care, resource support, health and other medical services, etc.) and the particular type of assistance needed;
- iii. The amount and type of personnel, equipment, and other resources needed and a reasonable estimate of the length of time that each will be needed;
- iv. The location(s) to which the resources are to be dispatched and the specific time by which the resources are needed; and,
- v. The name and contact information of a representative of the Requesting Party, if available, to meet the personnel and equipment of any Responding Party at each location to which resources are dispatched.

8. THE PROVISION OF MUTUAL AID

Subject to the conditions of this Section, upon request of the Requesting Party, each Party hereto shall furnish Mutual Aid in coping with an Emergency.

- a. Assessment of Availability of Resources and Ability to Render Assistance.
When contacted by a Requesting Party, a Point of Contact of the Party from which aid is requested agrees to assess local resources to determine availability of personnel, equipment and other assistance to respond to the request. A Responding Party is not required to provide Mutual Aid assistance unless the Responding Party determines that the Responding Party has sufficient resources to provide assistance, based on current or anticipated events in its jurisdiction.
- b. Information Required of the Responding Party.
A Point of Contact who determines that the Responding Party has available personnel, equipment, and other resources, shall so notify the Requesting Party and provide the following information, to the extent known:
 - i. A complete description of the personnel and their expertise and capabilities, equipment, and other resources to be furnished to the Requesting Party;
 - ii. The estimated length of time that the personnel, equipment, and other resources will be available;

- iii. The name of the person or persons to be designated as supervisory personnel; and,
- iv. The estimated time of arrival for provided assistance to arrive at the designated location(s).

c. Supervision and Control.

When providing assistance under the terms of this Agreement, the response effort must be organized and function in accordance with NIMS guidelines. The personnel, equipment, and resources of a Responding Party being used in the response effort will be under the operational control of the Requesting Party. Direct supervision and control of personnel, equipment and resources, as well as personnel accountability, shall remain the responsibility of the designated supervisory personnel of the Responding Party. Emergency Medical Services organizations providing assistance under this Agreement will utilize medical protocols authorized by their medical director. The designated supervisory personnel of the Responding Party shall: maintain daily personnel time records, material records and a log of equipment hours; be responsible for the operation and maintenance of the equipment and other resources furnished by the Responding Party; and, report work progress to the Requesting Party.

d. The Plan.

Each Party hereto certifies that it will provide Mutual Aid assistance under this Agreement in accordance with the Plan.

e. Food, Housing, and Self-Sufficiency.

The Requesting Party shall have the responsibility of providing food and housing for the personnel of the Responding Party from the time of their arrival at the designated location(s) to the time of their departure. However, Responding Party personnel and equipment should be, to the greatest extent possible, self-sufficient while working in the Emergency area. The Requesting Party may limit its request for assistance to only self-sufficient personnel and resources in its request for assistance.

f. Rights and Privileges.

Personnel who are assigned, designated or ordered by their Party's governing body to perform duties pursuant to this Agreement shall continue to receive the same wages, salary, pension and other compensation including injury or death benefits, disability payments, and workers' compensation benefits, for the performance of those duties as though the services had been rendered for the Party employing the personnel. The Responding Party employing the person is responsible for the payment of wages, salary, pension, and other compensation and benefits associated with the performance of duties under this Agreement.

g. License Portability.

If the assistance of a person who holds a license, certificate, permit, or

other document evidencing qualification in a professional, mechanical, or other skill is requested by a Party under this Agreement, the person is considered licensed, certified, permitted, or otherwise documented in the Requesting Party's jurisdiction in which the service is provided as long as the service is required, subject to any limitations imposed by the chief executive officer or governing body of the Requesting Party.

h. The Duration of Aid.

The provision of Mutual Aid under this Agreement may continue until the services of the Responding Party are no longer required, or the Responding Party determines that further Mutual Aid should not be provided. Resources of the Responding Party shall remain subject to recall by the Responding Party at any time, subject to reasonable notice to the Requesting Party.

9. COSTS

All costs associated with the provision of Mutual Aid exceeding twelve consecutive hours shall be paid by the Responding Party and reimbursed by the Requesting Party at actual cost, to the extent permitted by law. Such costs include but are not limited to: compensation for personnel; operation and maintenance of equipment; damage to equipment; and food, lodging and transportation expenses.

- a. Requests for reimbursement must be submitted as soon as practicable but no later than sixty days after the return of all personnel deployed under this Agreement. Failure to submit a request for reimbursement within the specified time frame will result in the Responding Party not being reimbursed for the Mutual Aid provided unless the Requesting Party extends the deadline for filing requests for reimbursement or the Federal or State Government extends the deadline for filing request for reimbursement. Such requests shall specifically identify all personnel, equipment, and resources provided; dates of issuance or duration of deployment, and the unit cost and total costs associated with each.
- b. The Responding Party shall be responsible for creating and maintaining a record of all costs incurred, both reimbursed and unreimbursed costs, in providing Mutual Aid under this Agreement. The record shall be kept for a period of three years from the date the incident is closed.
- c. In the event federal funds are available for costs associated with the provision of Mutual Aid, the Parties agree that the Requesting Party shall make the claim for the eligible costs of the Responding Party on its subgrant application and will disburse the federal share of funds to the Responding Party.
- d. Reimbursement under this Section will be made by the Requesting Party no later than: (1) one-hundred eighty days after receipt of the request for

reimbursement; or (2) ninety days after the Requesting Party receives reimbursement from the federal or state government, whichever is sooner.

- e. The provision of Mutual Aid will be considered a non-reimbursable if the Responding Party does not request reimbursement within the time specified in this Section.

10. INSURANCE

- a. Workers' Compensation Coverage. Each Party shall be responsible for complying with the Texas Workers' Compensation Act.
- b. Automobile Liability Coverage. Each Party shall be responsible for complying with the Texas motor vehicle financial responsibility laws.
- c. General Liability, Public Officials Liability and Law Enforcement Liability. Each Party agrees to obtain or continue its general liability, public official's liability and law enforcement liability insurance, if applicable, or maintain a comparable self-insurance program.
- d. Other Coverage: The Responding Party shall provide and maintain its standard packages of medical and death benefit insurance coverage while its personnel are assisting the Requesting Party.

11. WAIVER OF CLAIMS AGAINST PARTIES

Each Party hereto waives claims for compensation for any loss, damage, personal injury, or death occurring as a consequence of the performance of this Agreement, except those caused in whole or part by the gross negligence of an officer or employee of another Party.

12. EXPENDING FUNDS

- a. Each Responding Party which performs services or furnishes aid pursuant to this Agreement shall do so with appropriated funds from current revenues available to the Responding Party, to the extent permitted by law. No Party shall have any liability for the failure to expend funds to provide aid hereunder.
- b. Each Requesting Party which reimburses costs of a Responding Party shall do so with appropriated funds from current revenues available to the Requesting Party, to the extent permitted by law.

13. EMERGENCY ASSISTANCE AND LAW ENFORCEMENT ASSISTANCE

Notwithstanding any other provisions herein, any Party hereto may provide emergency assistance or law enforcement assistance to another Party as provided in Section 791.027 of the Texas Government Code or Section 362.002 of the Texas Local Government Code.

14. TERM

This Agreement shall become effective as to each Party when approved and executed by that Party and shall be binding on each and every Party through December 31 of the year signed. This Agreement shall automatically renew for a period of one year upon the completion of the initial term and each subsequent term unless and until such time as the governing body of a Party terminates its participation in this Agreement pursuant to Section 25 of this Agreement. Termination of participation in this Agreement by a Party(ies) shall not affect the continued operation of this Agreement between and among the remaining Parties and this Agreement shall continue in force and remain binding on the remaining Parties.

15. LIABILITY IN FIRE PROTECTION CONTRACT OR PROVISION OF LAW ENFORCEMENT SERVICES.

To the extent that this Agreement is considered an Agreement under Section 791.006 of the Texas Government Code, the Responding Party under this Agreement is not responsible for any civil liability that arises from the furnishing of services described in Section 791.006.

16. LIABILITY UNDER INTERLOCAL CONTRACT

A Party that furnishes a service related to a homeland security activity, as defined in Chapter 421 of the Texas Government Code, under this Agreement is immune from civil liability for any act or omission resulting in death, damage, or injury while acting under this Agreement if the act or omission was in good faith and in the course and scope of its functions to provide a service related to a homeland security activity. To the extent that any service is not considered to be a homeland security activity, as defined in Chapter 421 of the Texas Government Code, the Requesting Party assumes all risk of and responsibility for any claims against the Responding Party that arise out of the Responding Party's furnishing of Mutual Aid under this Agreement, so long as, the act or omission was in good faith and in the course and scope of its functions to provide Mutual Aid under this Agreement.

17. ENTIRETY

This Agreement contains all commitments and agreements of the Parties regarding Mutual Aid to be rendered during or in connection with an Emergency. All previously entered into Regional Mutual Aid Agreements are superseded by this Agreement. No other oral or written commitments of the parties shall have any force or effect if not contained herein. Notwithstanding the preceding sentence, it is understood and agreed that certain signatory Parties may have heretofore contracted or hereafter contract with each other for Mutual Aid in Emergencies or the provision of other government services and functions, and it is agreed that this Agreement shall be subordinate to any such individual agreement.

18. OTHER MUTUAL AID AGREEMENTS

To assist each other in the process of Mutual Aid response planning, each Party shall inform the Administrative Agency of all mutual aid agreements,

memorandums of agreement or understanding, or contracts that each Party has with other municipalities, entities, counties, and state or federal agencies and furnish copies of said mutual aid agreements, memorandums of agreement or understanding, or contracts to the Administrative Agency, preferably in electronic format, if and when feasible and/or permissible.

19. RATIFICATION

Each Party hereby ratifies the rendering and/or receiving of Mutual Aid taken prior to the date of this Agreement.

20. INTERLOCAL COOPERATION ACT

The Parties agree that Mutual Aid in the context contemplated herein is a “governmental function and service” and that the Parties are “local governments” as those terms are defined in the Interlocal Cooperation Act.

21. CONFIDENTIALITY

The Parties recognize that the provision of Mutual Aid under this Agreement may result in the transfer of confidential medical information between them. The Parties shall guard the confidentiality of such information as required by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Texas Medical Practice Act, and other state privacy laws pertaining to the confidentiality of medical records.

22. SEVERABILITY

If a provision contained in this Agreement is held invalid for any reason, the invalidity does not affect other provisions of this Agreement that can be given effect without the invalid provision, and to this end the provisions of this Agreement are severable.

23. VALIDITY AND ENFORCEABILITY

If any current or future legal limitations affect the validity or enforceability of a provision of this Agreement, then the legal limitations are made a part of this Agreement and shall operate to amend this Agreement to the minimum extent necessary to bring this Agreement into conformity with the requirements of the limitations, and so modified, this Agreement shall continue in full force and effect.

24. AMENDMENT

The Parties agree that this Agreement may be reviewed annually by the RHSCC. The Parties further agree that the Agreement may be amended by the RHSCC, as needed. At least sixty calendar days (60 days) before any RHSCC meeting at which an amendment or amendments to this Agreement will be considered and voted upon, the Administrative Agency shall send out notice to each Party to this Agreement informing them of the proposed amendment(s). This notice shall include the language of the amendment(s), and a list of current RHSCC members and officers and the jurisdictions they represent. Each Party may direct any comments or concerns about said amendment(s) to their respective RHSCC

representative(s) prior to said meeting. Upon approval of said amendment(s) by the RHSCC, the amendment(s) become(s) part of the Agreement and the Administrative Agency shall forward an amended copy of the Agreement to the Point(s) of Contact of the Parties to the Agreement.

25. TERMINATION

The governing body of a Party which is a signatory hereto, shall, by order, ordinance, or resolution, give notice of termination of participation in this Agreement and submit a certified copy of such order, ordinance, or resolution to the Administrative Agency. Such termination shall become effective not earlier than 30 days after the filing of such notice. The termination by one or more of the Parties of its participation in this Agreement shall not affect the operation of this Agreement as between the other Parties hereto. Upon receipt of said notice to terminate participation in the Agreement, the Administrative Agency shall notify the remaining Parties to the Agreement in writing within ten days.

26. THIRD PARTIES

This Agreement is intended to inure only to the benefit of the Parties hereto. This Agreement is not intended to create, nor shall be deemed or construed to create, any rights in third parties.

27. NOTICES

Any notice required or permitted between the Parties must be in writing, addressed to the attention of each respective Point of Contact, and shall be delivered in person, or mailed certified mail, return receipt requested, or may be transmitted by facsimile transmission.

28. WARRANTY

The Agreement has been officially authorized by the governing or controlling body of each Party hereto by order, ordinance or resolution and each signatory to this Agreement guarantees and warrants and guarantees that the signatory has full authority to execute this Agreement and to legally bind the respective Party to this Agreement.

29. IMMUNITY RETAINED

The Parties to this Agreement do not waive or relinquish any immunity or defense on behalf of itself, officers, employers, agents, and volunteers as a result of its execution of this Agreement and the performance of the covenants contained herein.

30. GOVERNING LAW AND VENUE

The laws of the State of Texas shall govern this Agreement. In the event of an Emergency physically occurring within the geographical limits of only one county that is a Party hereto, venue shall lie in the county in which the Emergency occurred. In the event of an Emergency physically occurring in more than one

county that is a Party hereto, venue shall be determined in accordance with the Texas Rules of Civil Procedure.

31. PARTY ELIGIBILITY

Any local government as that term is defined in Chapter 791 of the Texas Government Code may be a Party to this Agreement, provided that no Party is an agency, department or entity of the same town, county or State government.

32. FORMS

The Administrative Agency may prepare and provide forms designated for the purposes of this Agreement to be used by the Parties.

33. HEADINGS

The headings at the beginning of the various provisions of this Agreement have been included only to more quickly locate the subject covered by each provision and are not to be used in construing this Agreement.

EXECUTED by the Parties hereto, each respective entity acting by and through its duly authorized official as required by law, on multiple counterparts each of which shall be deemed to be an original, on the date specified on the multiple counterpart executed by such entity.

Name of Entity

Signature

Title

Printed Name

Date

FUTURE AGENDA ITEMS

Shaded items are on immediate agenda

Date	Item	Synopsis & Recommendation
06/27/16	Mutual Aid Agreement	Matters related to authorizing a Mutual Aid Agreement between the government entities within the Gulf Coast State Planning Region and the City of West University Place. <i>Recommended Action: Authorize a Mutual Aid Agreement between the government entities within the Gulf Coast State Planning Region and the City of West University Place. Mr. Aaron Taylor, Fire Chief</i>
06/27/16	Municipal Facilities Building Assessment	Matters related to the Municipal Facilities Building Assessment. <i>Recommended Action: Discuss and take any desired action. Mr. Dave Beach, Public Works Director</i>
06/27/16	Automated Meter Reading	Matters related to the close-out for the Automated Meter Reading Project. <i>Recommended Action: Approve close-out of the project. Mr. Dave Beach, Public Works Director</i>
06/27/16	2015 Budget Amendment	Matters related to an ordinance amending the 2015 Budget. <i>Recommended Action: Approve ordinance amending the 2015 Budget. Ms. Rhonda Daugherty, Finance Director</i>
06/27/16	Annual Financial Report (CAFR)	Matters related to acceptance of the Annual Financial Report. <i>Recommended Action: Accept the Annual Financial Report. Ms. Rhonda Daugherty, Finance Director</i>
06/27/16	Investment Policy	Matters related to a resolution adopting the West University Place Investment Policy. <i>Recommended Action: Review and approve the resolution adopting the West University Place Investment Policy. Ms. Rhonda Daugherty, Finance Director</i>
07/11/16	Jennie Elizabeth Hughes Park	Matters related to the park design and development timeline and the appointment of a Task Force for the Jennie Elizabeth Hughes Park. <i>Recommended Action: Provide staff with any specific direction and appoint members to the Task Force for the Jennie Elizabeth Hughes Park. Mr. Tim O'Connor, Parks and Recreation Director</i>
07/11/16	Hughes Park Donation (Update)	Matters related to an update from staff regarding the Hughes Park donation. <i>Recommended Action: Hear update from the Parks and Recreation Director. Mr. Tim O'Connor, Parks and Recreation Director</i>
08/08/16	Sidewalks	Matters related to City sidewalks associated with parking. <i>Recommended Action: Discuss and take any desired action. Mayor Susan Sample</i>
08/08 or 08/22	Receipt of Tax Roll	Matters related to receiving the Tax Roll. <i>Recommended Action: Accept Tax Roll. Ms. Rhonda Daugherty, Finance Director</i>
10/24/16	Chevron Houston Marathon	Matters related to the 2017 Chevron Houston Marathon. <i>Ms. Susan White, Assistant Parks and Recreation Director</i>

Date	Item	Synopsis & Recommendation
10/24/16	Video Distribution of Council and Board Meetings	Matters related to posting videos of Council and Board meetings on the City's website. Mr. Gary McFarland, IT Director
11/14 or 11/28	Jennie Elizabeth Hughes Park (Approval of Final design)	Matters related to approval of the final design and authorization to proceed with construction of the Jennie Elizabeth Hughes Park. <i>Recommended Action: Approve the final design and authorize proceeding with construction of the Jennie Elizabeth Hughes Park.</i> Mr. Tim O'Connor, Parks and Recreation Director
11/14/16	Friends 2017 Projects	Matters related to funding of the Friends of West University Place Parks 2017 projects. Mr. Tim O'Connor, Parks and Recreation Director
11/14/16	West U Aquatics MOU	Matters related to a 2017 Memorandum of Understanding between the City of West University Place and West University Aquatics. <i>Recommended Action: Approve Memorandum of Understanding.</i> Mr. Tim O'Connor, Parks and Recreation Director
11/14/16	West U Baptist Church MOU	Matters related to a 2017 Memorandum of Understanding between the City of West University Place and West University Baptist Church. <i>Recommended Action: Approve Memorandum of Understanding.</i> Mr. Tim O'Connor, Parks and Recreation Director
11/14/16	Tri-Sports MOU	Matters related to a 2017 Memorandum of Understanding between the City of West University Place and Tri-Sports. <i>Recommended Action: Approve Memorandum of Understanding.</i> Mr. Tim O'Connor, Parks and Recreation Director
TBD	HCFFA Mutual Aid Agreement (Consent Agenda)	Matters related to adoption of a resolution authorizing the execution of the Harris County Firefighter's Association (HCFFA) Mutual Aid Agreement between the government entities within Harris County and the City of West University Place. <i>Recommended Action: Approve resolution adopting a HCFFA Mutual Aid Agreement between the government entities within Harris County and the City of West University Place.</i> Mr. Aaron Taylor, Fire Chief
TBD	Certified Appraisal Roll	Matters related to a resolution acknowledging receipt of the appraisal roll, the assessor-collector's certificate and notice of a public hearing. <i>Recommended Action: Approve resolution acknowledging receipt of appraisal roll, assessor-collector's certificate and notice of a public hearing.</i> Ms. Rhonda Daugherty, Finance Director
TBD	Record Vote on Tax Rate and Set Public Hearings	Matters related to a resolution recording vote on tax rate and scheduling public hearings. <i>Recommended Action: Approve resolution recording vote on tax rate and schedule public hearings.</i> Ms. Rhonda Daugherty, Finance Director
TBD	Schedule Public Hearings for 2017 Budget	Matters related to scheduling public hearings to hear comments on the 2017 City Budget. <i>Recommended Action: Schedule public hearings for _____ and _____, to hear comments on the City's 2017 Budget.</i> Ms. Rhonda Daugherty, Finance Director
TBD	Budget Workshop with Council (Saturday)	Matters related to city finances, 2016 tax rate and the 2017 Budget including revenues and expenditures for current and future years for all funds. Mr. M. Chris Peifer, City Manager

Date	Item	Synopsis & Recommendation
TBD	First Public Hearing on Tax Rate (If Necessary)	Matters related to the first of two public hearings to hear comments on the proposed tax rate. <i>Recommended Action: Hold first public hearing on the proposed tax rate. Ms. Rhonda Daugherty, Finance Director</i>
TBD	Second Public Hearing on Tax Rate (If Necessary)	Matters related to a second public hearing to hear comments on the proposed tax rate. <i>Recommended Action: Hold second and final public hearing on the proposed tax rate. Ms. Rhonda Daugherty, Finance Director</i>
TBD	Public Hearing on 2017 Budget	Matters related to a public hearing to hear comments on the 2017 City Budget. <i>Recommended Action: Hold public hearing on the City's 2017 Budget. Ms. Rhonda Daugherty, Finance Director</i>
TBD	Adoption of the 2017 Budget	Matters related to an ordinance adopting the budget for the fiscal year beginning January 1, 2017 and ending December 31, 2017 appropriating funds for such budget; containing findings and provisions relating to the subject; and declaring an emergency. Public Hearing has been closed. <i>Recommended Action: Adopt ordinance adopting the 2017 Budget on first and final reading. Ms. Rhonda Daugherty, Finance Director</i>
TBD	Adoption of the 2016 Tax Rate	Matters related to an ordinance approving and adopting the 2016 Tax Rate, and declaring an emergency. <i>Recommended Action: Adopt ordinance reducing the 2016 tax rate to _____ on first and final reading. Ms. Rhonda Daugherty, Finance Director</i>
TBD	Fee Schedule	Matters related to an ordinance adopting the 2017 Fee Schedule. <i>Recommended Action: Approve an ordinance on the first of two readings. Mr. Chris Peifer, City Manager</i>
TBD	Park Acquisition and Development	Matters related to a report from the Parks Board and staff regarding a presentation relating to current and previous parks surveys. City Council
TBD	Park Acquisition and Development	Matters related to the status of the work with the Evelyn's Park Conservancy and the planning efforts with CenterPoint.
TBD	2017 General Election	Matters related to an ordinance calling the 2017 Election. <i>Recommended Action: Approve ordinance on the first and final reading. Ms. Thelma Lenz, City Secretary</i>
TBD	WU Rec Center Campus Parking Lot	Matters related to the proposed expansion of the parking lot on the ELPH Pipeline Property / West Side of the campus. <i>Recommended Action: Discuss and take any desired action. Mr. Tim O'Connor, Parks and Recreation Director</i>
TBD	Safe Pedestrian Crossing	Matters regarding the investigation and installation of a safe pedestrian crossing at the railroad tracks on the north side of Bellaire Boulevard. <i>Recommended Action: Discuss and take any desired action. Mr. Tim O'Connor, Parks and Recreation Director</i>
TBD	Evelyn's Park Development	Matters related to the development of Evelyn's park in Bellaire, including possibility of shared parking arrangements with the City of Bellaire for Evelyn's park. <i>Discuss and take any desired action. Mr. Tim O'Connor, Parks and Recreation Director</i>

Date	Item	Synopsis & Recommendation
TBD	Texas Ethics Commission Opinion	Matters related to a Texas Ethics Commission opinion relating to the content of articles written in <i>City Currents</i> . <i>Recommended Action: Discuss and take any desired action.</i> Councilmember Brennan Reilly
TBD	Parking Survey	Matters related to a parking survey. <i>Recommended Action: Discuss and take and desired action.</i> Mr. Dave Beach, Public Works Director
TBD	Town Center Zoning	Matters related to Town Center Zoning. <i>Recommended Action: Discuss and take any desired.</i> City Council
TBD	Poor Farm Ditch	Matters related to Poor Farm Ditch. <i>Recommended Action: Discuss and take any desired action.</i> Mayor Susan Sample
TBD	Buffalo Speedway	Matters related to Buffalo Speedway Replacement Project. Mr. Chris Peifer, City Manager

6/23/2016 2:01:25 PM



The City of West University Place

A Neighborhood City

CITY COUNCIL

Susan Sample, Mayor
Bob Kelly, Mayor Pro Tem
Burt Ballanfant, Councilmember
Brennan Reilly, Councilmember
Mardi Turner, Councilmember

STAFF

M. Chris Peifer, City Manager
Alan Petrov, City Attorney
Thelma Gilliam, City Secretary

CITY COUNCIL MEETING MINUTES

The City Council of the City of West University Place, Texas, met in workshop and regular session on **Monday, June 13, 2016**, in the Municipal Building, 3800 University, West University Place, Texas beginning at **6:30 p.m.**

Agenda Items were as follows:

Call to Order. Mayor Sample called the meeting to order at 6:30 p.m. in the Council Chambers. Council and Staff in attendance were: Mayor Pro Tem Kelly, Councilmembers Ballanfant, Reilly and Turner, City Manager Peifer, City Secretary Gilliam, City Attorney Petrov, Public Works Director Beach, Parks and Recreation Director O'Connor and Police Chief Walker

Troop 211 Boy Scout John Kuryla and Troop 55 Boy Scouts Henry and George Caldwell led the Pledge.

City Secretary Gilliam confirmed that the notice of this meeting was duly posted in accordance with the Texas Government Code, Chapter 551.

1. Public Comments

This was an opportunity for citizens to speak to Council relating to agenda and non-agenda items.

Alida Drewes, 6112 Fordham, spoke regarding the library and said improvements to the library should include a wheelchair ramp, automatic doors, a closed space for the children's singing program, removal of all cancer causing asbestos, additional parking in front of the library, and an adult-only reading room with comfortable seating. Ms. Drewes also spoke about increasing the senior exemption. She said don't make seniors suffer any longer due to Council's lack of action or interest in their issues.

John Tainer, 4107 Ruskin, spoke regarding the AT&T property and said in 2013, AT&T repurposed its property into a commercial truck-traffic intensive use and he feels that intense truck traffic does not mix well with children and families. He said this is a community safety issue and it is common sense to want to be able to separate children and families from intensive commercial truck traffic. He said the extreme disregard of community zoning is very disturbing to him and thinks it crosses the line when it involves safety. Mr. Tainer said whatever the motivation is to support AT&T can't be worth the cost of safety for the community and for families and he strongly urges Council to put the item on an agenda for an open hearing and decision.

Katherine Schlacher, 4107 Ruskin, spoke regarding the AT&T property and said she was reluctant to move into West U because she would not be allowed to fence in her front yard so that her children could play safely, but now she is really happy that she did buy in West U because she realizes that the zoning ordinances are not meant to be a burden, but rather meant for the safety of residents. She said there have been a lot of emails going around and even though there are

discrepancies about the legalities, in the end it doesn't matter because it is obviously a huge safety concern for the entire community and she thinks the City should at least talk about it in a public forum. She asked Council to put this topic on a future agenda, because it is not a matter of if something will happen, but a matter of when something will happen.

Robert Grossman, 4103 Ruskin, spoke regarding the AT&T property and said AT&T intends to demo all of the structures on the 6707 commercial lot in order to build a new driveway, which the City claims already exists. He said that driveway hadn't existed in years and was finally closed off completely in 2011. Mr. Grossman said if AT&T doesn't have the rights to the driveway, the only place that the loading space can be is off the southeast driveway on Bellaire. He said that is a commercial street and so AT&T can work on Bellaire all hours of the night. He said he would really like Council to have a Town Hall hearing, chaired by Jim Dougherty, in order to interview AT&T to come up with suggestions for Council and staff as to whether AT&T really does comply with the City's zoning codes and whether or not those zoning codes should change.

Amar Patel, 4020 Ruskin, spoke regarding the AT&T property and said he lives right behind the parking lot in question. He said he recently became involved with this issue and wanted to summarize what has been going on. He said in the 1970's, the City of West U gave AT&T a waiver to allow parking there for employees, but since that time AT&T has increased the intensity of their commercial activity thereby transforming that facility into essentially a truck warehouse distribution center, so in addition to the company vans they also have 18-wheeler rigs that back up to that facility. Mr. Patel said the issue at hand is a public safety issue. He said he has a 5-year-old child and there are many children that go back and forth through that area to get to the Rec Center, Colonial Park, and Whole Foods shopping center. He said AT&T needs to access its property for the large rigs off Bellaire.

David Cole, 4104 Cason, spoke regarding the AT&T property and said he has lived on Cason for 39 years and has lived directly across the street from the AT&T facility for 24 years. He said regardless of what AT&T tells City staff, they do not follow the rules. He said they have been caught repairing vehicles on the residential lots after midnight, they've had deliveries coming at 4 and 5 o'clock in the morning and yet nothing ever happens to them. He said now AT&T has repurposed the 6707 Academy building by changing it from administrative to a heavy vehicle intensive operation. Mr. Cole said the City has ordinances regarding loading and unloading and they still load and unload in the streets blocking traffic. He urged Council to get involved, because what AT&T is doing with this truck barn is impacting everybody and the City needs to stop it.

2. Library Improvements

Matters related to discussing and confirming proposed improvements for identified deficiencies as approved in the 2016 Budget for the library located at 6108 Auden.

Public Works Director Beach presented and said a couple of years ago there was discussion about the library and the future of it, so staff and an architect looked at the facility to determine the current condition and found that there were some life safety issues that need to be addressed, which includes installing a second floor fire escape, replacing the handrails and guardrails, installing a fire alarm, installing a fire sprinkler system, replacing two existing restrooms for ADA compliance, installing panic hardware on the doors, installing exit signs, and reversing the door swing.

Mr. Beach said the initial estimate, which was budgeted for 2016, is \$300,000.

Councilmember Reilly asked how confident is staff that these are the only items requiring improvements and that the \$300,000 estimate won't become \$600,000. Mr. Beach responded that staff is very confident with the budgeted amount.

In response to Mayor Sample's question as to how long it will take, Mr. Beach said it all depends on the contractors, but he would guess the maximum of 2 to 3 months after the planning and bidding process is complete.

Councilmember Reilly said people talk about the need to have a new library, but he has thought about how many times he sees the rooms in the Community Center go unused and how it seems to him that the City could explore sharing that programming space during construction, which could possibly lead to a long-term relationship.

Mr. Beach said that is a possibility and is discussed in the Facilities Master Plan.

Councilmember Ballanfant asked if it is likely that this project could be finished before the 1st of September. Mr. Beach said it is not likely, because staff still has to design the plan and then bid the project. He said some of the major disruptive items, such as the bathrooms, could be completed first so that they can be finished before school starts.

Councilmember Ballanfant asked staff to try very hard to expedite the project. Mr. Beach said staff will do all it can to make it happen as soon as possible, but it will ultimately be in the hands of the general contractor.

Mayor Pro Tem Kelly moved to authorize the City Manager and staff to move forward with the renovations needed to the library in order to bring it up to code as outlined by the Public Works Director and to bring the construction contract back to City Council up to the amount budgeted for the contract. Councilmember Reilly seconded the motion. **MOTION PASSED.**

Ayes: Sample, Ballanfant, Kelly, Reilly, Turner
Noes: None
Absent: None

3. Possible Changes in Council Meeting Dates During Summer Months

Matters related to possible changes in Council meeting dates due to Council summer schedules.

Mayor Pro Tem Kelly said this was put back on the agenda because Councilmember Ballanfant was absent from the last meeting.

After discussion, due to the scheduled absence of two councilmembers on August 22, 2016, Councilmember Reilly moved that Council move the City Council meeting of August 22, 2016 to August 29, 2016, because he thinks it makes more sense to have as many members as possible present at the Council meetings. **MOTION DIED TO LACK OF A SECOND.**

4. Future Agenda Items

Matters related to future agenda items.

Councilmember Reilly said a number of residents spoke tonight about their concerns regarding safety and zoning issues at the AT&T facility, so it would behoove Council to allow those residents the opportunity to address their concerns with Council as well as learn more from staff about what is

going on with the AT&T property and staff can also receive some policy direction outside the purview of the ZBA regarding the facility. He said he had requested that this topic be added to tonight's agenda, but City Attorney Petrov had concerns regarding the legality of doing that and about the City's individual liability. He said instead the City Attorney suggested that Council hold a Town Hall meeting so that AT&T representatives and City staff can come together to inform everyone about what is going on, which he thinks it is an excellent suggestion. He requested a second to have that meeting.

City Attorney Petrov spoke to say that a ZBA meeting is scheduled for June 23, 2016, and will include discussion on some of the AT&T issues mentioned tonight.

City Attorney Petrov said he thinks it is great to get AT&T and the residents in the same room so that the residents and AT&T can get on the same page thereby avoiding fights and months and months of hearings.

Councilmember Reilly said he agrees with City Attorney Petrov and thinks that a lot of listening can be done on everybody's part, so he made a motion to have a Town Hall meeting and, as part of the meeting, hear staff's and the City Attorney's opinions about what sorts of issues Council could potentially address in respect to resident concerns and those beyond Council purview.

City Attorney Petrov said he is happy to address that with Council, but he was not really envisioning Council inserting itself in the AT&T community-type meeting.

Mayor Pro Tem Kelly said he thinks it is good to bring the residents and AT&T together, but if more than two councilmembers attend then Council runs into issues of it being a Council meeting.

Councilmember Reilly said it is not a problem for residents to talk about the issues; the problem is for Council to take action in a way that purports to supersede what the ZBA does. He said Council can provide staff direction regarding enforcement of the zoning ordinances.

Councilmember Reilly said he is sure there are lots of things Council can do to help address residents' concerns, so it makes sense to have a meeting to listen to them.

Mayor Pro Tem Kelly said that is a very broad statement. He said he thinks out of an abundance of caution, City Councils have always kept their hands off of ZBA matters so that it doesn't look like an impropriety. He said when items get to the ZBA and they are addressing that issue, to him it is like going down a slippery slope if Council jumps in and passes some kind of policy decision before the ZBA reaches a decision.

Councilmember Reilly said he agrees that Council should not be involved with things that are in front of the ZBA and neither should they second-guess what the ZBA does, which is not what he is talking about. He said he thinks it is time for Council to listen to the residents, listen to AT&T, find opportunities for them to come together and address their concerns jointly. He said he also thinks it is time for Council to listen to staff about what it can do to address other aspects of what residents are complaining about, like code enforcement and garbage on their streets. He said those are not ZBA issues.

Mayor Pro Tem Kelly said all of those issues can be addressed after everything before the ZBA is finished and wrapped up with a bow.

Councilmember Reilly said his point is that Council should provide some direction as a policy matter to staff about how Council wants its codes and zoning enforced. He said let Council hear from staff about the extent to which the issues can't be resolved by the parties themselves.

Councilmember Ballanfant said Council does that every two weeks. He said the ZBA is an adjudicatory body, established by State law and as part of that State law his understanding is appeals from decisions made by ZBA don't come to Council, but rather goes to the County Court downtown so this Council won't pass on the actions or the decisions determined by the ZBA.

Councilmember Reilly said he doesn't want to interfere with the ZBA or step on their toes.

Councilmember Ballanfant said he just wants to be clear that Council is not trying to give ZBA direction, which he believes would be a violation of State law.

Councilmember Reilly moved to have a Town Hall meeting to hear from the residents and staff about what other things Council can do and to listen to the concerns of the residents and hear from AT&T in response to those concerns.

Councilmember Turner said she is still concerned about the Town Hall concept associated with this if it is not to be run by a third party and the fact there may be more than two members of Council attending.

Mayor Pro Tem Kelly said another side to this is that he doesn't want to give the citizens any false hope that somehow City Council is going to affect the outcome of ZBA, because it won't happen.

Mayor Pro Tem Kelly said he can't think of a time when something was pending before the ZBA that the Council got involved in any way.

Councilmember Reilly said it just happened with the West U Baptist Church issue with the previous Council.

Mayor Sample said that's because the City was a co-applicant.

Councilmember Ballanfant said that was a whole different thing and it's all been worked out.

Councilmember Reilly said Council owes the residents an opportunity to be heard and then discuss with staff issues other than the ZBA about potential things that Council can do to provide some relief to the residents, whether it be parking changing, noise ordinance, code enforcements, etc. He said it just makes a lot of sense to have the meeting.

Mayor Sample said from the letters she received it is not about garbage and parking on the street. She said the letters she received are about a legal issue on whether a fence should be over a driveway and whether there is a loss of PNC status.

Mayor Pro Tem Kelly said whatever relief residents can get from Council, it would have to wait until the ZBA is completely through with it. He said he is in agreement about wanting to help residents, but it's just a matter of when Council can do it.

Councilmember Reilly suggested having this topic on the agenda for the City Council meeting of July 11, 2016, which will be more than 10 days after the ZBA meets.

Councilmember Reilly said he really wants staff to provide history about the property.

Councilmember Ballanfant said this has been going on for 70 years. He said AT&T was constructed at or about the same time West University was incorporated, so AT&T and this City have lived together for a long time and it has worked by and large most of the time.

Councilmember Reilly said one of things that the residents have said and what staff can help Council understand is that use of that facility has changed dramatically in the last 2 or 3 years, so it is a very different facility than it ever has been for the other 67 years it's been in existence. He said it has turned into almost a manufacturing facility rather than a place where engineers work on the lines.

Councilmember Reilly requested again to have this topic on the July 11, 2016 agenda in order to hear from the residents and staff because he thinks Council owes it to the residents.

Mayor Pro Tem Kelly reiterated that he thinks that the timing is wrong and doesn't want to get in the way of the ZBA. He said by the July 11, 2016 meeting, Council will know where things are with the ZBA and then, if necessary, Council can add it to a future agenda regarding what Council can do to help the residents.

There was no second request to add the item to an upcoming agenda.

Councilmember Reilly requested adding the recent parkland property donation to the agenda to receive an update from staff and a little more information about the timing of the process and to get more input from staff and neighbors of the property, so that the process can be constructed in a way that really involves the neighbors. He said a lot of the neighbors are upset by the fact that they were given a 48-hour notice of the meeting when Council accepted the property.

Councilmember Turner said Parks and Recreation Director O'Connor has already put pen to paper to notify the neighbors about the process and of the creation of a Task Force that will include neighbors of the park, members of the Parks Board, Friends Board, and Seniors Board and the architects that will probably be used to develop the park. She said she is not sure what further information the City can provide without slowing down the process of getting the park in place by next spring.

Councilmember Reilly said there are lots of residents who haven't been talked to by Parks and Recreation Director O'Connor, who aren't part of the Master Plan Task Force, and whose voices haven't been heard. He said he is not against the property being a park, but in order for it to be a successful park the City needs the neighbors to be on board.

Councilmember Reilly said if this is added to the next agenda, Council can set some ground rules for what the process will be.

Mayor Pro Tem Kelly said the ground rules will be in accordance with the Parks Master Plan.

Councilmember Reilly said he doesn't see the harm in adding it to the agenda to hear from the Parks and Recreation Director about what he is planning on doing and how long it will take. He said there are a lot of neighbors who feel excluded right now.

Councilmember Turner said if Parks and Recreation Director O'Connor is going to send out an email to the surrounding neighbors this week, Council can request that he include in the email the fact that Council will have a discussion and update on where the City is at the next meeting and if anyone wants to show up they can. She said he can also provide his email address and phone number in case there are people who want to respond.

Councilmembers agreed with Councilmember Turner's suggestions on directing the Parks and Recreation Director as to what to include in his email and Councilmember Reilly revised his request to ask that the parkland property donation item be added to the agenda of July 27, 2016 instead of the July 11, 2016 agenda. Councilmember Turner seconded the request.

5. Consent Agenda

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member requests in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

A. City Council Minutes

Approve City Council Minutes of the May 9, 2016 and May 23, 2016 Council meetings.
Recommended Action: Approve Minutes.

B. Appoint Member to the Friends of West U Parks Fund, Inc.

Matters related to adopting a resolution appointing Mitra Woody to the Friends of West U Parks Fund, Inc. *Recommended Action: Adopt resolution appointing Mitra Woody to the Friends of West U Parks Fund, Inc.*

C. Mutual Aid Agreement

Matters related to authorizing a Mutual Aid Agreement between the government entities within the Gulf Coast State Planning Region and the City of West University Place. *Recommended Action: Authorize Mutual Aid Agreement between the government entities within the Gulf Coast State Planning Region and the City of West University Place.*

City Manager Peifer pulled Item C from the Consent Agenda. No action taken on that item and it will be added to the next agenda.

Councilmember Turner moved to approve Items A and B of the Consent Agenda. Mayor Pro Tem Kelly seconded the motion. **MOTION PASSED.**

Ayes: Sample, Ballanfant, Kelly, Reilly, Turner
Noes: None
Absent: None

6. Adjourn

With no further discussion, Councilmember Ballanfant moved to adjourn the meeting at 8:00 p.m. Councilmember Turner seconded the motion. **MOTION PASSED.**

Prepared By:

Thelma A. Gilliam, City Secretary

Date Approved