

**YOLANDA FORD**  
Mayor

**VASHAUNDRA EDWARDS**  
Councilmember at Large Position No. 1

**CHRIS PRESTON**  
Mayor Pro Tem  
Councilmember at Large Position No. 2



**REGINALD PEARSON**  
Councilmember District A  
**JEFFREY L. BONEY**  
Councilmember District B  
**ANTHONY G. MAROULIS**  
Councilmember District C  
**FLOYD EMERY**  
Councilmember District D

## CITY COUNCIL SPECIAL MEETING AGENDA

Notice is hereby given of a Special City Council Meeting to be held on **Monday, March 18, 2019**, at **5:45 p.m.** at: **City Hall, Council Conference Room, 2nd Floor, behind the Council Chamber**, 1522 Texas Parkway, Missouri City, Texas, 77489, for the purpose of considering the following agenda items. All agenda items are subject to action. The City Council reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

**1. CALL TO ORDER**

**2. DISCUSSION/POSSIBLE ACTION**

- (a) Discuss the Fiscal Year 2018 Comprehensive Annual Financial Report (CAFR).
- (b) Consider and discuss the structure of the Census Complete Count committee.
- (c) Consider and discuss contracts for the city's municipal court judges.
- (d) Discuss the duties of the presiding judge of the city's municipal court.
- (e) Consider and discuss appointing directors for the Missouri City Parks Foundation.
- (f) Receive an update regarding the hiring of a third party audit firm to review test of controls.

**3. CLOSED EXECUTIVE SESSION**

*The City Council may go into Executive Session regarding any item posted on the Agenda as authorized by Title 5, Chapter 551 of the Texas Government Code.*

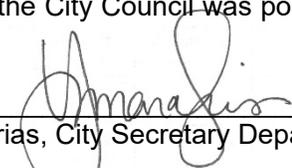
**4. RECONVENE** into Special Session and Consider Action, if any, on items discussed in Executive Session.

**5. ADJOURN**

**In compliance with the Americans with Disabilities Act, the City of Missouri City will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact Maria Jackson, City Secretary, at 281.403.8686.**

### CERTIFICATION

I certify that a copy of the March 18, 2019, agenda of items to be considered by the City Council was posted on the City Hall bulletin board on March 15, 2019, at 4:00 p.m.

  
\_\_\_\_\_  
Yomara Frias, City Secretary Department

I certify that the attached notice and agenda of items to be considered by the City Council was removed by me from the City Hall bulletin board on the \_\_\_\_ day of \_\_\_\_\_, 2019.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_



**CITY COUNCIL  
AGENDA ITEM COVER MEMO**

**MARCH 18, 2019**

**To:** Mayor and City Council  
**Agenda Item:** 2(a) Consider accepting the Fiscal Year 2018 Comprehensive Annual Financial Report (CAFR).  
**Submitted by:** Allena J. Portis, Financial Services Director

**SYNOPSIS**

The audit report for the period ended September 30, 2018 was presented to the Finances & Services Committee on March 18, 2019. Whitley Penn performed the audit and issued an unqualified opinion on the city's financial statements.

**STRATEGIC PLAN 2019 GOALS ADDRESSED**

- Maintain a financially sound City

**BACKGROUND**

The City Charter requires that at the close of each fiscal year the council shall cause an independent audit to be made of all accounts of the city by an independent certified public accountant and upon completion of the audit, the results shall be placed on file in the city secretary's office as a public record.

Local Government Code Section 103.001 also requires municipalities to have its records and accounts audited annually and have an annual financial statements prepared based on the audit. The code requires that the annual financial statement, including the auditor's opinion on the statement, be filed as a public record in the office of the City Secretary within 180 days after the last day of the municipality's fiscal year. The deadline for filing the FY 2018 report is March 29, 2019.

Whitley Penn performed the audit for the period ended September 30, 2018 and issued an unqualified opinion on the city's financial statements. Interim audit work was performed during the month of September 2018 and the year-end audit field work was performed in January and February 2019. The audit report was presented to the Finances & Services Committee for their review on March 18, 2019. The committee is recommending acceptance by the city council of the Fiscal Year 2018 Comprehensive Annual Financial Report.

**BUDGET/FISCAL ANALYSIS**

**Purchasing Review:** N/A  
**Financial/Budget Review:** N/A

*Note:* Compliance with the conflict of interest questionnaire requirements, if applicable, and the interested party disclosure requirements (HB 1295) has been confirmed/is pending within 30-days of this Council action and prior to execution.

**SUPPORTING MATERIALS**

1. Comprehensive Annual Financial Report

**STAFF'S RECOMMENDATION**

Accept the Fiscal Year 2018 Comprehensive Annual Financial Report (CAFR).

**Director Approval:** **Allena J. Portis, CPA**

**Assistant City Manager/  
City Manager Approval:** **Anthony J. Snipes, City Manager**

**CITY OF MISSOURI CITY, TEXAS**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fifteen Months Ended  
September 30, 2018**

**Anthony J. Snipes, City Manager**

Prepared by:

Financial Services Department

***DRAFT 03.15.19***



**CITY OF MISSOURI CITY, TEXAS**  
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# CITY OF MISSOURI CITY, TEXAS

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March XX, 2019

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

We are pleased to submit to you the Comprehensive Annual Financial Report of the City of Missouri City, Texas, for the fifteen months ended September 30, 2018. 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. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosure, rests with the City. We believe the data, as presented, is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its government-wide financial statements and its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

Whitley Penn, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City of Missouri City's financial statements for the year ended September 30, 2018. The independent auditor's report is located in the front of the financial section of this report.

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

#### MISSION STATEMENT AND ORGANIZATIONAL GOALS

The City's mission statement is, *"To deliver superior customer service to all members of our diverse community."*

The City's Vision is, "To be known and recognized as a superior municipal organization."

The City follows the Credo, "Together, we excel!"

The City's overall goal statement is shown below:

A city that has grown to maturity and continues to be a desirable place:

- **Create a Great Place to Live:** safe, beautiful and active.
- **Maintain a Financially Sound City Government:** effective, quality, services and infrastructure.
- **Grow Business Investments in Missouri City:** more businesses, more jobs.
- **Develop a High Performance City Team:** working together, producing results.
- **Have Quality Development Through Buildout:** active centers, neighborhoods, housing, and mobility.

City staff and leadership are committed to following the City’s Code of Ideals. This Code states that we are committed to providing an enhanced level of:

- **Service** - The act of working diligently to provide the highest benefit, and an outstanding customer experience, to our community.
- **Professionalism** - The demonstration of honesty, integrity, and confidentiality along with the knowledge and ability to produce exemplary work products.
- **Innovation** - The willingness to adapt to changing environments, take appropriate risks, and consider new approaches to improve our organization and our community.
- **Respect** - The practice of treating ourselves and others with thoughtfulness, professionalism, confidentiality, and honesty, while considering all viewpoints.
- **Integrity** - The commitment to honest and ethical actions, and, personal and professional excellence.
- **Teamwork** - The promotion of a collaborative, cooperative, and productive working environment.

## **LOCAL ECONOMY**

Missouri City is located approximately 20 miles southwest of downtown Houston, in northeast Fort Bend County. A small portion of the City extends into the southwestern section of Harris County, where its boundaries adjoin the City of Houston. Approximately 10 percent of the City’s population resides in Harris County. A number of toll roads and highway expansions, including Highway 90A, Texas State Highway 6, and the Fort Bend Tollway, allow for more improved travel times throughout the region.

According to the most recent Greater Fort Bend County Economic Development Council’s Annual Report, Fort Bend County’s population is estimated at 764,828, which is a 3.082% increase over 2017. The County’s labor force was 378,830 at September 30, 2018, while Missouri City’s labor force was 45,130 (12% of the county). With an increase in local and regional business activity, the unemployment in Fort Bend County was 3.8 percent as compared to the state average of 3.7 percent and the national average of 3.6 percent.

While many governmental entities around the nation, state and region are working to keep their bottom lines strong in a slowly recovering economy, the City of Missouri City has seen more stable trends. The last few budget years have presented challenges for Missouri City similar to most other cities. We have been finding alternative solutions to becoming less reliant on property taxes, and we will continue to craft strategic plans as a recovery continues to take place.

### **“SHOW ME” SUCCESS**

Missouri City is recognized nationally as one of the Safest Cities in America by Congressional Quarterly and one of the Best Places to Live in America by CNN/Money magazine. Economic and residential growth has been a part of the City’s story the past five to ten years, and all signs point to continued growth in the future. New industries continue to find a home here, producing goods and services in Missouri City for the community.

## **“SHOW ME” THE FUTURE**

As the economy is expected to improve ever so slightly, the Missouri City community anticipates a better year for FY2019. A stable economy in the upcoming year will allow the City to stay on track with capital improvement projects and to build and maintain staffing levels. In collaboration with our citizens and staff, the City Council is committed to maintaining the community at the level of a Top 100 American City.

## **ECONOMIC DEVELOPMENT**

As we experience incredible growth, the City continues to provide effective, quality services to our community using strong, fiscal accountability. The investments the City has made in the TIRZs, tax abatement agreements, and other economic development tools have begun to bear fruit for increased sales tax growth and shifting property tax payment percentages from residential to commercial. The full benefit to the economic development investments in the city will come in future years, and the City is working within its means to build and provide growth for the economy and its citizens and businesses.

The City has always valued its partners during the past decades. As many governmental agencies learned in this past recession, the City cannot provide for the needs of the community on its own and must reach out to outside organizations, clubs, schools, and others. The City can serve an important role as a facilitator for community groups.

The recent success in attracting local and regional retail and warehousing and distribution facilities, as well as energy-related electronics and instrumentation industries, have expanded commercial development in all corners of the City. Ample open land with adequate utilities exists in nearby key roadways, so a continued emphasis on warehouse and distribution facilities is warranted.

## **COMPREHENSIVE PLAN**

The Comprehensive Plan and other documents recommended special focus on certain key initiatives or target areas. Several business parks have opened such as the Beltway Crossing and Lakeview Business Parks as well as new business parks near the Fort Bend Tollway/Highway 6 area. The Texas Parkway/Cartwright Revitalization plan has focused on bringing in more commercial tenants and on appropriate high-density housing or mixed use projects that can provide the population base to support existing and future businesses. By compiling and publicizing Missouri City’s exceptional income and educational attainment demographics, identifying high-end retailers and restaurants, promoting office construction and professional service providers, encouraging “office-condo” redevelopment, and promoting certain destination venues such as the Quail Valley community center and golf course, we continue to encourage growth in the business sector.

Priority areas include the extension of the Fort Bend Toll Road and surrounding areas, and utilizing TIRZ financing for public improvements. Other long-term planning includes Town Center Development projects offering “class A” office space and daytime business growth.

## **MISSOURI CITY 2029 STRATEGIC PLAN**

In October 2014, City Council adopted the Missouri City Strategic 2029 Plan which sets the priorities for future budgets. The Plan sets forth direction and focuses on issues that are important to improving Missouri City, as well as sets priorities and determines a course for progress. As priorities within the Plan are accomplished, new priorities will be identified annually. Most importantly, the Plan includes indicators that measure progress for each of the strategic goals. In turn, each indicator of progress must be supported by regularly reported data on a quarterly basis.

Using these principles to guide the strategic planning process, each Strategic Plan goal is defined by prioritized objectives, which in part provides prioritized policy actions for what must be done to realize the goal. Each prioritized objective is defined by strategic initiatives that specifically states a desired outcome. The objectives and initiatives are intended to serve a three to five-year period. Each of these three to five-year perspectives are then taken into account when developing annual budget funding programs and projects for consideration in the budget process.

In 2019, the City will conduct a “five year refresh” of the Strategic Plan. This will allow for critical updates and input of new elected leadership. The result will provide the Council, City staff, and citizens, with an updated strategic roadmap for achieving the City Council’s goals and vision for the community.

The 2029 Vision of the City and the goals over the next five year horizon are:

- 1) Create a great place to live: safe, beautiful and active
- 2) Maintain a financially sound city government: Effective / Quality services and infrastructure
- 3) Grow Business Investments in Missouri City: More Businesses, more jobs
- 4) Develop a high performance team: Working together, producing results
- 5) Have a quality development through build-out: Active centers, neighborhoods, housing and mobility

### **1) Strategic Plan Goal Addressed: Create a great place to live: safe, beautiful and active**

The City has taken many steps towards achieving various public safety and goals as shown in the annual police report and Fire strategic plan. Innovative strategies, community partnerships and prevention programs have helped the Missouri City Police Department reduce crime to record lows citywide in the past five years. One of the Police Department’s new programs- DDACTS (Data-Driven Approach to Crime and Traffic Safety) has been essential to achieving crime reduction goals. The initiative is aimed at reducing the incidence of crime, crashes and traffic violations by drawing on the deterrent of highly visible traffic enforcement and the knowledge that crime often involves the use of motor vehicles. The department’s public safety initiatives were so effective that many of the worst felonies, classified as Part 1 crimes, dropped double digits over the past five years. In the most recent annual report, violent crime decreased 2% in calendar year 2017 while property crime decreased 24%.

During FY18, the Missouri City Fire and Rescue Services (MCFRS) Department developed the department’s 2017-2022 strategic plan which addresses public safety concerns while increasing innovation across the City’s landscape in collaboration with all departments. To promote an all-inclusive environment, members from all levels of the department attended a leadership retreat that afforded them the opportunity to share their ideas of how the department should move forward. It was in that retreat a departmental vision and mission was revised. From there, focus groups convened to brainstorm on how the department can become more efficient and better serve the community. Meetings with internal and external stakeholders, along with the City manager’s Office took place to guide operational alignment. The goals and objectives outlined in the plan epitomize the purpose of the High Performing Organization framework that now guides the City of Missouri City and is an overall reflection of the dedication the members of the organization possess. The goals within the strategic plan include:

1. Develop members to their highest potential;
2. Maintain a positive community partnership;
3. Create an environment conducive to success;
4. Ensure we are prepared to deliver an effective response; and
5. Engage our standing as a high-performance organization

In February 2019, Missouri City was once again ranked among the top safest municipalities in Texas by the Home Security Advisor, an online resource website. The “Show Me City” was listed at No. 42 among all cities rated in the report and at No. 5 among cities with a population of 50,000 or more. Data for the rankings was compiled utilizing statistics from the 2017 FBI Uniform Crime Report for towns and cities with 10,000 residents or more, who recorded their crime data. Missouri City also earned another public safety nod in February 2019 from Alarms.org, earning the No. 30 rank in a list of 136 Texas cities rated by the official site of the National Council for Home Safety and Security—an association of licensed alarm companies, installers, contractors and trade groups.

## **2) Strategic Plan Goal: Maintain a financially sound city government: Effective / Quality services and infrastructure**

Sound government includes solid financial management as well as effective service delivery and ongoing infrastructure maintenance program. Improvements to various parks, funding for flower bed maintenance and landscaping needs, athletic facility repairs, and many facility maintenance projects have taken place during FY18.

Growth of the City and the ongoing day-to-day IT requirements have created the need for the replacement of the City’s storage. In addition, MPLS WAN network upgrades are needed to ensure improvements are added to the City’s network. Funding for these projects will be spread out over multiple years and will affect all City departments. During FY18, the Core, that supports the primary datacenter at the Emergency Operations Center was replaced and upgraded to support the City and its growth. The upgrade involved the implementation of new Cisco switching in accordance with industry best standards.

Staff will continue working on the assessment of the City’s existing facilities to determine current space utilization, and if current needs are being met, if there are any existing facilities that are being underutilized, and how future needs can be met. This assessment will be utilized to assist in making city-wide facility decisions for long term maintenance and programming for capital improvements. During FY18, the City Hall, Planning building and Community Center roofs were replaced, as well as various other upgrades to these buildings as part of maintenance needs and improvements to address the City Hall complex infrastructure needs.

## **3) Accomplishment for Grow Business Investments in Missouri City goal: More business, more jobs:**

Missouri City has seen steady progress in new corporate opportunities, relocations and major project expansions. The City has aggressively marketed and sought out investments in the community over the past five years that has resulted in new business and job creation. Significant industry and manufacturing activity continues in the Beltway Crossing and Lakeview Business Park with approximately 3 million square feet of industrial space during this time. Trammell Crow continued development on the Park 8 Ninety Business Park located on 127 acres at Beltway 8 and Highway 90A. Many of these projects are included in the Fort Bend Economic Development Council’s (FBEDC) annual report. As stated in the FBEDC report, NatureBest, a fruit and vegetable processing and distribution business, will be leasing space in a 62,000 sf in the Trammel Crow building representing a base building, build out, and personal property value of over \$6.5 million. Nature Best will bring 115 new direct jobs to Missouri City. Comcast will be occupying a new 35,000 sf building built by Trammel Crow. The shell, build-out of the building, equipment, machinery and inventory will exceed \$16 million. This facility and equipment will support service technicians that represent 255 new direct jobs to Missouri City and Fort Bend County.

Added space has also been realized through Beltway Crossing Phase II and Colony Crossing Phase II development projects. Best Buy chose Beltway Crossing as the site for its newest e-commerce distribution facility. Located at the southwest corner of the US90A and Beltway 8 interchange, the building will be a minimum of 500,000 sf with a total capital investment of over \$80 million of land, building, equipment, machinery, and inventory. Best Buy will bring 50+ new direct jobs and 100+ contract jobs. Ridge Southwest, the development arm of Transwestern, is building Southwest Commerce Center off the

southeast corner of the US90A and Beltway 8 interchange. This new development project is a 477,000 sf “large box e-commerce” type distribution facility with a capital investment of over \$40 million. This facility will support 75 or more new direct jobs.

#### **4) Develop a high performance city team: Working together, producing results:**

During FY18, the City Council and administration continued to recognize the need to retain existing personnel.

City Council approved the process of conducting a bi-annual review of the City’s compensation structure and market competitiveness. In FY18, Council approved inclusion of benefits in this bi-annual review. In FY19, City Council approved the implementation of recommendations from the City’s Market Compensation and Benefits Study.

In addition, the City has taken a multitude of steps to build employee engagement, increase productivity, and reduce turnover. This includes: leading the adoption of a new organizational mission, vision, values, and credo; increasing the budget of the Employee Recognition Committee which has allowed the group to launch several new employee events; launching a bi-annual Employee Engagement Survey; overseeing development of a week-long Customer Service training which engaged nearly 90% of the workforce; creating a quarterly employee newsletter which informs employees of organizational happenings, and features employee accomplishments; and, developing an annual employee conference.

#### **5) Have quality development through build-out: Active centers, neighborhoods, housing and mobility:**

An active and growing community creates new community needs such as new land development projects and mobility needs. In 2013, the City conducted a condition assessment of the City’s roadway/pavement network. This program is one facet that is utilized to identify, develop and recommend roadway that will require maintenance, repair, or replacement. This program has set the benchmark to evaluate the City’s roadways once every 3-5 years and is anticipated to be updated in 2019. As part of this program, Adams and Ashmont Streets were reconstructed with substantial completion dates of November 2018. The Adams Street project included the reconstruction of the roadway and installation of new sidewalks between Texas Parkway and 5<sup>th</sup> Street. The Ashmont Street project included the reconstruction of a roadway between La Quinta and Valley Bend Drive, excluding sidewalks.

An additional project completed during the fiscal year that improved access and mobility was Glenn Lakes Bridge Over Oyster Creek. This project was a complete reconstruction of the bridge and sidewalks between East Creek Club Dr. and West Creek Club Dr.

To expand local transportation options, the MCTX Community Connector bus service was launched. Metro’s MCTX Community Connector brings personalized, curb-to-destination service to Missouri City residents and visitors. This on-demand service allows individuals to travel anywhere within a zone, 7 days a week, from 5 a.m. to 7 p.m., all for \$1.25. The Community Connectors are 12-passenger ARBOC buses and are able to fit two wheelchairs. This service has two anchor points to board the buses. These anchor points are located at the Missouri City Park & Ride at 13849 Fondren Rd. and the Walmart located at 5501 Highway 6. Reservations are available for scheduled pick-up and drop-off within the set zone.

## LONG-TERM FINANCIAL PLANNING AND RELEVANT FINANCIAL POLICIES

The City prepares its operating budget for a single year that integrates five-year projected expenditures based on the organizational strategies and goals. By integrating the five-year projections, the financial plan is better able to accommodate the City’s future needs based on the vision, mission, and goals of the City. The financial condition is also achieved by focusing on one of the City’s financial policies to maintain a stable tax rate. This is achieved by developing programs to increase other revenue resources such as improved economic development efforts for sales and property tax generation.

The established long-range policies regarding financial management seek to maintain a sound financial condition, strive to retain the best possible bond ratings, and provide future generations with the ability to borrow capital for construction of facilities and street and drainage improvements without severe financial burden. The City continues to utilize pay-as-you-go financing of capital improvements where feasible, while planning for capital improvements on a five-year planning basis which is updated annually. Bond issuances are scheduled so the principal and interest payments produce a declining balance each year so that new debt will not adversely affect the stable tax rates.

For the 15 months ending September 30, 2018, the city had a \$11 million fund balance in the general fund which is the equivalent of 93 days of expenditures and transfers.

Continuing the City’s commitment to maintaining and protecting its strong fiscal position, the City’s property tax rate for FY18 increased from \$0.56010 to \$0.60000 per \$100 of valuation. This tax rate exceeded the effective tax rate of \$0.54233 per \$100 valuation but was less than the rollback tax rate of \$0.60062 per \$100 valuation. The City did not reduced any City services during FY18. The adopted property tax rate will allocate .44023 cents for maintenance and operations (M&O) and .15977 cents for capital projects (Interest & Sinking).

The City exempts \$15,000 of the assessed value of resident homesteads within the city of persons 65 years of age or older and \$10,000 of the assessed value of residence homesteads of persons, married or unmarried, including those living alone, who are under a disability for purposes of payment of disability insurance benefits under federal old-age, survivors and disability insurance or its successor, from all ad valorem taxes levied by the city.

### CAPITAL IMPROVEMENTS PROGRAM

In 2003, the City Council appointed a Citizens Advisory Committee for bond elections to study and identify the long-term needs of the City. Subcommittees were formed to review public safety, drainage, transportation, facilities and parks and recreation needs. Supported by city staff, these volunteers identified costs and made recommendations with priorities to the City Council.

#### 2003 Bond Election (3:1 voter approval)

The 2003 Bond Election of \$75 million was approved with a 3:1 voter approval and is scheduled to be sold in the following increments:

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount					Remaining Balance
				FY2019	FY2020	FY2021	FY2022	FY2023	
Parks and Recreation	9/13/2003	15,550,000	15,550,000						-
Streets, Bridges & Sidewalks	9/13/2003	28,110,000	28,110,000						-
Public Facilities	9/13/2003	2,110,000	2,110,000						-
Courts	9/13/2003	1,030,000	1,030,000						-
Drainage Improvements	9/13/2003	20,000,000	6,737,000	2,550,000	3,600,000	1,750,000	2,300,000	3,063,000	-
Public Safety	9/13/2003	8,200,000	5,648,000	1,262,000					1,290,000
<b>Total</b>		<b>75,000,000</b>	<b>59,185,000</b>	<b>3,812,000</b>	<b>3,600,000</b>	<b>1,750,000</b>	<b>2,300,000</b>	<b>3,063,000</b>	<b>1,290,000</b>

## 2008 Parks & Recreation Bond Election (2:1 voter approval)

The 2008 Parks and Recreation Bond Election of \$17.5 million was approved with a 2:1 voter approval and is scheduled to be sold in the following increments:

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued						Remaining Balance
				FY2019	FY2020	FY2021	FY2022	FY2023	
Parks and Recreation	11/4/2008	17,500,000	17,160,000	340,000					-
<b>Total</b>		<b>17,500,000</b>	<b>17,160,000</b>	<b>340,000</b>	-	-	-	-	-

The remaining funding over the next several years will be used for various park improvement projects.

## 2014 Bond Election (3:1 voter approval)

During the FY14 budget discussions, the City Council appointed a Citizens Advisory Committee for the 2014 bond election to review long term election needs of the City. On May 10, 2014, a \$40 million bond issuance was approved by the voters with a 3:1 voter approval. The balance of the 2014 Bond Election at the end of FY18 is \$25,813,000, of which \$8,833,000 is scheduled to be sold in FY19 and \$8,810,000 from FY20 – FY23.

Anticipated spending over the next five years in public safety includes the renovation of the fire stations, the construction of a new fire station and the purchase of a new fire truck. Drainage projects include major improvements to Cangelosi Detention Facility, Willow Waterhole, and the Mustang Bayou Watershed. Transportation projects include Park 8Ninety improvements, Glenn Lakes Lane bridge replacement, Independence Boulevard improvement, Waterfall reconstruction and Knight Road extension. Facilities projects include the renovation of public safety headquarters and City Hall.

### PLANNED FUNDING/SCHEDULING OF BOND ISSUANCES

City staff projects capital expenditure needs for the next five years. Future maintenance and operating costs impact on the general operating budget are also considered before projects are approved. When applicable, assessments, impact fees, pro rata charges, interest earnings, contributions from developers and other agencies are used to leverage project costs.

Total project costs are adjusted yearly to account for all funding sources and contributions. As projects are finalized or priorities adjusted, budget estimates are submitted to City Council for approval.

An implementation schedule was developed in phases to meet the following criteria: (1) To assure the sale of bonds was scheduled so that the debt service fund would not be impacted by more than a \$.04 property tax increase overall in both the 2003 and 2008 bond elections; and (2) Financing is provided by the cash flow approach, whereby bonds are sold as needed to generate enough cash flow for project commitments within the phased schedule.

For FY19, nearly \$50.7 million was estimated to be spent on Capital Improvement Projects. Of this amount, \$10.9 million (21%) was allocated for transportation projects, \$30.9 million (61%) for utility projects, \$2.6 million (5%) for drainage, \$340,000 (1%) for parks and recreation projects, \$5.4 million (11%) for public safety projects and \$689,000 (1%) was allocated for facility projects. Revenue sources to fund these projects

were \$18.2 million in projected general obligation bond proceeds, \$30.9 million in certificates of obligations or revenue bonds, and \$3.6 million from Metro Funds.

## **GROUNDWATER REDUCTION PLAN/REGIONAL WATER TREATMENT PLANT**

The Fort Bend Subsidence District has set forth a mandate that specific areas in Fort Bend County must meet specific groundwater reduction goals. This mandate requires that groundwater withdrawals must be reduced by 30 percent of the total water demand by the end of 2014. This required reduction mandate will be increased to 60 percent of the total water demand by the end of 2025. The development of this project began many years ago when the City contracted with Gulf Coast Water Authority (GCWA) for the purchase of surface water rights from the Brazos River. This project brought together 20 separate municipal/water entities and consolidated 42 well permits under a single permit. The City and its partners developed a Groundwater Reduction Plan (GRP) that has been approved by the Fort Bend Subsidence District to meet the goal of reduction of groundwater usage.

A state-of-the art \$50 million dollar Regional Water Treatment Plant (RWTP) was constructed on a 40-acre site near the Brazos River. The RWTP, as currently constructed, can treat up to 10 million gallons of water per day and was designed to be expanded to a total capacity of 33 million gallons. Expansion of the RWTP will occur as the demand and the groundwater reduction goals dictate. It is currently anticipated that there will be a two-phased expansion to increase to the total capacity. The first expansion to 20 million gallons a day (MGD) is anticipated to happen in 2018 and the final expansion to 33 million gallons (MGD) in 2030. Engineering design is currently underway for this planned expansion to 20 MGD capacity. The RWTP can currently store up to 100 million gallons of raw water in its on-site reservoirs by taking surface water from the GCWA B-canal, which takes water from the Brazos River. The RWTP utilizes high-tech membrane filters to treat and disinfect the water and send the water to various utility districts. The RWTP operators continually test the water on a daily basis to ensure the water meets regulatory standards.

## **STEEP BANK/FLAT BANK WASTEWATER TREATMENT PLANT**

Originally built in 1998, the Steep Bank/Flat Bank WWTP completed expansion in FY2011 from a 1.5 million gallons per day treatment facility to process 3 million gallons per day, and can now serve 9,375 equivalent single family residences. The cost of the project was funded by utility district capital recovery charges. Currently, a study is underway to determine the ultimate expansion needs of this plant to accommodate growth in the service area and to consolidate other treatment facilities in the area to achieve operational efficiencies.

## **STORMWATER MANAGEMENT**

The City along with 15 other Municipal Utility Districts (MUDs) implemented a Storm Water Management Program designed to address storm water quality issues, typical of a growing residential community. Stormwater management is an essential component of community infrastructure and serves to provide both enhanced quality of life and protection of the environment. A properly designed system will control and carry away runoff from rainfall events while allowing the movement of vehicles to homes and businesses. It will also ensure the runoffs will carry the minimum amount of pollutants in the receiving water bodies and protect the natural environment. In a time when subsidence issues are forcing communities to go to surface water sources to meet our drinking water needs, the protection of water quality becomes even more critical.

Missouri City and other small municipalities with populations less than 100,000 are now regulated as Phase II municipalities under the National Pollutant Discharge Elimination System (NPDES) and Texas Pollutant Discharge Elimination System (TPDES) municipal separate storm sewer systems (MS4) permit requirements.

## **COMPONENT UNITS**

In June 2000, the Missouri City Council approved the creation of a Development Authority for the City that is responsible for management of all Public Improvement Districts (PIDs) and Tax Increment Reinvestment Zones (TIRZs) created by the City. One zone was formed to facilitate development of a “problem area” that had long been noted for substandard housing and for lack of public infrastructure. Another zone was formed so that drainage problems could be handled on a regional basis.

In FY09, the City of Missouri City established the Missouri City Recreation and Leisure Local Government Corporation (LGC) to act on behalf of the City of Missouri City, in acquiring, improving, maintaining, or operating public parks and other public recreational facilities within the City of Missouri City, including, without limitation, golf courses, tennis centers, recreational centers, sports complexes, hikes and bike trails, and nature preserves. The LGC was established as an Enterprise Fund providing golf and restaurant services to the general public.

Excluded from the reporting entity of the City are various special districts established under state law and operating under related regulations for the purpose of providing residential and commercial water, sewer, storm, drainage, and flood control services.

In accordance with the implementation of the Texas Property Tax Code, the Fort Bend County Central Appraisal District and Harris County Appraisal District provide appraisals of property located within the City.

## **AWARDS AND ACCOMPLISHMENTS**

The City has continued to receive many awards each year, making it one of the more desirable places to live. Such awards include:

- State Comptroller Transparency Stars Award for Traditional Finances and Debt Obligations
- Scenic City Platinum recognition 2015-2020
- Recognized in Verizon’s national “Best Small Cities for Small Business” report, ranking No. 42 in a list of the nation’s top 50.
- Texas Court Clerk’s Association Award
  
- 2018 Governor’s Community Achievement Award, 2nd Place for Cities with population of 65,001 – 90,000
- Ranked No. 5 Safest in Texas Cities with Population of 50,000 + by the Home Security Advisor
- Received Subcontractors USA 2018 Supplier Diversity Champion Award
  
- Standard & Poor’s Bond Rating Upgraded to AA
  
- Received the 2018 TAMI Award of Excellence
  
- Received the 2018 Communicator Awards Excellence
  
- Ranked by an online business resource in the Top 100 Places to Start a Business in U.S

## **ACCOUNTING SYSTEMS AND BUDGETING CONTROL**

### **ACCOUNTING SYSTEMS**

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

Consideration of adequate internal accounting controls has been made in designing the City's accounting system. Internal accounting controls, instituted by the Financial Services Department as part of the accounting system, are designed to provide reasonable assurances that assets are properly safeguarded against loss from unauthorized use or disposition, that financial records used in preparation of the financial statements are reliable, and that accountability for the City's assets is maintained. The concept of reasonable assurance in relation to internal controls recognizes that the cost of a control process should not exceed the benefits derived from the performance of related procedures and that the City's management must make estimates and judgments in evaluating the cost and benefit relationships relating to internal control processes and procedures that become a part of the City's accounting system.

### **BUDGETARY COMPLIANCE**

Because budgetary compliance is significant in managing governmental activities, budgetary compliance controls are critical. The objective of these controls is to ensure compliance with legal spending limits in annual or project appropriated budgets approved by City Council. The City Charter provides that the City Council shall adopt annual or project budgets every fiscal year for all City funds. The budgets are prepared and maintained by city management.

The budgetary process is initiated by a goal setting meeting and budget planning sessions with City Council. The City Council reviews the five-year general operating revenue and expenditure projections and determines the City's goals and priorities for the year. Following this meeting, budget revenue estimates are made by the Director of Financial Services in March of each year and are amended in early May. The estimates are evaluated by the City Manager before inclusion in the total budget. Basic budget requests are developed at the department level and submitted to the Financial Services Department for analysis and compilation. The basic budget is considered to be the minimum budget that is necessary for the continuation of current municipal service levels during the next fiscal year. Supplemental requests for proposed changes from the basic budget, except for certain capital items, are then submitted by departments to the Financial Services Department.

Finally, the five-year capital requests are submitted for inclusion in the budget. After the City Manager's review and approval, the proposed budget is compiled by the Financial Services Department and submitted to the Finances and Services Budget Committee, comprised of three City Council members and the City Manager, for consideration, review and changes for final approval by the entire City Council.

### **BUDGETARY CONTROLS**

During the year, expenditure controls are maintained by each department with review of the budget provided by the Financial Services Department and overall control exercised by the City Manager. Constant review of revenue and expenditure estimates is performed to assure the integrity of the adopted budget and to assure funds are available to meet current obligations. As a result of this review, it is possible to exercise administrative budgetary controls throughout the year. As demonstrated by the financial statements presented in this report, the City continues to meet its responsibility for sound financial management.

## OTHER INFORMATION

### FISCAL AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Missouri City, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily-readable and efficiently-organized comprehensive annual financial report, the contents of which conform to program standards. Such comprehensive annual financial reports must satisfy both U.S. Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Missouri City has received a Certificate of Achievement for 36 consecutive years. We believe our current Comprehensive Annual Financial Report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for review.

In addition, the City received the GFOA's award for Distinguished Budget Presentation for its annual budget document dated July 1, 2017. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Financial Services Department and the cooperation of all other City departments. We like to express our appreciation to all staff who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor, City Council, and Audit Committee members for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Missouri City's finances.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Missouri City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Financial Services, 1522 Texas Parkway, Missouri City, TX 77489, phone 281-403-8500, email address [Allena.Portis@missouricitytx.gov](mailto:Allena.Portis@missouricitytx.gov).

Respectfully submitted,

Anthony Snipes  
City Manager

Allena Portis  
Financial Services Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

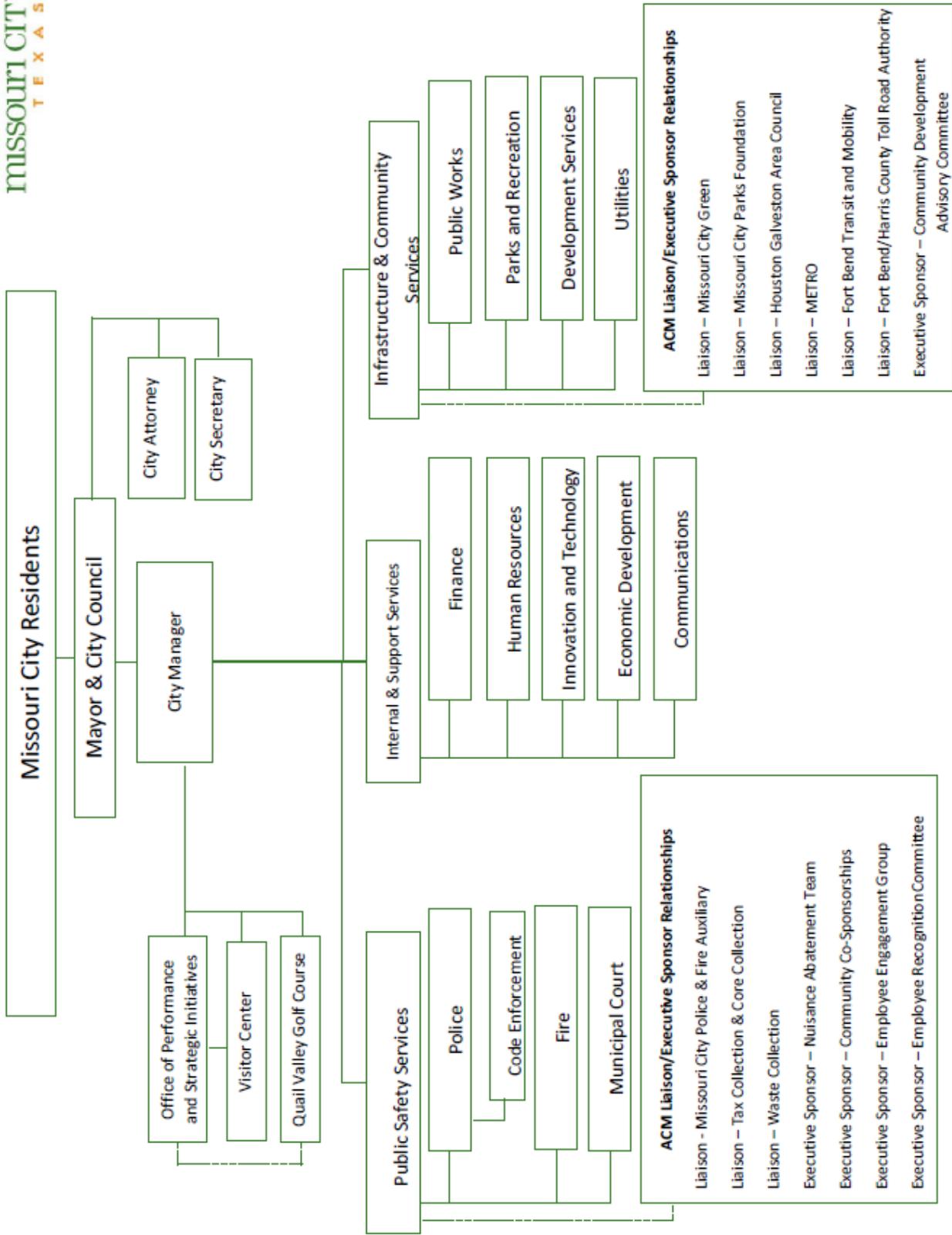
**City of Missouri City  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



**CITY OF MISSOURI CITY, TEXAS  
List of Principal Officials  
As of September 30, 2018**



**Allen Owen  
Mayor**

[aowen@missouricitytx.gov](mailto:aowen@missouricitytx.gov)



**Jerry Wyatt  
Council at Large, Position 1**  
[Jerry.Wyatt@missouricitytx.gov](mailto:Jerry.Wyatt@missouricitytx.gov)



**Chris Preston  
Council at Large, Position 2**  
[chris.preston@missouricitytx.gov](mailto:chris.preston@missouricitytx.gov)



**Yolanda Ford  
Mayor Pro Tem  
Council, District A**  
[Yolanda.Ford@missouricitytx.gov](mailto:Yolanda.Ford@missouricitytx.gov)



**Jeffrey Boney  
Council, District B**  
[Jeffrey.Boney@missouricitytx.gov](mailto:Jeffrey.Boney@missouricitytx.gov)



**Anthony Maroulis  
Council, District C**  
[Anthony.maroulis@missouricitytx.gov](mailto:Anthony.maroulis@missouricitytx.gov)



**Floyd Emery  
Council, District D**  
[Floyd.Emery@missouricitytx.gov](mailto:Floyd.Emery@missouricitytx.gov)

**CITY OF MISSOURI CITY, TEXAS**  
**List of Principal Officials**  
**(continued)**  
**As of September 30, 2018**

**Appointed Officials**

Anthony Snipes	City Manager
Maria Jackson	City Secretary
E. Joyce Iyamu	City Attorney

**Executive Managers**

Bill Atkinson	Assistant City Manager
Scott Elmer	Assistant City Manager
Sandra Clarkson	Interim Director of Financial Services
Michael Berezin	Police Chief
Eugene Campbell	Fire Chief
Shashi Kumar	Director of Public Works
Jason Mangum	Director of Parks & Recreation
Otis Spriggs	Director of Development Services
Edward Williams	Director of Human Resources/ Organizational Development
Stacie Walker	Director of Communications Director of Technology and Innovation
Sedrick Cole	Director of Economic Development
Joseph Esch	Director of Economic Development
Brittany Rychlik	Director of Court Services
Kathleen Weisenberger	Chief Performance Officer

**FINANCIAL SECTION**

***DRAFT 03.15.19***



## REPORT OF INDEPENDENT AUDITORS

To the Honorable Mayor and  
Members of City Council  
City of Missouri City, 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 Missouri City, Texas (the “City”), as of and for the fifteen months ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

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

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

### ***Auditor’s Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fifteen months then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and  
Members of City Council

***Emphasis of Matter***

As discussed in Note 1 and Note 10 to the financial statements, the City adopted the provisions of Government Accounting Standards Board (“GASB”) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, as of September 30, 2018. 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, the budgetary comparison, required pension system information and other post-employment benefit information on pages 7 through 15 and 82 through 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

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

The combining and individual nonmajor fund financial statements and budgetary comparison 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 and individual nonmajor fund financial statements 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.

To the Honorable Mayor and  
Members of City Council

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Houston, Texas  
March XX, 2019

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

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**CITY OF MISSOURI CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Missouri City, we offer readers of the City of Missouri City's financial statements this narrative overview and analysis of the financial activities of the City of Missouri City for the fifteen months ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-xii of this report.

**FINANCIAL HIGHLIGHTS**

In fiscal year 2017 (the year-ended June 30, 2017), it was determined that the City would change from a June 30 year-end to a September 30 year-end, as of September 30, 2018. As a result of this year-end change, fifteen months of financial transactions are being reported in the financial statements and related notes. This should be taken into account in comparing revenues and expenses or expenditures for the fifteen months ended September 30, 2018 and the year-ended June 30, 2017.

- The assets and deferred outflows of resources of the City of Missouri City exceeded its liabilities and deferred inflows of resources at the close of the most recent fifteen month period by \$169 million (net position). Of this amount, \$7.6 million is restricted for special purposes and \$7.3 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3.3 million as a result of operations. Net position decreased by \$4.8 million as a result of a prior year restatement due to the implantation of GASB Standards No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.
- The City of Missouri City's total expenses were \$106 million. Program revenues of \$45.0 million reduced the net cost of the City's functions to be financed from the City's general revenues to \$64.2 million.
- The City of Missouri City's total debt decreased by \$11 million, or 6%, during the current fifteen month period.

**USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT**

This Comprehensive Annual Financial Report consists of three sections: introductory, financial and statistical. As the following chart shows, the financial section of this report has three components - *management's discussion and analysis* (this section), the *basic financial statements* and *required supplementary information*.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**CITY OF MISSOURI CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The Statement of Net Position and the Statement of Activities, which are the government-wide statements, report information about the City as a whole and about its activities in a way that helps answer the question of whether the City is better off this year as compared to last year. These statements include all assets and liabilities and are presented on the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when the cash is received or paid.

The Statement of Net Position presents information on all of the City of Missouri City's assets, deferred outflows, liabilities and deferred inflows with the difference between the three reported as net position. Over time, deferred outflows, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City of Missouri City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, finance, police, fire, public works, and certain regional wastewater treatment services for local municipal utility districts (non-enterprise), parks and recreation and planning. The business-type activities of the City include regional wastewater treatment services for local municipal utility districts.

The government-wide financial statements include not only the City of Missouri City itself (known as the primary government), but also legally separate component units for which the City of Missouri City is financially accountable. These component units are the Missouri City Development Authority, Tax Increment Reinvestment Zones 1, 2 and 3, and Public Improvement Districts 2, 3 and 4. All of these component units function for all practical purposes as departments of the City, almost entirely benefiting the City, and, therefore, have been included as an integral part ("blended") of the primary government.

**FUND FINANCIAL STATEMENTS**

The fund financial statements provide more information about the City's most significant funds - not the City as a whole. The City has two types of funds:

**Governmental Funds** - Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's major programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement that explains the relationship/differences between them.

**CITY OF MISSOURI CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The City maintains 21 individual governmental funds for financial reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the debt service fund, and the capital projects fund, all of which are considered to be major funds. Data from the other funds is provided in the column labeled "other governmental funds."

**Proprietary Funds** - Proprietary Funds include the City's four enterprise funds that are used to report the functions presented as business-type activities in the government-wide financial statements. These are the Water and Wastewater Utility Fund, the Surface Water Utility Fund, and the Missouri City Recreation and Leisure Local Government Corporation (LGC) which is a public, non-profit corporation, and the Solid Waste Collections Fund.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Missouri City Council approved the fiscal year 2018 General Fund operating budget of \$60.3 million, a 3% percent increase from the previous year. The adopted property tax rate allocated 44.03 cents for maintenance and operations (M&O) and 15.97 cents for capital projects (Interest & Sinking). Given the recent economic conditions and their effect on the City's budget, it is of great importance to the City to continue the organizational strategies that have been in place for the last several years. The four main priorities are:

- (1) Retain existing property values
- (2) Increase commercial development
- (3) Create value added services
- (4) Develop an organization for optimum performance

The last three fiscal year budgets have shown improvements in the City's financial conditions, as Missouri City has been fortunate to have avoided many budget impacts that other governmental entities have experienced such as layoffs, furloughs or salary reductions, or the actual elimination of certain services or programs.

**NOTES TO THE FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 30 - 79 of this report.

**OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's General Fund budget compliance, its progress in funding its obligation to provide pension benefits to its employees, and condition and maintenance data regarding certain portions of the City's infrastructure. Required supplementary information (RSI) and notes to RSI can be found on pages 82 - 87 of this report.

**CITY OF MISSOURI CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The City's overall financial position and operations for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$169 million at year end. The following table reflects the condensed Statement of Net Position:

Nearly 91% of the City's net position reflects its investment in capital assets (e.g., land, intangible assets - right of way, buildings, machinery, equipment and infrastructure) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Another major portion of the City's net position represents various restricted resources (5%) that are subject to specific external uses (capital projects, debt service, parkland dedication, community development and other).

**SUMMARY OF STATEMENT OF NET POSITION**  
**As of September 30, 2018 and June 30, 2017**  
**(amounts expressed in thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Current and other assets	\$ 60,860	\$ 62,106	\$ 31,130	\$ 30,362	\$ 91,990	\$ 92,468
Capital assets, net	200,986	199,697	85,713	85,680	286,699	285,377
<b>Total Assets</b>	<b>261,846</b>	<b>261,803</b>	<b>116,843</b>	<b>116,042</b>	<b>378,689</b>	<b>377,845</b>
<b>Deferred Outflows</b>	<b>6,423</b>	<b>9,381</b>	<b>1,087</b>	<b>1,151</b>	<b>7,510</b>	<b>10,532</b>
Other liabilities	9,766	3,478	2,808	2,647	12,574	6,125
Long-term Liabilities	144,678	151,470	57,596	60,340	202,274	211,810
<b>Total Liabilities</b>	<b>154,444</b>	<b>154,948</b>	<b>60,404</b>	<b>62,987</b>	<b>214,848</b>	<b>217,935</b>
<b>Deferred Inflows</b>	<b>2,815</b>	<b>364</b>	<b>-</b>	<b>-</b>	<b>2,815</b>	<b>364</b>
Net Position:						
Net investment in capital assets	118,437	116,293	35,154	26,490	153,591	142,783
Restricted	7,626	7,978	-	-	7,626	7,978
Unrestricted	(15,053)	(8,399)	22,372	27,716	7,319	19,317
<b>Total Net Position</b>	<b>\$ 111,010</b>	<b>\$ 115,872</b>	<b>\$ 57,526</b>	<b>\$ 54,206</b>	<b>\$ 168,536</b>	<b>\$ 170,078</b>

**CITY OF MISSOURI CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Statement of Activities**

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

<b>CHANGES IN NET POSITION</b>						
<b>For the Fifteen Months Ended September 30, 2018 and the Fiscal Year Ended June 30, 2017</b>						
<b>(amounts expressed in thousands)</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Revenues</b>						
Program revenues:						
Charges for Services	\$ 12,416	\$ 6,640	\$ 27,239	\$ 19,780	\$ 39,655	\$ 26,420
Operating grants and contributions	5,307	3,425	-	-	5,307	3,425
Capital grants and contributions	65	1,063	-	1,893	65	2,956
General revenues:						
Property taxes	41,915	37,284	-	-	41,915	37,284
Sales taxes	11,945	8,236	-	-	11,945	8,236
Other	9,719	6,222	633	12	10,352	6,234
<b>Total Revenues</b>	<b>81,367</b>	<b>62,870</b>	<b>27,872</b>	<b>21,685</b>	<b>109,239</b>	<b>84,555</b>
<b>Expenses</b>						
General government	14,685	9,481	-	-	14,685	9,481
Finance	2,412	1,985	-	-	2,412	1,985
Police	19,182	15,755	-	-	19,182	15,755
Fire	11,895	9,838	-	-	11,895	9,838
Public works	18,407	15,423	-	-	18,407	15,423
Parks and recreation	5,735	4,367	-	-	5,735	4,367
Planning	4,605	2,030	-	-	4,605	2,030
Water and Wastewater Utilities	-	-	5,657	3,374	5,657	3,374
Surface Water Utility	-	-	8,708	5,908	8,708	5,908
Missouri City Rec. and Leisure						
LGC	-	-	5,004	3,949	5,004	3,949
Solid waste collection	-	-	4,542	3,615	4,542	3,615
Interest on long-term debt	5,115	4,027	-	-	5,115	4,027
<b>Total Expenses</b>	<b>82,036</b>	<b>62,906</b>	<b>23,911</b>	<b>16,846</b>	<b>105,947</b>	<b>79,752</b>
<b>Increase in Net Position</b>						
<b>Before Transfers</b>	(669)	(36)	3,961	4,839	3,292	4,803
Transfers	641	394	(641)	(394)	-	-
<b>Change in Net Position</b>	(28)	358	3,320	4,445	3,292	4,803
Net position, Beginning (as restated)	115,872	115,514	54,206	49,761	170,078	165,275
Change in estimate	(4,834)	-	-	-	(4,834)	-
<b>Net Position, Ending</b>	<b>\$ 111,010</b>	<b>\$ 115,872</b>	<b>\$ 57,526</b>	<b>\$ 54,206</b>	<b>\$ 168,536</b>	<b>\$ 170,078</b>

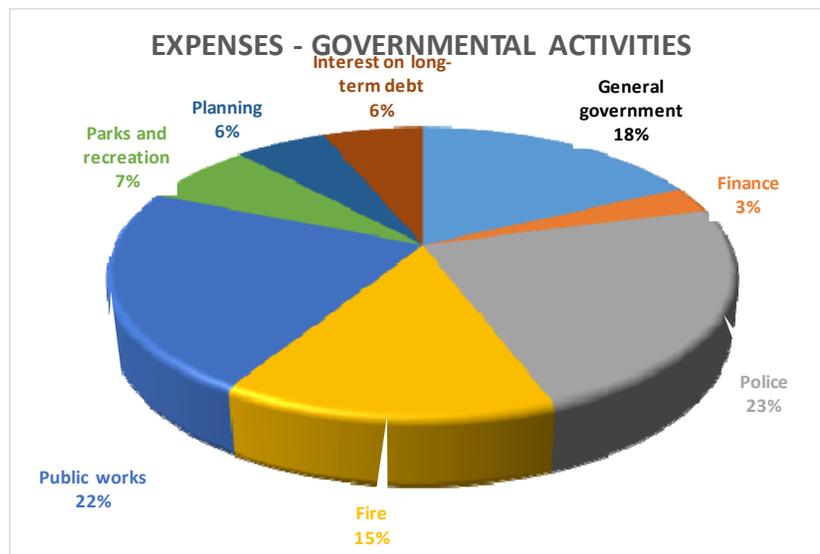
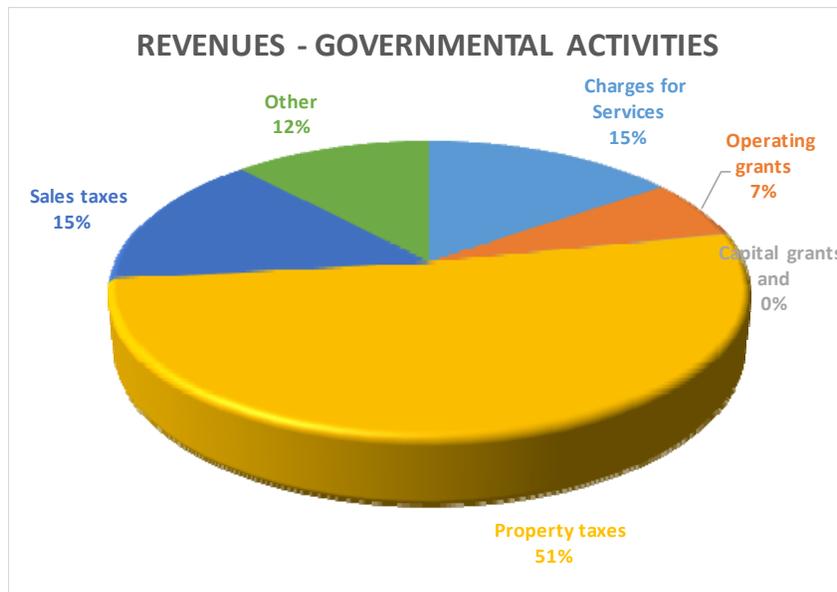
The government's total net position increased by \$3.3 million as a result of operations during the current fiscal year. Charges for services represented 36% of total revenues, property taxes were 38% of total revenues, sales taxes were 11%, other revenues were 9% and capital grants and contributions and operating grants and contributions were 5% of total revenues. On the expense side, public works expenses were 17% of the total, while police and fire were 18% and 11% respectively. Water and wastewater, surface water and solid waste collection expenses were 18% of total expenses. Interest on long term debt was 5% of total expenses.

**CITY OF MISSOURI CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**GOVERNMENTAL ACTIVITIES**

- Total governmental activities expenses exceeded total revenues by \$669 thousand. Transfers in of \$641 thousand from enterprise funds made the net decrease in governmental activities net position of \$28 thousand.
- Revenues in the governmental activities increased in total by \$18.5 million. The City made a fiscal year-end change from June 30 to September 30. Because of this, three additional months of revenues and expenses are included in the current fiscal year.
- Total governmental activities expenses increased by \$19.1 million. The increase, as mentioned above, is related to the additional months included in the fiscal year-end.

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



**CITY OF MISSOURI CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**BUSINESS-TYPE ACTIVITIES**

Business-type activities represent: (1) Water and Wastewater Utilities for the operations of the Northeast Oyster Creek (NEOC) service area and the Mustang Bayou service area, (2) Surface Water Utilities as part of the Groundwater Reduction Plan (GRP), (3) the Missouri City Recreation and Leisure Local Government Corporation (Golf Course), and the (4) Solid Waste Collection Fund.

- The Business-type Net Position increased by \$3.3 million during the current fiscal year primarily due to the Water and Wastewater Utilities fund increase of million. An increase in investment income and charges for services were the primary cause for the increase in net position.
- Business-type revenues and expenses increased by \$7.5 million and \$7.1 million respectively primarily due to the additional months related to the fiscal year-end change. The change in net position due to operations was \$4.0 million compared to \$4.8 million in the prior year.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

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

The City's governmental funds reflect a combined fund balance of \$50.5 million at the end of the fifteen month period. Of this amount, \$38.2 million is restricted for specific purposes, and \$10.7 million is unassigned and available for day-to-day operations of the City.

The general fund is the main operating fund of the City. At the end of the current fiscal year, the total general fund balance was \$11.0 million. As a measure of the general fund's liquidity, the City compares total fund balance to total fund expenditures. Total fund balance of the general fund represents 19% of total general fund expenditures at the end of the fifteen months ended September 30, 2018.

The fund balance of the City's General Fund decreased \$2.6 million during the current fifteen months ended September 30, 2018. The key factors related to this increase in financial performance are as follows:

- Total general fund revenues and expenditures increased by \$10.4 million and \$15.9 million respectively. The primary factor in the increase is related to the additional months reported.

The Debt Service Fund has a total fund balance of \$4.8 million, all of which is restricted for the payment of debt service. Total expenditures exceeded total revenues (excluding other financing sources and transfers) by \$127 thousand, as total debt service payments exceeded total revenues.

The Capital Projects Fund has a total fund balance of \$17.4 million, which is a decrease of \$6.6 million from the prior year. This decrease can be attributed primarily to the progress of capital projects.

**CITY OF MISSOURI CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

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

Total net positions of the Water and Wastewater Utility Fund and the Surface Water Utility Fund amounted to \$34.3 million and \$23.1 million, respectively. The solid Waste Collections Fund had a net position of approximately \$364 thousand. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

**CAPITAL ASSETS**

The City of Missouri City's investment in capital assets for its governmental and business type activities as of September 30, 2018, amounts to \$287 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery, equipment and infrastructure.

**SCHEDULE OF CAPITAL ASSETS**  
**(net of depreciation in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Non- Depreciable Assets						
Land and Right of Way	\$ 14,509	\$ 14,502	\$ 4,761	\$ 4,761	\$ 19,270	\$ 19,263
Construction in Progress	6,830	4,243	1,659	5,601	8,489	9,844
Other Capital Assets						
Infrastructure	117,918	118,747	76,224	72,035	194,142	190,782
Buildings	34,271	34,841	2,442	2,540	36,713	37,381
Improvements other than buildings	19,005	19,604	77	23	19,082	19,627
Machinery and equipment	8,453	7,760	551	720	9,003	8,480
Totals	<u>\$ 200,986</u>	<u>\$ 199,697</u>	<u>\$ 85,713</u>	<u>\$ 85,680</u>	<u>\$ 286,699</u>	<u>\$ 285,377</u>

Construction in progress for the governmental funds (\$6.8 million) at year-end represents numerous ongoing projects. The Ashmont Reconstruction, Adams Reconstruction and Glenn Lakes Lane Bridge Replacement are the three largest projects with \$6.6 million of the total

The construction in progress balance for the enterprise funds (\$1.7 million) consists primarily projects for Mustang Bayou Bayou Wastewater

Additional information on the City's capital assets can be found in Note 5, of this report.

**CITY OF MISSOURI CITY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**LONG-TERM DEBT**

At the end of the current fiscal year, the City had total long-term debt outstanding of \$169 million. Of this amount, \$120 million is general obligation debt, Certificates of Obligation is \$18 million, Increment Revenue bonds is \$4 million, Contractual Obligations of \$12 million and Capital Leases of \$452 thousand. Business-type activities debt is comprised of \$40.3 million in general obligation debt and \$10.6 million in Certificates of Obligation.

**SCHEDULE OF LONG-TERM LIABILITIES**  
**(in thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Activities</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
General Obligation Bonds	\$ 79,373	\$ 85,113	40,317	40,367	\$ 119,690	\$ 125,480
Certificates of Obligation	7,092	8,031	10,573	12,834	17,665	20,865
Premium on issuance	7,781	8,276	6,705	7,140	14,486	15,416
Increment Revenue Bonds	3,575	3,935	-	-	3,575	3,935
Tax Notes	-	275	-	-	-	275
Capital Leases	452	267	-	-	452	267
Contractual Obligations	12,285	12,690	-	-	12,285	12,690
Compensated Absences	1,148	1,773	-	-	1,148	1,773
<b>Totals</b>	<b>\$ 111,706</b>	<b>\$ 120,360</b>	<b>\$ 57,596</b>	<b>\$ 60,341</b>	<b>\$ 169,302</b>	<b>\$ 180,701</b>

The City's total debt decreased by \$11.4 million (6.3%) from the prior fiscal year. Key factors in this decrease was the payment of principal payments on debt in the current fiscal year.

All general obligation debt and certificates of obligation are scheduled to be retired by 2038.

The City has earned an "AA-" rating from Standard and Poor's, an "Aa2" rating from Moody's Investor Service, and an "AA" rating from Fitch Ratings.

More detailed information about the City's long-term liabilities is presented in Note 6 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The unemployment rate for Missouri City as of September 30, 2018, was 4.3 percent. The U.S. and Texas unemployment rates for September 30, 2018 were 3.6 percent and 3.7 percent, respectively.

The city is expected to increase its population base over the next 5 years from 74,561 in 2017 to 77,211 in 2022 which is a 3.6% increase. Fort Bend County's population is 764,828 in 2017 and it is expected to grow to 788,146 by 2020 which is a 3% increase.

In the upcoming fiscal year of 2019, the City is expecting to maintain an adequate fund balance of 23.2%, which is well within the policy of 20%-30% of annual expenditures. The total General Fund budget for FY19 is \$47.9 million, with the majority of the spending for police and fire services of \$21.8 million or 47% of the total budget.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Missouri City's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to Allena Portis, Director of Financial Services, City Hall, 1522 Texas Parkway, Missouri City, TX 77489, telephone (281) 403-8614; or, for general City information, visit the City's website at [www.missouricitytx.gov](http://www.missouricitytx.gov).

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**BASIC FINANCIAL STATEMENTS**

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**CITY OF MISSOURI CITY, TEXAS**  
**STATEMENT OF NET POSITION**  
September 30, 2018

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 26,028,455	\$ 6,726,249	\$ 32,754,704
Investments	26,620,288	21,201,581	47,821,869
Receivables	6,119,229	3,668,176	9,787,405
Internal balances	564,572	(564,572)	-
Inventories	288,559	98,354	386,913
Prepaid items	1,239,071	-	1,239,071
Capital assets not being depreciated:	21,338,255	6,419,792	27,758,047
Capital assets net of depreciation:	179,647,276	79,293,336	258,940,612
<b>Total Assets</b>	<b>261,845,705</b>	<b>116,842,916</b>	<b>378,688,621</b>
<b>Deferred Outflows of Resources</b>			
Deferred amount on refunding	2,724,641	1,086,986	3,811,627
Deferred outflows - OPEB	649,651	-	649,651
Deferred outflows - Pension	3,048,645	-	3,048,645
<b>Total Deferred Outflows of Resources</b>	<b>6,422,937</b>	<b>1,086,986</b>	<b>7,509,923</b>
<b>Liabilities</b>			
Accounts payable and other current liabilities	8,707,572	2,167,784	10,875,356
Accrued interest payable	1,057,986	640,341	1,698,327
Non-current liabilities:			
Due within one year	8,093,606	2,700,712	10,794,318
Due in more than one year	103,612,182	54,895,134	158,507,316
Net pension liability	25,395,364	-	25,395,364
Total OPEB liability	7,577,040	-	7,577,040
<b>Total Liabilities</b>	<b>154,443,750</b>	<b>60,403,971</b>	<b>214,847,721</b>
<b>Deferred Inflows of Resources</b>			
Deferred pension amounts	2,814,589	-	2,814,589
<b>Total Deferred Inflows of Resources</b>	<b>2,814,589</b>	<b>-</b>	<b>2,814,589</b>
<b>Net Position</b>			
Net Investment in capital assets	118,436,911	35,154,398	153,591,309
Restricted for:			
Law enforcement	1,485,736	-	1,485,736
Debt service	4,095,209	-	4,095,209
Parkland dedication	1,589,824	-	1,589,824
Other purposes	455,610	-	455,610
Unrestricted	(15,052,987)	22,371,533	7,318,546
<b>Total Net Position</b>	<b>\$ 111,010,303</b>	<b>\$ 57,525,931</b>	<b>\$ 168,536,234</b>

See Notes to Financial Statements

**CITY OF MISSOURI CITY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
*For the Fifteen Months Ended September 30, 2018*

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 14,685,034	\$ 33,651	\$ 25,110	\$ 64,550
Finance	2,412,310	-	-	-
Police	19,181,580	1,861,538	770,229	-
Fire	11,895,168	2,815,435	189,934	-
Public works	18,407,432	615,359	4,022,823	-
Parks and recreation	5,734,819	496,122	-	-
Planning	4,605,253	6,594,391	298,818	-
Interest on long-term debt	5,114,943	-	-	-
<b>Total governmental activities</b>	<b>82,036,539</b>	<b>12,416,496</b>	<b>5,306,914</b>	<b>64,550</b>
<b>Business-type activities:</b>				
Water and Wastewater Utilities	5,656,670	5,077,365	-	-
Surface Water Treatment	8,707,936	13,058,646	-	-
Solid waste collections	4,541,814	4,391,811	-	-
Golf Course	5,004,014	4,711,428	-	-
<b>Total business-type activities</b>	<b>23,910,434</b>	<b>27,239,250</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 105,946,973</b>	<b>\$ 39,655,746</b>	<b>\$ 5,306,914</b>	<b>\$ 64,550</b>

**General revenues:**

Property taxes  
Sales taxes  
Franchise taxes  
Hotel occupancy taxes  
Unrestricted Investment earnings  
Other  
Gain on sale of capital asset  
Transfers

**Total General Revenues and Transfers**

**Change in Net Position**

Net Position, beginning  
Prior period adjustment  
**Net Position, Ending**

See Notes to Financial Statements

*Exhibit A-2*

**Net (Expense) Revenues and  
Changes in Net Position**

**Primary Government**

<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total</b>
\$ (14,561,723)	\$ -	\$ (14,561,723)
(2,412,310)	-	(2,412,310)
(16,549,813)	-	(16,549,813)
(8,889,799)	-	(8,889,799)
(13,769,250)	-	(13,769,250)
(5,238,697)	-	(5,238,697)
2,287,956	-	2,287,956
(5,114,943)	-	(5,114,943)
<u>(64,248,579)</u>	<u>-</u>	<u>(64,248,579)</u>
-	(579,305)	(579,305)
-	4,350,710	4,350,710
-	(150,003)	(150,003)
-	(292,586)	(292,586)
<u>-</u>	<u>3,328,816</u>	<u>3,328,816</u>
<u>(64,248,579)</u>	<u>3,328,816</u>	<u>(60,919,763)</u>
41,915,313	-	41,915,313
11,944,882	-	11,944,882
6,948,121	-	6,948,121
270,487	-	270,487
1,120,334	503,153	1,623,487
1,200,103	129,107	1,329,210
180,217	-	180,217
640,811	(640,811)	-
<u>64,220,268</u>	<u>(8,551)</u>	<u>64,211,717</u>
(28,311)	3,320,265	3,291,954
115,872,182	54,205,666	170,077,848
(4,833,568)	-	(4,833,568)
<u>\$ 111,010,303</u>	<u>\$ 57,525,931</u>	<u>\$ 168,536,234</u>

## CITY OF MISSOURI CITY, TEXAS

## BALANCE SHEET

## GOVERNMENTAL FUNDS

September 30, 2018

General Fund	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Current Assets:					
Cash and cash equivalents	\$ 2,581,106	\$ 2,964,784	\$ 16,643,538	\$ 3,839,027	\$ 26,028,455
Investments	8,140,951	1,846,944	4,491,107	12,141,286	26,620,288
Receivables	4,627,571	341,967	743,870	408,101	6,121,509
Due from other funds	613,808	-	-	-	613,808
Inventories	286,279	-	-	-	286,279
Prepaid items	-	-	-	1,239,071	1,239,071
<b>Total Assets</b>	<b>\$ 16,249,715</b>	<b>\$ 5,153,695</b>	<b>\$ 21,878,515</b>	<b>\$ 17,627,485</b>	<b>\$ 60,909,410</b>
<b>Liabilities:</b>					
Accounts payable	\$ 1,613,508	\$ 25,194	\$ 4,473,693	\$ 49,018	\$ 6,161,413
Salaries payable	1,219,487	-	-	10,303	1,229,790
Due to other funds	-	-	-	49,236	49,236
Due to others	1,338,628	-	-	2,435	1,341,063
<b>Total Liabilities</b>	<b>4,171,623</b>	<b>25,194</b>	<b>4,473,693</b>	<b>110,992</b>	<b>8,781,502</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	1,064,048	346,881	-	229,999	1,640,928
<b>Total Deferred Inflows of Resources</b>	<b>1,064,048</b>	<b>346,881</b>	<b>-</b>	<b>229,999</b>	<b>1,640,928</b>
<b>Fund Balances:</b>					
Nonspendable:					
Inventory	286,279	-	-	-	286,279
Prepaid items	-	-	-	1,239,071	1,239,071
Restricted for:					
Law enforcement	-	-	-	1,485,736	1,485,736
Street improvements	-	-	17,404,822	-	17,404,822
Facilities construction	-	-	-	455,610	455,610
Debt service	-	4,781,620	-	-	4,781,620
Parkland dedication	-	-	-	1,589,824	1,589,824
Community Development	-	-	-	12,516,253	12,516,253
Unassigned:	10,727,765	-	-	-	10,727,765
<b>Total Fund Balances</b>	<b>11,014,044</b>	<b>4,781,620</b>	<b>17,404,822</b>	<b>17,286,494</b>	<b>50,486,980</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 16,249,715</b>	<b>\$ 5,153,695</b>	<b>\$ 21,878,515</b>	<b>\$ 17,627,485</b>	<b>\$ 60,909,410</b>

See Notes to Financial Statements.

**CITY OF MISSOURI CITY, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**

**For the Fifteen Months Ended September 30, 2018**

**Total fund balance, governmental funds** \$ 50,486,980

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. 200,985,531

Long-term liabilities and deferred outflows of resources relating to bonds payable are not due and payable in the current period and are therefore not reported in the funds:

General Obligation Bonds	(79,373,116)
Certificates of Obligation	(7,091,924)
Increment Revenue Bonds	(3,575,000)
Capital Leases	(451,648)
Issuance Premiums	(7,780,811)
Deferred charges on refunding	2,724,641
Contractual Obligations	(12,285,000)
OPEB Obligation	(7,577,040)
Deferred outflow of resources related to OPEB	649,651
Compensated Absences	(1,148,289)
Accrued interest payable	(1,033,292)
Deferred outflow of resources related to pension	3,048,645
Net pension liability	(25,395,364)
Deferred inflows of resources related to pension	(2,814,589)

Revenues that do not provide current financial resources are reported as unavailable in the funds. 1,640,928

**Net Position of Governmental Activities** **\$ 111,010,303**

See Notes to Financial Statements.

**CITY OF MISSOURI CITY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fifteen Months Ended September 30, 2018**

	General Fund	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes:					
Property taxes and penalties	\$ 25,915,311	\$ 9,391,249	\$ -	\$ 6,460,519	\$ 41,767,079
Other taxes	11,944,882	-	4,480,114	270,487	16,695,483
Licenses and permits	3,533,623	-	-	-	3,533,623
Fines and forfeitures	1,190,545	-	-	108,790	1,299,335
Franchise taxes	5,357,742	-	-	227,689	5,585,431
Intergovernmental revenues	3,162,582	-	4,022,823	743,792	7,929,197
Other revenue	1,769,590	-	72,200	618,837	2,460,627
Charges for services	492,721	-	-	277,887	770,608
Investment income	229,484	143,029	464,972	282,849	1,120,334
<b>Total revenues</b>	<u>53,596,480</u>	<u>9,534,278</u>	<u>9,040,109</u>	<u>8,990,850</u>	<u>81,161,717</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	11,661,776	-	-	2,257,130	13,918,906
Finance	2,209,722	-	-	-	2,209,722
Police	16,730,375	-	-	479,719	17,210,094
Fire	10,918,160	-	-	13,020	10,931,180
Public works	9,952,634	-	-	-	9,952,634
Parks and recreation	3,587,829	-	-	166,577	3,754,406
Planning	1,732,489	-	2,383,255	361,158	4,476,902
<b>Capital outlay</b>	1,118,954	-	12,675,736	-	13,794,690
<b>Debt service:</b>					
Principal	105,430	6,381,116	-	1,400,000	7,886,546
Interest and fiscal charges	-	3,280,655	-	1,266,173	4,546,828
<b>Total expenditures</b>	<u>58,017,369</u>	<u>9,661,771</u>	<u>15,058,991</u>	<u>5,943,777</u>	<u>88,681,908</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(4,420,889)	(127,493)	(6,018,882)	3,047,073	(7,520,191)
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	2,111,958	-	1,546,495	1,292,468	4,950,921
Transfers (to) other funds	(258,804)	-	(2,125,000)	(1,926,306)	(4,310,110)
<b>Total Other Financing Sources (Uses)</b>	<u>1,853,154</u>	<u>-</u>	<u>(578,505)</u>	<u>(633,838)</u>	<u>640,811</u>
<b>Net Change in Fund Balance</b>	(2,567,735)	(127,493)	(6,597,387)	2,413,235	(6,879,380)
<b>Fund Balances, Beginning</b>	<u>13,581,779</u>	<u>4,909,113</u>	<u>24,002,209</u>	<u>14,873,259</u>	<u>57,366,360</u>
<b>Fund Balances, Ending</b>	<u>\$ 11,014,044</u>	<u>\$ 4,781,620</u>	<u>\$ 17,404,822</u>	<u>\$ 17,286,494</u>	<u>\$ 50,486,980</u>

See Notes to Financial Statements

**CITY OF MISSOURI CITY, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
*For the Fifteen Months Ended September 30, 2018*

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

Net change in fund balance-total governmental funds.	\$ (6,879,380)
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 (\$15,364,237) in the funds exceeded depreciation (\$14,395,805) by this amount:	968,429
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	205,709
Some expenses reported in the statement of activities do not require the use of current financial resources are therefore are not reported as expenditures in governmental funds. This adjustment reflects the net change in:	
Interest payable	(890,803)
The payment of long-term debt	7,481,546
Total OPEB liability	(923,257)
Deferred outflows of resources related to OPEB	649,651
Compensated absences payable	623,734
Deferred charges on refunding	(172,699)
Amortization of bond premiums	495,387
Net pension liability	3,893,956
Deferred outflows of resources related to pensions	(3,434,832)
Deferred inflows of resources related to pensions	(2,450,752)
Net effect of contractual obligations	405,000
 <b>Change in Net Position of Governmental Activities</b>	 <b>\$ (28,311)</b>

See Notes to Financial Statements.

**CITY OF MISSOURI CITY, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**September 30, 2018**

	<b>Business-Type Activities - Enterprise Funds</b>				
	<b>Water and Wastewater Utilities</b>	<b>Surface Water Treatment</b>	<b>Solid Waste Collections</b>	<b>Golf Course</b>	<b>Total</b>
<b>Assets</b>					
Current Assets:					
Cash and cash equivalents	\$ 2,172,177	\$ 4,531,633	\$ -	\$ 22,439	\$ 6,726,249
Investments	6,869,762	14,331,819	-	-	21,201,581
Other receivables, net of allowance	993,571	1,381,673	1,271,522	21,410	3,668,176
Due from other funds	6,157,696	-	-	-	6,157,696
Inventories	-	-	-	98,354	98,354
<b>Total Current Assets</b>	<b>16,193,206</b>	<b>20,245,125</b>	<b>1,271,522</b>	<b>142,203</b>	<b>37,852,056</b>
Noncurrent Assets:					
Capital assets:					
Land and Right of Way	532,013	4,228,813	-	72,993	4,833,819
Construction in progress	749,053	909,913	-	-	1,658,966
Buildings and improvements	4,072,845	-	-	-	4,072,845
Equipment	2,553,864	11,997	-	5,898	2,571,759
Infrastructure	24,190,357	62,271,796	-	-	86,462,153
Less accumulated depreciation	(6,814,958)	(7,054,609)	-	(16,847)	(13,886,414)
<b>Total Noncurrent Assets</b>	<b>25,283,174</b>	<b>60,367,910</b>	<b>-</b>	<b>62,044</b>	<b>85,713,128</b>
<b>Total Assets</b>	<b>41,476,380</b>	<b>80,613,035</b>	<b>1,271,522</b>	<b>204,247</b>	<b>123,565,184</b>
<b>Deferred Outflows</b>					
Deferred amount on refunding	411,214	675,772	-	-	1,086,986
<b>Total Deferred Outflows</b>	<b>411,214</b>	<b>675,772</b>	<b>-</b>	<b>-</b>	<b>1,086,986</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable and other current liabilities	851,330	467,992	565,833	247,658	2,132,813
Accrued salaries payable	-	-	-	34,971	34,971
Accrued interest payable	207,566	432,775	-	-	640,341
Due to other funds	-	6,157,696	341,997	222,575	6,722,268
Bonds Payable	440,154	1,865,000	-	-	2,305,154
<b>Total Current Liabilities</b>	<b>1,499,050</b>	<b>8,923,463</b>	<b>907,830</b>	<b>505,204</b>	<b>11,835,547</b>
Noncurrent Liabilities:					
Bond Premium Payable	801,043	5,904,843	-	-	6,705,886
Bonds Payable	5,244,806	43,340,000	-	-	48,584,806
<b>Total Noncurrent Liabilities</b>	<b>6,045,849</b>	<b>49,244,843</b>	<b>-</b>	<b>-</b>	<b>55,290,692</b>
<b>Total Liabilities</b>	<b>7,544,899</b>	<b>58,168,306</b>	<b>907,830</b>	<b>505,204</b>	<b>67,126,239</b>
<b>Net Position</b>					
Net Investment in capital assets	19,000,819	9,933,839	-	62,044	28,996,702
Unrestricted	15,341,876	13,186,662	363,692	(363,001)	28,529,229
<b>Total Net Position</b>	<b>\$ 34,342,695</b>	<b>\$ 23,120,501</b>	<b>\$ 363,692</b>	<b>\$ (300,957)</b>	<b>\$ 57,525,931</b>

See Notes to Financial Statements

**CITY OF MISSOURI CITY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Fifteen Months Ended September 30, 2018**

	<b>Business-Type Activities - Enterprise Funds</b>				
	<b>Water and Wastewater Utilities</b>	<b>Surface Water Treatment</b>	<b>Solid Waste Collections</b>	<b>Golf Course</b>	<b>Total</b>
<b>Operating Revenues</b>					
Charges for services	\$ 5,077,365	\$ 13,058,646	\$ 4,391,811	\$ 4,711,428	\$ 27,239,250
<b>Total Operating Revenues</b>	<u>5,077,365</u>	<u>13,058,646</u>	<u>4,391,811</u>	<u>4,711,428</u>	<u>27,239,250</u>
<b>Operating Expenses</b>					
Personnel	-	-	-	1,363,969	1,363,969
Commodities	48,268	2,228,001	577	1,010,287	3,287,133
Repairs and maintenance	1,032,335	899,310	-	195,705	2,127,350
Contractual services	3,283,005	1,804,300	4,541,237	121,384	9,749,926
Other services	-	-	-	2,301,720	2,301,720
Depreciation	862,539	1,765,918	-	10,949	2,639,406
<b>Total Operating Expenses</b>	<u>5,226,147</u>	<u>6,697,529</u>	<u>4,541,814</u>	<u>5,004,014</u>	<u>21,469,504</u>
<b>Operating Income (Loss)</b>	(148,782)	6,361,117	(150,003)	(292,586)	5,769,746
<b>Non-Operating Revenues (Expenses)</b>					
Investment earnings (loss)	200,571	299,546	3,036	-	503,153
Interest expense	(430,523)	(2,010,407)	-	-	(2,440,930)
Miscellaneous	11,637	110,170	-	7,300	129,107
<b>Total Non-Operating Revenue</b>	<u>(218,315)</u>	<u>(1,600,691)</u>	<u>3,036</u>	<u>7,300</u>	<u>(1,808,670)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	(367,097)	4,760,426	(146,967)	(285,286)	3,961,076
<b>Contributions and Transfers</b>					
Transfers from other funds	6,451,948	-	-	-	6,451,948
Transfer (to) other funds	(113,333)	(6,959,426)	(20,000)	-	(7,092,759)
<b>Total Contributions and Transfers</b>	<u>6,338,615</u>	<u>(6,959,426)</u>	<u>(20,000)</u>	<u>-</u>	<u>(640,811)</u>
<b>Change in Net Position</b>	5,971,518	(2,199,000)	(166,967)	(285,286)	3,320,265
<b>Net position, beginning</b>	<u>28,371,177</u>	<u>25,319,501</u>	<u>530,659</u>	<u>(15,671)</u>	<u>54,205,666</u>
<b>Net position, Ending</b>	<u>\$ 34,342,695</u>	<u>\$ 23,120,501</u>	<u>\$ 363,692</u>	<u>\$ (300,957)</u>	<u>\$ 57,525,931</u>

See Notes to Financial Statements

**CITY OF MISSOURI CITY, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Fifteen Months Ended September 30, 2018

	<b>Business-type Activities - Enterprise Funds</b>				<b>Total Enterprise Funds</b>
	<b>Water and Wastewater Utilities Fund</b>	<b>Surface Water Utility Fund</b>	<b>Solid Waste Collections Fund</b>	<b>Golf Course Fund</b>	
<b>Cash Flows from Operating Activities</b>					
Receipts from customers and users	\$ 4,746,893	\$ 11,684,987	\$ 4,174,978	\$ 4,714,150	\$ 25,321,008
Disbursed for personnel services	-	-	-	(1,346,574)	(1,346,574)
Disbursed for good and services to suppliers	(4,174,629)	(5,587,349)	(4,539,222)	(3,520,044)	(17,821,244)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>572,264</u>	<u>6,097,638</u>	<u>(364,244)</u>	<u>(152,468)</u>	<u>6,153,190</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Transfer (to) from other funds	180,919	(801,730)	321,997	206,542	(92,272)
<b>Net Cash Provided (Used) by Noncapital Financial Activities</b>	<u>180,919</u>	<u>(801,730)</u>	<u>321,997</u>	<u>206,542</u>	<u>(92,272)</u>
<b>Cash Flows from Capital &amp; Related Financing Activities</b>					
Insurance & misc. reimbursements	11,637	110,170	-	7,300	129,107
Acquisition and construction of capital assets	(1,416,400)	(1,182,800)	-	(72,993)	(2,672,193)
Principal (paid) received on capital debt	(420,460)	(1,890,000)	-	-	(2,310,460)
Interest paid on capital debt	(261,415)	(2,012,901)	-	-	(2,274,316)
<b>Net Cash Provided (Used) by Capital &amp; Related Financing Activities</b>	<u>(2,086,638)</u>	<u>(4,975,531)</u>	<u>-</u>	<u>(65,693)</u>	<u>(7,127,862)</u>
<b>Cash Flows from Investing Activities</b>					
Interest Received	200,571	299,546	3,036	-	503,153
Sale (purchase) of investments	(3,178,366)	(7,711,531)	14,253	-	(10,875,644)
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(2,977,795)</u>	<u>(7,411,985)</u>	<u>17,289</u>	<u>-</u>	<u>(10,372,491)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>					
	(4,311,250)	(7,091,608)	(24,958)	(11,619)	(11,439,435)
Cash and cash equivalents, beginning	6,483,427	11,623,241	24,958	34,058	18,165,684
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 2,172,177</u>	<u>\$ 4,531,633</u>	<u>\$ -</u>	<u>\$ 22,439</u>	<u>\$ 6,726,249</u>

See Notes to Financial Statements

**CITY OF MISSOURI CITY, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Fifteen Months Ended September 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>				<u>Total Enterprise Funds</u>
	<u>Water and Wastewater Utilities Fund</u>	<u>Surface Water Utility Fund</u>	<u>Solid Waste Collections Fund</u>	<u>Golf Course Fund</u>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating income (loss)	\$ (148,782)	\$ 6,361,117	\$ (150,003)	\$ (292,586)	\$ 5,769,746
Adjustments to reconcile operating income to net cash used by operating activities:					
Depreciation	862,539	1,765,918	-	10,949	2,639,406
(Increase) decrease in accounts receivable	(330,472)	(1,373,659)	(216,833)	2,722	(1,918,242)
(Increase) in inventories	-	-	-	38,257	38,257
Increase (Decrease) in accounts payable	188,979	(655,738)	2,592	70,795	(393,372)
(Decrease) increase in salaries payable	-	-	-	17,395	17,395
<b>Total adjustments</b>	<u>721,046</u>	<u>(263,479)</u>	<u>(214,241)</u>	<u>140,118</u>	<u>383,444</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 572,264</u>	<u>\$ 6,097,638</u>	<u>\$ (364,244)</u>	<u>\$ (152,468)</u>	<u>\$ 6,153,190</u>

See Notes to Financial Statements.

**Note 1 - Summary of Significant Accounting Policies**

The City of Missouri City, Texas, was incorporated March 12, 1956, and adopted the Home Rule Charter November 23, 1974, pursuant to the laws of the State of Texas. The City operates under a "Council-Manager" form of government and provides services authorized by its charter. Presently, these services include police and fire protection, drainage, building and code inspection, planning, zoning, engineering, street repair and maintenance, park maintenance, recreational activities for citizens, and general administrative services.

The financial statements of the City of Missouri City have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

**A. Reporting Entity**

The City is an independent political subdivision of the State of Texas, governed by an elected mayor and six-member council, 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 basic financial statements for the City of Missouri City include all activities, organizations and functions for which the City is financially accountable. The criteria considered include (1) whether the organization is part of the City's legal entity or (2) whether the City appoints the voting majority of the organization's governing body and either (a) the City is able to impose its will on the organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. In addition, an organization may be financially dependent on the City and also included in its reporting entity. Those criteria are based upon and are consistent with those set forth in the Codification of Governmental Accounting Standards, Section 2100, Defining the Financial Reporting Entity.

The Missouri City Development Authority and Tax Incremental Reinvestment Zones 1, 2 and 3, and Public Improvement Districts 2 and 4 have been included in the City's financial reporting. These legally separate entities are blended component units and are included as Special Revenue Funds of the City. 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. The City maintains all accounting records for the blended component units.

The Missouri City Recreation and Leisure Local Government Corporation (LGC) is a proprietary fund that also is a blended component unit that operates from user fees. Specifically, all the members of Missouri City's governing body (City Council) serve as board members of the Development Authority Board, both Public Improvement Districts and the Missouri City Recreation and Leisure LGC. The City Council appoints the majority of the directors of the Tax Incremental Reinvestment Zones. The City Council appoints six of the eight board members for TIRZ 1, and seven of the eleven board members for TIRZ 3. Both boards are substantively the same as the City. Contributions to the TIRZs, in the form of incremental tax revenues, come from the City and Fort Bend County, whom can each appoint one board member. The sole purpose of TIRZ 1, 2 and 3 is to finance capital assets that will be owned by the City.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**A. Reporting Entity (continued)**

Fort Bend Independent School District elected not to join the TIRZs. The boards of the zones/districts make recommendations to City Council regarding the administration of the zones/districts. The boards are not authorized to issue bonds, impose taxes or assess fees. The City approves the tax rate, and assumes obligation to finance deficits in the zones on a short-term basis until incremental improvements are made and the City Manager is authorized to hire consultants for the zones. The above-mentioned component units' services (providing infrastructure that will be owned by the City) almost exclusively benefit the City in that the development of these areas (economically depressed areas) increases the tax base, resulting in additional revenue to the City. Separate financial statements are not issued for the above-mentioned blended component units.

The City developed a regional wastewater treatment master plan to achieve economies of scale by requiring utility districts and new developments to share wastewater treatment plants. The plant is contractually operated by the Quail Valley Municipal Utility.

Presently, the City has nineteen (19) active municipal utility districts providing water and sewer services within the City. These districts are not considered a part of the City's legal entity since they are not fiscally dependent on the City, have taxing powers and set their own budgets.

**B. Measurement Focus and Basis of Accounting**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, deferred inflows, fund equity, revenues, and expenditure/expenses. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**B. Measurement Focus and Basis of Accounting (continued)**

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

The government reports the following major Governmental Funds:

**General Fund**

The General Fund is the government's primary operating fund. The General Fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues of the general fund are property taxes, sales and use taxes, franchise fees, permit fees, and fines and forfeitures. Expenditures are for general government, finance, public safety, public works, park maintenance and recreation, planning and zoning, and engineering.

**Debt Service Fund**

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The primary source of revenue for debt service is property taxes.

**Capital Projects Fund**

The Capital Projects Fund is used to account for the proceeds from the sale of general obligation bonds and certificates of obligation and expenditures of these proceeds for the acquisition of capital assets as designated in each bond issue. It also includes the proceeds of the one-half (1/2) of the one cent sales tax collected by the Harris County Metropolitan Transit Authority (METRO) within the City. The funds are to be used for transportation projects as defined by the agreement.

The government reports the following major Proprietary Funds:

**Water and Wastewater Utilities Fund**

The Water and Wastewater Utility Fund accounts for the provision of water and wastewater services to the citizens of the City of Missouri City who are not serviced by any municipal utility district (MUD). The two main areas included at this time in the Water and Wastewater Utilities Fund are Northeast Oyster Creek (NEOC) Service area and the Mustang Bayou (MB) Service area for both water and wastewater treatment, and wastewater treatment for Hightower High School. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing, debt service, billing and collection.

**Surface Water Utility Fund**

The Surface Water Utility Fund is used to account for the construction and operation of a surface water treatment plant to service the City (including twenty-two municipal utility districts and other special water districts). The surface water treatment plant is an integral part of the area's Groundwater Reduction Plan. A plan entered into by these districts legally obligates each participant for the repayment of the construction debt.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**B. Measurement Focus and Basis of Accounting (continued)**

**Solid Waste Collections Fund**

The Solid Waste Collections Fund is used to account for user fees and expenses related to the City's garbage collection activities.

**Leisure Local Government Corporation (LGC)**

This fund assists the City in providing a first class system of parks and recreational facilities to promote a healthful environment within the City of Missouri City. It is used to account for the operations of the golf course.

**C. Cash and Cash Equivalents**

Cash and cash equivalents consist of amounts in a demand account, money market mutual fund, petty cash funds, Texas Local Government Investment Pool (TexPool), the Local Government Investment Cooperative (LOGIC), Texas CLASS and short-term investments with maturities of three months or less. Both TexPool and LOGIC are external investment pools established by interlocal contracts under state law. Investments and securities are booked at cost and amortized monthly to reach par at maturity. Investments are generally held to maturity.

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various bearing securities and disclosed as part of the City's investments. The City pools excess cash of the various individual funds to purchase investments. These pooled investments are reported in the combined balance sheet as investments in each fund based on each fund's share of the pooled investments. Interest income is allocated to each respective individual fund monthly based on its respective share of pooled investments.

**Investments**

Investments consist primarily of U.S. Government Agency Securities and Municipal Bonds which are stated at fair value based on the hierarchy established by generally accepted accounting principles. The net increase or decrease in the fair value of investments is netted with investment income in local sources of revenue. Investments are generally held to maturity.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**D. Receivables**

The City records certain revenues billed to other governmental agencies, residents, and others on a monthly basis. Adjustments to revenue were made for uncollectible accounts as needed.

**E. Interfund Receivables and Payables**

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are, for the most part, eliminated from the government-wide Statement of Net Position and are classified as "due from other funds" or "due to other funds" in the fund financial statements.

**F. Inventory**

Inventory, which consists of gasoline and parts for use in the City's vehicles, is stated at cost (first-in, first-out method). Expenditures are recognized as the fuel and parts are used.

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure items, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure is not held to the \$5,000 limit; all infrastructure is capitalized regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest expense in the City's enterprise fund was capitalized in the fiscal year.

Land is not depreciated. Property, plant, equipment and infrastructure assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Years</u>
Building & Building Improvements	10-50
Land Improvements	5-20
Infrastructure	10-65
Machinery & Equipment	4-25

**Note 1 - Summary of Significant Accounting Policies (continued)**

**H. Compensated Absences**

Compensated absences, which include unpaid vacation and other employee benefit amounts, are accumulated during employment. Amounts accumulated are paid to employees upon separation from City service. At September 30, 2018, all amounts accrued for compensated absences have been included as liabilities in the Government-wide Statement of Net Position and as designated fund balances in the fund that pays the unpaid vacation and other employee benefits. Employees earn vacation leave at the rate of ten days per year from one to five years and up to sixteen days per year for service of fifteen years or more. Police and Fire employees, as defined under Section 142.010 of the Texas Local Government Code, receive fifteen days' vacation after one full year of employment and sixteen days' vacation for fifteen years and over.

The maximum accrual an employee may maintain is two times the annual rate. City employees receive eleven paid holidays per year. Employees may be paid or may elect to receive compensatory time off for the holiday. Overtime is earned at one and one-half times the regular rate of pay. Employees may be paid or receive compensatory time. The maximum accrual for holiday and overtime is 120 hours.

**I. Long-Term Obligations**

The government-wide financial statements and proprietary fund type fund financial statements report long-term debt and other long-term obligations as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premiums or discounts.

The fund financial statements report 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 at par. Premiums (discounts) associated with the debt are reported as other financing uses.

**J. Fund Balance**

As of these financial statements, the City has adopted GASB Statement No.54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

**Nonspendable** – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – Amounts that can be spent only for specific purposes because of the City Charter, City Code, State or Federal laws, or externally imposed conditions by grantors or creditors.

**Committed** – Amounts than can be used only for specific purposes determined by ordinances passed by City Council, the City's highest level of decision making authority. This includes the budget reserve account. Commitments may be modified or rescinded only through ordinances approved by City Council.

**Assigned** – Amounts that are intended to be used for a specific purposes, but do not meet the definition of restricted or committed fund balance. Under the City's policy, amounts can be assigned by the City Manager.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**J. Fund Balance (continued)**

**Unassigned** – All amounts not included in other spendable classifications. The general fund is the only fund that reports a positive unassigned fund balance. However, if other governmental funds, if expenditures for specific purposes exceed restricted, committed or assigned fund balances, a negative assigned fund balance may be reported in that fund.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 19). As discussed in Note 1, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by Council or the assignment has been changed by the City Manager. As of September 30, 2018, no amounts have been assigned. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

**K. Deferred Outflows/Inflows of Resources**

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

*A deferred outflow of resources* is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The City has three items that qualify for reporting in this category:

- Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, this 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 outflows of resources for pension – Reported in the government wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial experiences. The deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan which is currently 5.88 years.
- Deferred outflows of resources for other post-employment benefits (OPEB) – Reported in the government wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on OPEB plan investments and 2) changes in the City's proportional share of OPEB liabilities. The deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five year period. The remaining OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the plan.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**K. Deferred Outflows/Inflows of Resources (continued)**

A *deferred inflow of resources* is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The City has three items that qualify for reporting in this category:

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for pension – Reported in the government wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five year period.
- Deferred inflows of resources for other post-employment benefits (OPEB) – Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the plan.

**L. Pensions**

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

**M. Other Post-Employment Benefits.**

The City participates in a defined benefit group-term life insurance plan, both for current and retired employees, administered by the Texas Municipal Retirement System (TMRS). The City reports the total liability for this plan on the government-wide and proprietary fund financial statements. The City administers other post-employment benefits ("OPEB") through a defined benefit medical plan to provide coverage for eligible retirees and their dependents. Information regarding the City's total OPEB liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Statement No. 75.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**K. Deferred Outflows/Inflows of Resources (continued)**

**N. Use of 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates

**O. Restricted Resources**

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**P. Restricted Assets**

The Enterprise Funds have restricted certain cash and investments for customer deposits, reserve and emergency expenditures, capital improvements, cash restricted for others, and revenue bond debt service. Because of certain bond covenants, the Enterprise Fund is required to maintain prescribed amounts of resources that can be used only to service outstanding debt. The proceeds from debt are restricted for use on capital projects.

**Q. Comparative Data and Reclassifications**

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with current year's presentation.

**R. Implementation of New Standards**

In the current fiscal year, the City implemented the following new standards. The applicable provisions of these new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements.

GASB Statement No. 85, Omnibus 2017. This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

**Note 2 - Deposits and Investments**

The City's cash and investments are classified as cash and cash equivalents and investments. The cash and cash equivalents include cash on hand, deposits with financial institutions, short-term investments in external public funds investment pool accounts (LOGIC), Texas CLASS and (TexPool), and other investments. The investments, which have maturities at purchase date of greater than three months, consist mainly of U.S. government securities, municipal bonds, certificates of deposit. For better management of cash, the City pools the cash, based on the City's needs, into deposits in the bank, in short-term investments with LOGIC and TexPool, or in longer term investments in commercial paper or U.S. Government securities. However, each fund's balance of cash and investments is maintained in the books of the City.

The City's deposits are maintained under the provisions of a depository contract as a cash concentration account for use by all City funds. All receipts of City funds are deposited into a money market mutual fund account, and the depository bank transfers funds to a separate demand deposit checking account as checks are posted. The City bids out excess funds as necessary and awards the bid to the institution or agency offering the highest interest rate. Brokers/dealers must complete a questionnaire, submit financial statements, and be approved by City Council before being accepted to bid on investments of excess City funds.

For better management of cash, the City pools the cash based on the City's needs, into either deposits in the bank accounts, in short-term investments with local government investment pools, certificates of deposit, or a money market mutual fund or longer-term investments in U.S. Government securities or municipal bonds. However, each fund's balance of cash and investments is maintained separately in the records of the City.

The City had the following cash and investments at year-end:

<b>Fund</b>	<b>Fair Value</b>	
	<b>Total Cash and</b>	<b>Investments</b>
General Fund	\$ 2,581,106	\$ 6,726,249
Debt Service Fund	2,964,784	1,846,944
Capital Projects Fund	16,643,538	4,491,107
Nonmajor Governmental Funds	3,839,027	13,555,988
<b>Total Governmental Activities</b>	<b>\$ 26,028,455</b>	<b>\$ 26,620,288</b>
Water and Wastewater Utilities Fund	\$ 2,172,177	\$ 6,869,762
Surface Water Treatment Fund	4,531,633	14,331,819
Golf Course Fund (nonmajor)	22,439	-
<b>Total Business-type Activities</b>	<b>\$ 6,726,249</b>	<b>\$ 21,201,581</b>
<b>Total Primary Government</b>	<b>\$ 32,754,704</b>	<b>\$ 47,821,869</b>

**Note 2 - Deposits and Investments (continued)**

For deposits, this is the risk that, in the event of bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. Collateral is required for all bank deposits at 100 percent of deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. Collateral pledged to cover the City's deposits is required to be held in the City's name by the trust department of a bank other than the pledging bank (the City's agent). Collateral securities must bear a Baa-1 or better rating to qualify for use in securing uninsured depository balances.

The City's total cash deposits, including certificates of deposit at September 30, 2018 were entirely covered by collateralized securities held in the City's name or by federal deposit insurance.

At September 30, 2018, the City invested in a governmental money market mutual fund (Wells Fargo Government Money Market Fund) as part of its investment strategy. This investment is accomplished through daily sweeps of excess cash by the City's custodial bank into a bank sponsored program, short-term investment fund. This fund is a custodial bank-sponsored commingled fund that is invested in short-term U.S. government agency and treasury debt and repurchase agreements.

At year-end, the Fund was rated AAAM by Standard & Poor's.

**Investment Policy**

The Council has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act (Chapter 2256 Texas Government Code). The investments of the City are in compliance with the Council's investment policies. It is the City's policy to restrict its investments to direct obligations of the U.S. Government, commercial paper, fully collateralized certificates of deposit and other interest-bearing time and demand deposits, and other instruments and investments in public funds investment pools such as the Local Government Investment Cooperative (LOGIC), Texas CLASS and Texas Local Government Investment Pool (TexPool).

The City's investments are carried at fair value based on quoted market prices at year-end, in accordance with U.S. generally accepted accounting principles. The City categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an assets fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's local government investment pools are recorded at amortized costs permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants*.

**Note 2 - Deposits and Investments (continued)**

**Investment Policy (continued)**

Under provisions of state and local statutes, the City's investment policies, and provisions of the City's depository contracts with the area financial institutions, the City is authorized to place available deposits and investments in the following:

1. Obligations of the U.S., its agencies, and instrumentalities.
2. Direct obligations of the State of Texas or its agencies.
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.
4. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State of Texas or the United States or their agencies and instrumentalities.
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to the investment quality by a nationally recognized investment firm and having received a rating of not less than A or its equivalent.
6. Bonds issued, assumed, or guaranteed by the State of Israel.
7. Certificates of Deposit issued by state and national banks or a savings bank, state or federal credit union domiciled in this state that are:
  - guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor or the National Credit Union or its successor;
  - secured by obligations that are described in 1-6 above, which are intended to include all direct federal agency or instrumentality issued mortgage backed securities that have a fair value of not less than the principal amount of the certificates or in any other manner and amount provided by law for deposits of the investing entities.
8. Fully collateralized repurchase agreements having a defined termination date, secured by obligations of the United States, its agencies or instrumentalities, pledged with a third party selected or approved by the political entity, and placed through a primary government securities dealer, as defined by the Federal Reserve, or through a financial institution domiciled in the State of Texas.
9. Prime domestic banker's acceptances, defined as a banker's acceptance with a remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or equivalent by at least one nationally recognized credit rating agency.
10. Commercial paper that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or State bank.
11. SEC-registered no-load money market mutual fund (MMMF), with a dollar weighted average portfolio maturity of 90 days or less, includes in their investment objectives the maintenance of a stable net asset value of \$1 for each share.

**Note 2 - Deposits and Investments (continued)**

**Investment Policy (continued)**

12. SEC-registered, no-load money market mutual funds (MMMF) that have an average weighted maturity of less than two years, invests exclusively in obligations described above and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of no less than AAA or its equivalent.
13. Authorized guaranteed investment contracts that have a defined termination date, are secured by obligations described in 1-6 above, are pledged to the City and deposited with the City or with a third party selected and approved by the City.
14. Authorized government investment pools that invest solely in obligations of any of the above investments provided that the pools are rated no lower than AAA or AAAM or an equivalent by at least one nationally recognized rating service.

All significant legal and contractual provisions for investments were complied with during the year.

**Interest Rate Risk and Concentration of Credit Risk**

As of September 30, 2018, the City had the following deposits and investments subject to interest rate risk disclosure under U.S. generally accepted accounting principles:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Percentage of Portfolio</u>
Cash deposits	\$ 318,449	0	0%
Governmental Mutual Fund	8,679,986	0	11%
Public Funds Investment Pools:			
TexasClass	18,638,488	13	23%
TexPool	203,426	0	0%
LOGIC	4,914,355	2	6%
U.S. Government Agency Notes:			
Federal National Mortgage Association (FNMA)	2,962,013	255	4%
Federal Home Loan Mortgage Corp (FHLMC)	1,539,776	113	2%
Government National Mortgage Association (GNMA)	433,462	8	1%
Municipal Bonds	6,446,110	32	8%
Certificates of Deposit	36,440,508	101	45%
Total Portfolio	<u>80,576,573</u>	524	

The U.S. government securities were purchased through a broker/dealer and held for safekeeping by the City's depository bank (independent agent), registered for the account of Missouri City. The City generally holds all investments to maturity date. The City had no derivative investment products during the current year. The City did not have any reverse repurchase or repurchase agreement transactions. Investment interest is adjusted for changes in the fair values of U.S. government agencies.

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than two years to meet cash requirements for ongoing operations.

**Note 2 - Deposits and Investments (continued)**

**Local Government Investment Pools (LGIP)**

The Local Government Investment Cooperative (LOGIC) the Texas Local Government Investment Pool (TexPool) and the Texas Cooperative Liquid Assets Securities System (Texas CLASS) amounts are not evidenced by securities that exist in physical or book entry form and, accordingly, are not categorized by risk. However, the nature of these funds requires that they be used to purchase investments authorized by the Public Funds Investment Act. The primary objective of these investment pools is to provide a safe environment for the placement of public funds in short-term, fully collateralized investments. The City considers the holdings in LOGIC, TexPool and Texas CLASS to be redeemable within one day although the weighted average maturity days is higher as shown above. Weighted average maturity is determined and defined by the nature of the deposits in the pools, not by the account holder.

The State of Texas exercises oversight responsibility over TexPool in accordance with state laws and the Public Funds Investment Act. TexPool is an external pool and operates in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940. It is rated AAAM by Standard Poor's, the highest rating a local government investment pool can achieve. Net position is reported using amortized cost rather than fair value in computing share price. In accordance with TexPool management policies, the net asset value will always be between .9965 and 1.0035. Accordingly, the fair value of the City's position in the pool is the same as the value of the shares in the pool.

If at any time, pursuant to its daily calculation, the deviation between the amortized cost and market-determined values per share of the Portfolio's assets exceeds \$0.0030, the Co-Administrators shall promptly notify the Board. In the event that the deviation from amortized cost per share exceeds \$0.0040, the Board shall promptly hold a meeting and the Co-Administrators shall take action as directed by the Board. However, absent contrary instructions, the Co-Administrators shall promptly sell portfolio holdings, or will take such other action as the Board, or their delegates, may direct to eliminate or reduce to the extent reasonably practicable any dilution or unfair results to existing Unit holders.

LOGIC is a local government investment fund that operates as a money market fund under the Public Funds Investment Act, which requires that it maintain an AAA, AAA-m or equivalent rating from a nationally recognized rating service. LOGIC is rated AAA and operates in full compliance with the PFIA and rating agency requirements. As a local government investment fund, LOGIC is exempted from SEC registration and the requirements of Rule 2a-7 pertaining to registered money market funds; however, consistent with Rule 2a-7, it seeks to maintain a stable net asset value of \$1.00 per unit. Pursuant to an action by the Board of Directors, LOGIC began reporting its investments using the fair value method, rather than at their amortized cost, on August 31, 2010. Currently, fixed income securities (other than short term investments maturing in less than 61 days) are valued each day based on readily available market quotations received from independent or affiliated pricing services or third party broker dealers. The net asset value per unit of LOGIC is calculated each business day by adding the fair value of LOGIC's securities and other assets, deducting accrued expenses and arrearages, and dividing by the number of units outstanding. As previously noted, it is the intention of LOGIC to maintain a net asset value of \$1.00.

**Note 2 - Deposits and Investments (continued)**

**Local Government Investment Pools (LGIP)**

Texas CLASS is a Participant controlled trust created in accordance with Texas Public Funds Investment Act, Section 2256.0017 and was established for participating Texas municipalities. Texas CLASS is available for investment by Texas municipalities, school districts and public agencies. Texas CLASS operates like a money market mutual fund with each share valued at \$1. Texas CLASS is rated AAAM by S&P. Securities are valued at the most recent market price as obtained from one or more market makers for such securities. Securities transactions are accounted for on a trade date basis. Interest income is recognized on the accrual basis and includes amortization of premiums and accretion of discounts. Distributions from net investment income are declared and paid daily. Texas CLASS’s policy is to distribute net realized and capital gains, if any, in a reasonable time frame after the gain is realized.

**Credit Risk - Investments**

In accordance with its investment policy, the City minimized credit risk losses due to default of a security issuer or backer, by limiting investments to the safest types of securities. All of the City’s U.S. Agency investments are insured, registered, or the City’s agent holds the securities in the City’s name; therefore the City is not exposed to custodial credit risk.

**Adjustment to Investment’s Fair Value**

The City categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure assets fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City’s local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

Investments’ fair value measurements are as follows at September 30, 2018:

<b>Investment</b>	<b>Fair Value</b>	<b>Fair Value Measurements Using</b>		
		<b>Level 1 inputs</b>	<b>Level 2 inputs</b>	<b>Level 3 inputs</b>
U.S. Government Agency Notes:				
Federal National Mortgage Association (FNMA)	\$2,962,013		2,962,013	
Federal Home Loan Mortgage Corp (FHLMC)	1,539,776		1,539,776	
Government National Mortgage Association (GNMA)	433,462		433,462	
Municipal Bonds	6,446,110		6,446,110	
Certificates of Deposit	36,440,508	36,440,508		
<b>Total Investments</b>	<b>47,821,869</b>	<b>36,440,508</b>	<b>11,381,361</b>	<b>-</b>

**Note 3 - Property Taxes**

Property taxes for each year are levied on approximately August 1 and are due upon receipt of the City's tax bill and become delinquent on February 1 of the following year. On January 1 of each year, a tax lien is attached to the property to secure the payment of all taxes, penalties, and interest. The lien exists in the favor of the State and each taxing unit. Appraised values are established by the Fort Bend Central Appraisal District (CAD), through procedures established by the Texas Legislature. The County bills and collects property taxes on behalf of the City, and remits payment to the City on a frequent basis. The City bills its tax levies as soon as possible after certification of taxable values by the CAD, which is approximately August 1 as noted above. Additional tax bills are sent in December, February, April, and July (which includes a surcharge for legal costs associated with collection). In August, delinquent taxes are turned over to the City's delinquent tax attorneys for final collection or other disposition.

The City is permitted, by Article XI, Section 5, of the State of Texas Constitution and the City Charter, to levy property taxes up to \$2.50 per \$100 of assessed valuation for general governmental services. Within the \$2.50 maximum levy, there is no legal limit upon the amount of property taxes, which can be levied for debt service. The property tax rates to finance general governmental services and debt service for the 2017-2018 fiscal year were \$.44023 and \$.15977 respectively, per \$100 of assessed valuation. The 2017 tax year assessed value and total tax levy as adjusted through September 30, 2018, were \$6,670,648,840 and \$40,023,893, respectively.

**Note 4 - Receivables**

Receivables as of year-end for the government's individual major and non-major funds, and internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Non-major Funds</b>	<b>Governmental Activities</b>
Receivables					
Property taxes	\$ 896,120	\$ 358,592	\$ -	\$ -	\$ 1,254,712
Sales tax	2,907,641	-	-	-	2,907,641
Municipal court	1,385,424	-	-	33,965	1,419,389
Other	710,152	-	-	79,895	790,047
Due from other governments	408,729	-	743,870	292,257	1,444,856
Gross receivable	6,308,066	358,592	743,870	406,117	7,816,645
Less: Allowance for uncollectible	(1,680,495)	(16,625)	-	1,984	(1,695,136)
Net Receivables.	<u>\$ 3,908,965</u>	<u>\$ 341,967</u>	<u>\$ 743,870</u>	<u>408,101</u>	<u>\$ 6,121,509</u>

	<b>Water and Wastewater Utilities</b>	<b>Surface Water Treatment</b>	<b>Solid Waste Collections</b>	<b>Golf Course</b>	<b>Business-Type Activities</b>
Receivables					
Other	\$ -	\$ -	\$ 1,271,522	\$ 21,410	\$ 1,292,932
Due from other governments (MUD)	993,571	1,381,673	-	-	2,375,244
Gross receivable	993,571	1,381,673	1,271,522	21,410	3,668,176
Net Receivables.	<u>\$ 993,571</u>	<u>\$ 1,381,673</u>	<u>\$ 1,271,522</u>	<u>\$ 21,410</u>	<u>\$ 3,668,176</u>

**Note 5 - Capital Assets**

The following is a summary of changes in capital assets for the fifteen months ended September 30, 2018:

	Balance			Balance	
	June 30, 2017	Additions	Retirements and Transfers	September 30, 2018	
<b>Governmental activities:</b>					
Capital assets, not being depreciated					
Land	\$ 11,787,967	\$ 6,740	\$ -	\$ 11,794,707	
Intangibles - Right of Way	2,713,521	-	-	2,713,521	
Construction in progress	4,243,031	5,717,885	(3,130,889)	6,830,027	
Total capital assets, not being depreciated	18,744,519	5,724,625	(3,130,889)	21,338,255	
Capital assets being depreciated:					
Buildings and Building Improvements	44,983,489	127,120	605,936	45,716,545	
Improvements other than buildings	32,424,981	1,580,235	-	34,005,216	
Infrastructure	212,788,765	5,313,542	2,524,953	220,627,260	
Machinery and equipment	20,448,259	2,970,145	(664,349)	22,754,055	
Total capital assets being depreciated	310,645,494	9,991,042	2,466,540	323,103,076	
Less accumulated depreciation for:					
Buildings and Building Improvements	(10,142,591)	(1,302,646)	-	(11,445,237)	
Improvements other than buildings	(12,821,043)	(2,179,144)	-	(15,000,187)	
Infrastructure	(94,042,036)	(8,667,356)	-	(102,709,392)	
Machinery and equipment	(12,687,747)	(2,246,659)	633,422	(14,300,984)	
Total accumulated depreciation	(129,693,417)	(14,395,805)	633,422	(143,455,800)	
Total capital assets being depreciated, net	180,952,077	(4,404,763)	3,099,962	179,647,276	
Governmental activities capital assets, net	\$ 199,696,596	\$ 1,319,862	\$ (30,927)	\$ 200,985,531	
<b>Business-type activities:</b>					
Capital assets, not being depreciated					
Land	\$ 4,741,426	\$ -	\$ -	\$ 4,741,426	
Intangibles - Right of Way	19,400	-	-	19,400	
Construction in progress	5,600,589	595,118	(4,536,741)	1,658,966	
Total capital assets, not being depreciated	10,361,415	595,118	(4,536,741)	6,419,792	
Business-type assets, being depreciated					
Buildings and Building Improvements	3,946,598	-	-	3,946,598	
Improvements other than buildings	126,247	72,993	-	199,240	
Infrastructure	79,921,330	2,004,082	4,536,741	86,462,153	
Machinery and equipment	2,571,759	-	-	2,571,759	
Total capital assets being depreciated	86,565,934	2,077,075	4,536,741	93,179,750	
Less accumulated depreciation for:					
Buildings and Building Improvements	(1,406,029)	(98,680)	-	(1,504,709)	
Improvements other than buildings	(103,604)	(18,871)	-	(122,475)	
Infrastructure	(7,885,960)	(2,352,030)	-	(10,237,990)	
Machinery and equipment	(1,851,415)	(169,825)	-	(2,021,240)	
Total accumulated depreciation	(11,247,008)	(2,639,406)	-	(13,886,414)	
Total capital assets being depreciated, net	75,318,926	(562,331)	4,536,741	79,293,336	
Business Type activities capital assets, net	\$ 85,680,341	\$ 32,787	\$ -	\$ 85,713,128	

**Note 5 - Capital Assets (continued)**

Depreciation expense for the fifteen months ended September 30, 2018 was distributed as follows:

Governmental Activities:	
General government	\$ 351,247
Finance	141,404
Police	835,840
Fire	764,629
Public works	10,235,877
Parks and recreation	2,033,686
Planning	<u>33,122</u>
Total Governmental Activities	<u><u>\$ 14,395,805</u></u>
Business-type Activities:	
Water and Wastewater	\$ 862,539
Surface Water	1,765,918
Golf Course	<u>10,949</u>
Total Business-type Activities	<u><u>\$ 2,639,406</u></u>

Constructions in progress for the various projects and remaining commitments under these construction contracts as of September 30, 2018, are:

	<u>Total in Progress</u>	<u>Remaining Commitment</u>
<b>Governmental Activities</b>		
Lower Oyster Creek	\$ 193,541	\$ -
Fire Station 4 Renovations	20,738	-
Ashmont Reconstruction	1,646,746	5,000
Adams Reconstruction	2,414,292	11,076
Glenn Lakes Lane Bridge Replacement	<u>2,554,710</u>	<u>3,923</u>
	<u><u>\$ 6,830,027</u></u>	<u><u>\$ 19,999</u></u>
<b>Business-type Activities</b>		
Mustang Bayou Wastewater Treatment Plant 1.5 MGD	\$ 749,053	\$ -
Regional Water Treatment Plant - 60 Acre Reservoir	153,625	-
Regional Water Treatment Plant - B Canal Pump Station	52,135	-
Regional Water Treatment Plant Phase II	<u>704,153</u>	<u>921,533</u>
	<u><u>\$ 1,658,966</u></u>	<u><u>\$ 921,533</u></u>

**Note 6 - Long-Term Debt and Other Long-Term Obligations**

The City issues general obligation bonds and certificates of obligation for the purpose of fulfilling its capital improvements programs. General obligation bonds and certificates of obligation are for both governmental and business-type activities. The bonds are reported in the Proprietary Funds only if they are expected to be repaid from proprietary revenues. The general long-term bonds, certificates of obligation and assumed obligations are paid through the Debt Service Fund from tax revenues. Generally these programs are classified in several broad areas: public safety, drainage, transportation, parks, facilities and utility construction.

**Changes in Long-term Liabilities**

Long-term liability activity for the fifteen months ended September 30, 2018, is as follows:

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>September 30, 2018</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds payable:					
General Obligation Bonds	\$ 85,113,225	\$ -	\$ (5,740,109)	\$ 79,373,116	\$ 5,432,922
Certificates of Obligation	8,031,355	-	(939,431)	7,091,924	576,924
Increment Revenue Bonds	3,935,000	-	(360,000)	3,575,000	365,000
Plus:					
Issuance premiums	8,276,198	-	(495,387)	7,780,811	492,961
Total bonds payable	105,355,778	-	(7,534,927)	97,820,851	6,867,807
Tax Notes	275,000	-	(275,000)	-	-
Capital Leases	267,221	351,433	(167,006)	451,648	141,627
Contractual Obligations	12,690,000	-	(405,000)	12,285,000	420,000
Compensated absences	1,772,023	40,438	(664,172)	1,148,289	664,172
<b>Total Governmental Activities</b>	<u>\$ 120,360,022</u>	<u>\$ 391,871</u>	<u>\$ (9,046,105)</u>	<u>\$ 111,705,788</u>	<u>\$ 8,093,606</u>
<b>Business-type Activities:</b>					
Certificates of obligation	12,833,645	\$ -	\$ (2,260,569)	\$ 10,573,076	878,076
General Obligation Bonds	40,366,776	-	(49,892)	40,316,884	1,427,078
Plus:					
Issuance premiums	7,140,553	-	(434,667)	6,705,886	395,558
<b>Total Business-type Activities</b>	<u>\$ 60,340,974</u>	<u>\$ -</u>	<u>\$ (2,745,128)</u>	<u>\$ 57,595,846</u>	<u>\$ 2,700,712</u>

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.

Compensated absences generally are paid by the General Fund for the governmental activities. Net pension obligation is liquidated by the general fund.

**Note 6 - Long-Term Debt and Other Long-Term Obligations (continued)**

The following is a summary of general obligation bonds, certificates of obligation, increment contract revenue bonds, tax notes and capital leases outstanding as of September 30, 2018:

Series	Original Issue	Matures	Interest Rate (%)	Debt Outstanding
<b>Governmental Activities:</b>				
<b>General Obligation Bonds</b>				
Series 2010 Permanent Improvement Bonds	\$ 9,500,000	2029	3.0 - 4.125	\$ 6,355,000
Series 2010A Permanent Improvement Bonds	9,405,000	2038	2.00 - 4.00	6,110,000
Series 2012 Permanent Improvement Bonds	1,400,000	2032	2.25 - 3.75	980,000
Series 2013 Refunding bonds	8,293,500	2026	2.00 - 4.00	7,267,500
Series 2014 Permanent Improvement Bonds	1,740,000	2033	3.125 - 3.75	1,455,000
Series 2014 Permanent Improvement Refunding bonds	3,381,584	2024	2.00 - 3.00	1,293,080
Series 2015 Permanent Improvement Bonds	8,600,000	2034	3.00 - 3.25	7,530,000
Series 2016 Permanent Improvement Bonds	3,080,000	2035	3.00 - 3.25	2,785,000
Series 2016 Refunding bonds	32,787,537	2038	2.0 - 5.0	31,877,536
Series 2017	14,445,000	2037	3.0 - 5.0	<u>13,720,000</u>
<b>Total General Obligation Bonds</b>				<u>79,373,116</u>
<b>Certificates of Obligation</b>				
Series 2008A Certificates of Obligation	6,044,440	2029	2.75 - 5.0	276,924
Series 2010A Certificates of Obligation	6,235,000	2038	2.00 - 4.00	5,545,000
Series 2010B Certificates of Obligation	1,660,000	2021	.964 - 3.876	440,000
Series 2014 Certificates of Obligation	990,000	2033	1-3.75	<u>830,000</u>
<b>Total Certificates of Obligation</b>				<u>7,091,924</u>
<b>Increment Contract Revenue Bonds</b>				
Series 2015 Increment Revenue Refunding Bonds	4,600,000	2027	2.22	<u>3,575,000</u>
<b>Total Increment Contract Revenue Bonds</b>				<u>3,575,000</u>
<b>Capital Leases</b>				
Fire Truck	350,891	2023	3.13	205,644
IT Equipment	351,434	2021	0.00	<u>246,004</u>
<b>Total Capital Leases</b>				<u>451,648</u>
<b>Total Governmental Activities</b>				<u>\$ 90,491,688</u>
<b>Business-type Activities:</b>				
<b>Certificates of Obligation</b>				
Series 2008A certificates of obligation	8,470,560	2029	2.75 - 5.00	\$ 388,076
Series 2009B certificates of obligation	46,595,000	2035	2.00 - 5.00	-
Series 2014A certificates of obligation	4,995,000	2024	2.00 - 3.125	4,240,000
Series 2016A Certificates of Obligation	4,025,000	2036	2.0 - 3.0	2,240,000
Series 2016 Certificates of Obligation	2,475,000	2035	3.0	<u>3,705,000</u>
<b>Total Certificates of Obligation</b>				<u>10,573,076</u>
<b>General Obligation Bonds</b>				
Series 2013 Refunding bonds	436,500	2026	2.00 - 4.00	382,500
Series 2014 Permanent Improvement Refunding Bonds	148,416	2024	2.00 - 3.00	56,921
Series 2016 Refunding				<u>39,877,463</u>
<b>Total General Obligation Bonds</b>				<u>40,316,884</u>
<b>Total Business-type Activities</b>				<u>\$ 50,889,960</u>

**Note 6 - Long-Term Debt and Other Long-Term Obligations (continued)**

The annual requirements to amortize all general obligation bonds outstanding as of September 30, 2018, are as follows:

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 5,432,922	\$ 3,258,950	\$ 1,427,079	\$ 1,895,031
2020	5,917,414	3,058,364	1,847,586	1,838,748
2021	6,060,575	2,811,384	1,929,426	1,747,656
2022	6,312,360	2,581,010	2,032,640	1,657,929
2023 - 2027	32,453,882	8,595,776	11,656,117	6,677,928
2028 - 2032	15,855,963	2,653,088	13,094,036	3,559,167
2033 - 2037	7,005,000	665,714	8,330,000	720,000
2038 - 2042	335,000	10,888	-	-
	<u>\$ 79,373,116</u>	<u>\$ 23,635,174</u>	<u>\$ 40,316,884</u>	<u>\$ 18,096,459</u>

The annual requirements to amortize all certificates of obligation outstanding as of September 30, 2018, are as follows:

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 576,924	\$ 270,465	\$ 878,076	\$ 292,664
2020	310,000	256,119	500,000	274,052
2021	315,000	246,233	510,000	263,002
2022	325,000	234,638	520,000	250,002
2023 - 2027	1,840,000	978,113	2,835,000	1,028,732
2028 - 2032	1,865,000	606,563	3,230,000	614,022
2033 - 2037	1,610,000	252,313	2,100,000	136,168
2038 - 2042	250,000	10,625	-	-
	<u>\$ 7,091,924</u>	<u>\$ 2,855,069</u>	<u>\$ 10,573,076</u>	<u>\$ 2,858,642</u>

The annual requirements to amortize all increment revenue bonds outstanding as of September 30, 2018, are as follows:

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2019	\$ 365,000	\$ 79,365
2020	370,000	71,262
2021	380,000	63,048
2022	385,000	54,612
2023 - 2027	2,075,000	139,971
	<u>\$ 3,575,000</u>	<u>\$ 408,258</u>

**Note 6 - Long-Term Debt and Other Long-Term Obligations (continued)**

The annual requirements to amortize all capital leases outstanding as of September 30, 2018, are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Payments</u>	<u>Interest</u>
2019	\$ 141,626	\$ 6,531
2020	145,854	5,304
2021	76,834	4,038
2022	42,994	2,734
2023	44,340	1,388
	<u>\$ 451,648</u>	<u>\$ 19,995</u>

There is million available in the Debt Service Fund to service the above obligations.

The principal and interest on the general obligation bonds, certificates of obligation, increment revenue bonds, tax notes and capital leases are payable solely from property taxes levied on taxable property within the City of Missouri City, Texas. The City is in compliance with all significant limitations and restrictions contained in the various bond ordinances.

The annual requirements to amortize certain contractual obligations of the City to Sienna Plantation Management District (see Note 16) are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 420,000	\$ 571,258
2020	440,000	556,528
2021	470,000	540,275
2022	490,000	522,120
2023	515,000	502,380
2024 - 2028	3,030,000	2,141,740
2029 - 2033	3,965,000	1,321,535
2034 - 2036	2,955,000	288,230
	<u>\$ 12,285,000</u>	<u>\$ 6,444,066</u>

**Note 6 - Long-Term Debt and Other Long-Term Obligations (continued)**

**Federal Tax Compliance (Arbitrage) for Long-term Debt**

In accordance with provisions of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), the City’s long-term debt obligations must meet certain minimum criteria to be considered and continue to be considered “tax exempt.” This “tax exempt” status means that interest income earned by purchasers of the City’s long-term debt instruments is not subject to federal income taxes. Related Treasury Regulations promulgated under Section 148 of the Code generally provide that the determination of whether these obligations are tax exempt is made as of the date such obligations are issued based on a reasonable expectations regarding the use of the proceeds of the bonds issued. Long-term debt that does not meet and continue to meet the minimum criteria of Section 148 of the Code and the related Treasury Regulations described above are considered “arbitrage bonds” and are not considered “tax exempt” as described above.

The City has performed calculations required under section 148(f) of the Code and has no present liability nor has the City ever been required to make rebate payments for issued debt in past years.

The City is currently in compliance with yield restriction requirements and does not anticipate associated significant noncompliance issues. The City is continuing to proceed with reasonable diligence to expend any remaining unexpended debt issuance proceeds on qualifying projects or to retire related debt issues still outstanding.

**Note 7 - Interfund Receivables, Payables and Transfers**

The following is a summary of interfund balances as of September 30, 2018:

<u>Due to Fund</u>	<u>Due From Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Golf Course Fund	Cash advances on operations	\$ 222,575
General Fund	CDBG Fund	Cash advances on operations	46,763
General Fund	Solid Waste Fund	Cash advances on operations	342,000
General Fund	Missouri City Development Authority Fund	Cash advances on operations	2,470
Water and Wastewater Utilities	Surface Water Treatment	Cash advances on operations	6,157,696
			<u>\$ 6,771,504</u>

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

**Note 7 - Interfund Receivables, Payables and Transfers (continued)**

For the year ended September 30, 2018, interfund transfers consisted of the following:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Radio Communications	Operating Expense	\$ 53,348
General	Court Security	Juvenile Case Manager payroll expenses	25,001
General	Court Juvenile Fund	TIRZ and PID expenses	45,820
General	Hotel Occupancy Tax Fund	Administrative fees	25,100
General	Missouri City Development Authority	Administrative fees	100,000
General	TIRZ #1	Administrative fees	39,591
General	TIRZ #2	Mobility cost expenses	93,947
General	PID #2		13,600
General	TIRZ #3	Operating Expense	74,740
General	Capital Projects Fund	Operating Expense	1,000,000
General	Water and Wastewater Utility Fund	GRP admin, GCWA water option, and misc fees.	113,333
General	Surface Water Treatment Fund		507,478
General	Solid Waste Fund		20,000
Capital Projects Fund	General Fund	Operating Expense	200,000
Capital Projects Fund	TIRZ #1	Operating Expense	1,216,750
Capital Projects Fund	Parkland Dedication Fund	Operating Expense	129,745
Radio Communication Fund	General Fund	Radio equipment replacement	58,804
Missouri City Development Authority	Capital Projects Fund	Operating Expense	1,125,000
Missouri City Development Authority	TIRZ #1	TIRZ expenses	20,000
Missouri City Development Authority	TIRZ #2	TIRZ expenses	20,000
Missouri City Development Authority	PID #2	TIRZ expenses	28,664
Missouri City Development Authority	TIRZ #3	TIRZ expenses	20,000
Missouri City Development Authority	TIRZ #4	TIRZ expenses	20,000
Water/Wastewater Utility Fund	Surface Water Treatment Fund	Operating Expense	6,451,948
			<u>\$ 11,402,869</u>

Transfers are used to move revenues from the fund with collection authorization to other funds that finance various programs in accordance with budgetary authorizations.

**Note 8- Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The plan's trust arrangements are established to protect deferred compensation amounts of employees under the plan from any other use than intended under the plan (eventual payment to employees deferring the compensation) in accordance with federal tax laws. Amounts of compensation deferred by employees under plan provisions are disbursed monthly by the City to a third-party administrator. The third-party administrator handles all funds in the plan and makes investment decisions and disburses funds to employees in accordance with plan provisions.

The fair value of plan assets held and administered by the plan's third-party administrator were \$14,093,945.

**Note 9 - Pension Plan**

**A. Plan Description**

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

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

**B. Benefits Provided**

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

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

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

Employee deposit rate	7.00%
Matching ration (city to employee)	2 to 1
Years required for vesting	5
Updated Service Credit	100% Ad Hoc, Transfers
Annuity Increase (to retirees)	70% of CPI as Hoc

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age.

**Note 9 - Pension Plan (continued)**

*Employees covered by benefit terms.*

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

Membership	
Number of:	
Inactive employees or beneficiaries currently receiving benefits	180
Inactive employees entitled to but not yet receiving benefits	173
Active employees	<u>336</u>
Total	<u><u>689</u></u>

**C. Contributions**

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

Employees for the City were required to contribute 7.00 percent of their annual gross earnings during the fiscal year. The contribution rates for the City was 9.00 percent in calendar year 2017 and 10% in calendar year 2018. The city’s contributions to TMRS for the fifteen months ended September 30, 2018 were \$2,815,551 and were equal to the required contributions.

**D. Net Pension Liability**

The city’s Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions:*

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

**Note 9 - Pension Plan (continued)**

**D. Net Pension Liability (continued)**

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% 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, 2017, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2011 through December 31, 2014, first used in the December 31, 2015 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 Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2015 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
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%

**Note 9 - Pension Plan (continued)**

**D. Net Pension Liability (continued)**

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**Changes in Net Pension Liability**

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balance at 12/31/2016</b>	\$ 120,932,028	\$ 91,642,708	\$ 29,289,320
Changes for the year:			
Service Cost	4,026,779	-	4,026,779
Interest (on the Total Pension Liability)	8,134,301	-	8,134,301
Difference between expected and actual experience	513,297	-	513,297
Contributions – employer	-	2,306,353	(2,306,353)
Contributions – employee	-	1,634,055	(1,634,055)
Net investment income	-	12,697,084	(12,697,084)
Benefit payments, including refunds of employee contributions	(4,874,521)	(4,874,521)	-
Administrative Expense	-	(65,824)	65,824
Other	-	(3,335)	3,335
<b>Balance at 12/31/2017</b>	<u>\$ 128,731,884</u>	<u>\$ 103,336,520</u>	<u>\$ 25,395,364</u>

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

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

<b>1% Decrease</b>	<b>Current Single Rate Assumption</b>	<b>1% Increase</b>
<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
\$ 45,513,656	\$ 25,395,364	\$ 9,134,150

**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](http://www.tmr.com).

**Note 9 - Pension Plan (continued)**

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

For the fifteen months ended September 30, 2018 the city recognized pension expense of \$4,827,861.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in expected and actual experience	\$ 1,391,776	\$ 137,708
Difference in assumption changes	-	107,763
Difference in projected and actual earnings on pension plan investments.	-	2,569,118
Employer contributions made after the measurement date	<u>1,656,869</u>	<u>-</u>
Totals	<u>\$ 3,048,645</u>	<u>\$ 2,814,589</u>

\$1,656,869 is 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 September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2019	\$ 417,560
2020	207,485
2021	(953,483)
2022	(1,138,477)
2023	44,102
Thereafter	-
Total	<u>\$ (1,422,813)</u>

**Note 10 - Other Post-Employment Benefits**

***TMRS Supplemental Death Benefits Fund***

**Benefit Plan Description**

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

**Note 10 - Other Post-Employment Benefits (continued)**

***TMRS Supplemental Death Benefits Fund (continued)***

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 another post-employment benefit (OPEB). As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

Membership in the plan as of the measurement date of December 31, 2017 was as follows:

Inactive employees currently receiving benefits	132
Inactive employees entitled to but not yet receiving benefits	36
Active employees	<u>336</u>
Total	<u>504</u>

**Contributions**

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city (currently 0.12% of covered payroll). The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net position available for benefits.

**Discount Rate**

The TMRS SDBF program is treated as unfunded OPEB plan because the SDBF trust covers both active employees and retirees and the assets are not segregated for these groups. Under GASB Statement No. 75, the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 3.31% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2017. At transition, GASB Statement No.75 also requires that the total OPEB liability as of the prior fiscal year end be estimated based on the 20 Year Bond GO Index as of the prior fiscal year end. The actuary has estimated the total OPEB liability, as of December 31, 2016, using a discount rate of 3.78%.

**Note 10 - Other Post-Employment Benefits (continued)**

**Actuarial Assumptions**

The City's total OPEB liability was measured at December 31, 2017 and was determined by an actuarial valuation as of that date using the following actuarial assumptions:

*Valuation Date:* December 31, 2017

*Methods and Assumptions:*

Inflation:	2.50%
Salary Increases:	3.50% to 10.50%, including inflation
Discount rate:	3.31%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.
Retirees' share of benefit related costs:	\$0
Administrative expenses:	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees:	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates – disabled retirees:	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

*Other Information*

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

**Note 10 - Other Post-Employment Benefits (continued)**

**Changes in the Total OPEB Liability**

Service cost	\$ 32,681
Interest	26,956
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	-
Changes of assumptions	69,029
Benefit payments	<u>(4,669)</u>
Net change in total OPEB liability	123,997
Total OPEB liability - beginning	<u>699,105</u>
Total OPEB liability - ending	<u><u>\$ 823,102</u></u>
Covered payroll	\$ 23,343,646
Total OPEB liability as a percentage of covered payroll	3.53%

**Sensitivity Analysis**

The following presents the total OPEB liability of the employer, calculated using the discount rate of 3.31%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.31%) or 1 percentage point higher (4.31%) than the current rate. Note that the healthcare cost trend rate does not affect the total OPEB liability, so sensitivity to the healthcare cost trend rate is not shown.

<u>1% Decrease to 2.31%</u>	<u>Current Discount Rate Assumption 3.31%</u>	<u>1% Increase to 4.31%</u>
\$ 1,000,380	\$ 823,102	\$ 685,915

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Activity**

For the fifteen months ended September 30, 2018, the City recognized OPEB expense of \$69,211.

**Note 10 - Other Post-Employment Benefits (continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Activity (continued)**

As of September 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes assumptions	\$ 59,455	\$ -
Contributions subsequent to the measurement date	4,791	
<b>Total</b>	<b>\$ 64,246</b>	<b>\$ -</b>

The \$4,791 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2019.

Amounts currently reported as deferred outflows of resources related to OPEB, excluding contributions subsequent to the measurement date, will be recognized in OPEB expense as follows:

<b>Fiscal Year</b>	<b>Net deferred outflows (inflows) of resources</b>
2019	\$ 9,574
2020	9,574
2021	9,574
2022	9,574
2023	9,574
Thereafter	11,585
<b>Total</b>	<b>\$ 59,455</b>

***Retiree Health Care Plan (RHCP)***

**Plan Description**

The City's defined benefit OPEB plan, City of La Porte Retiree Health Care Plan (RHCP), provides OPEB through an implicit healthcare premium for retirees for all permanent full-time employees of the City. RHCP is a single-employer defined benefit OPEB plan administered by the City. At this time, no assets are accumulated in a trust to fund the future requirements of the RHCP.

**Note 10 - Other Post-Employment Benefits (continued)**

**Benefits provided**

RHCP provides access to post retirement employees by offering a “blended premium” structure, that is, the overall health care premiums for active employees and non-Medicare retirees, are stated in terms of a single “blended premium”. The difference between the underlying retiree claims and the blended overall health care premium is referred to as an “implicit” subsidy. Because the underlying claims costs for a non-Medicare retiree are on average higher than the blended premium, there is a positive implicit subsidy for the non-Medicare retirees.

Employees covered by benefit terms. At December 31, 2016, the following employees were covered by the benefit terms:

Retirees and beneficiaries	36
Inactive, nonretired members	-
Active members	<u>336</u>
Total	<u>372</u>

**Total OPEB Liability**

The City’s total OPEB liability of \$6,753,938 was measured as of December 31, 2017, and was determined by an actuarial valuation as of December 31, 2016.

**Actuarial assumptions and methods**

The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

*Valuation Date:* December 31, 2016

*Methods and Assumptions:*

Actuarial Cost Method:	Individual Entry-Age
Discount Rate:	3.31%
Inflation:	2.50%
Salary Increases:	3.50% to 10.50%, including inflation
Demographic Assumptions:	Based on the experience study covering the four year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System (TMRS)
Mortality:	For healthy retirees, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.

**Note 10 - Other Post-Employment Benefits (continued)**

**Actuarial assumptions and methods (continued)**

Health Care Trend Rates: For Pre-65, initial rate of 7.00% declining to an ultimate rate of 4.75% after 12 years; Ultimate trend rate includes a 0.50% adjustment for the excise tax. For Post-65, initial rate of 6.00% declining to an ultimate rate of 4.25% after 14 years

Participation Rates: It was assumed that the plan participation would vary based on the amount of the subsidy provided. For eligible retirees with over 30 years of service, 95% were assumed to participate in the plan at retirement. For employees with less than 30 years of service, the assumed participation rate is equal to the percentage of premium the City subsidizes. For example, retirees eligible for an 85% subsidy were assumed to elect coverage 85% of the time, while only 40% of retirees eligible for a 40% subsidy were assumed to elect coverage.

*Other Information:*

Note: The discount rate changed from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.

**Discount Rate**

Because the RHCP is unfunded or pay-as-you go, the discount rate is based on 20-year tax-exempt AA or higher Municipal Bonds or 3.31% as of the measurement date of December 31, 2017 based on the 20 Year Bond GO Index published by bondbuyer.com.

**Changes in the Total OPEB Liability**

Service cost	\$ 232,018
Interest	231,894
Changes of assumptions	437,405
Benefit payments	<u>(235,642)</u>
Net change in total OPEB liability	665,675
Total OPEB liability - beginning	<u>6,088,263</u>
Total OPEB liability - ending	<u><u>\$ 6,753,938</u></u>
Covered payroll	\$ 21,879,740
Total OPEB liability as a percentage of covered payroll	30.87%

Changes of assumptions reflect a change in the discount rate from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.

**Note 10 - Other Post-Employment Benefits (continued)**

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

The following presents the plan's total OPEB liability, calculated using a discount rate of 3.31%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

<b>1% Decrease to 2.31%</b>	<b>Current Discount Rate Assumption 3.31%</b>	<b>1% Increase to 4.31%</b>
\$ 7,759,205	\$ 6,753,938	\$ 5,916,653

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates**

The following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

<b>1% Decrease to 2.31%</b>	<b>Current Healthcare Cost Trend Rate Assumption</b>	<b>1% Increase to 4.31%</b>
\$ 5,775,350	\$ 6,753,938	\$ 7,979,098

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

For the fifteen months ended September 30, 2018, the City recognized OPEB expense of \$508,669.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ -
Changes assumptions	392,648	-
Contributions subsequent to the measurement date	192,577	-
<b>Total</b>	<b>\$ 585,225</b>	<b>\$ -</b>

The \$192,577 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2019.

**Note 10 - Other Post-Employment Benefits (continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)**

Amounts currently reported as deferred outflows of resources related to OPEB, excluding contributions subsequent to the measurement date, will be recognized in OPEB expense as follows:

<b>Fiscal Year</b>	<b>Net deferred outflows (inflows) of resources</b>
2019	\$ 44,757
2020	44,757
2021	44,757
2022	44,757
2023	44,757
Thereafter	168,863
Total	<u>\$ 392,648</u>

**Note 11 - 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; injuries to employees; and natural disasters. The City's risk management program mainly encompasses obtaining property and liability insurance through Texas Municipal League (TML-IRP), an Intergovernmental Risk-Pool and through commercial insurance carriers. The City purchases commercial general insurance through the Texas Municipal League, an unincorporated association of political subdivisions of the State of Texas.

This policy encompasses general liability, incidental, medical malpractice, automobile liability, law enforcement liability, errors and omissions liability, property, automobile vehicle liability, and damages with limits of liability for each occurrence at \$3,000,000. The City has not had any significant reduction in insurance coverage, and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. The participation of the City in the TML-IRP is limited to payment of premiums.

**Workers' Compensation**

The City is a member of the Texas Municipal League (TML) Workers' Compensation Intergovernmental Risk Pool, an unincorporated association of political subdivisions of the State of Texas. The fund contracts with a third-party administrator for administration, investigation, and adjustment services in the handling of claims. Premiums are based on the estimated City payroll by risk factor and rates. The premiums are adjusted by the City's experience modifier. All loss contingencies, including claims incurred but not reported, if any, are recorded and accounted for by the TML Pool. The City's liability is limited to payment of premiums as assessed by TML.

The City pays unemployment insurance claims filed by former employees on an actual reimbursement basis. The Texas Workforce Commission determines individual claim eligibility and bills the City for each eligible claim made. The City contracts with a third party, TALX Employer Services L.L.C., to administer its unemployment insurance/compensation program.

**Note 11 - Risk Management (continued)**

**Long-Term Disability**

The City provides long-term disability coverage for all full-time employees through Fort Dearborn Life Insurance Company. The City pays the entire amount of the premiums. After a 90-day waiting period, employees who become disabled through injury or sickness may receive 66-2/3 percent of basic monthly earnings, not to exceed maximum benefit less other income benefits.

**Health/Dental/Life Insurance Plan**

The City provides medical insurance, prescription card, dental, vision and life insurance programs for City employees. The City contracts with Blue Cross Blue Shield of Texas, which offers a H.S.A. high deductible medical plan and a P.P.O. medical plan for employees to choose from. The City also provides life insurance equal the employee's salary to a maximum of \$50,000 through Fort Dearborn Life Insurance Company.

**Note 12 - Commitments and Contingencies**

**Sick Leave**

Employees are credited with sick leave at the rate of one day per month with no maximum accumulation, one-half of which is set aside for major illness each year. Regular sick days may be used for ordinary sick days, caring for relatives, and doctor's appointments. Unused sick leave is credited to the major illness accumulation at the end of the year. Employees do not receive any pay or other compensation either for, or in lieu of, accrued sick leave time upon any type of employment termination except for retirement. Upon meeting retirement qualifications and retiring from the City, employees will be paid 25 percent of accumulated major illness sick leave exceeding sixty days up to a total of thirty days.

The unrecorded contingency associated with all accumulated sick leave of City employees at September 30, 2018, is approximately \$4,151,431.

**Note 13 - Park Land Dedication**

The City enacted an ordinance requiring open space, park, and recreational areas, which is intended to assure that within residential developments of the City, there is sufficient land dedicated for open space and neighborhood parks. The City subsequently amended this ordinance providing for cash to be remitted in lieu of park land. Cash received shall be restricted to an area established by zone. Presently, the City has established twelve zones. Cash received by the City under this agreement must be expended within five years for the acquisition or development of a neighborhood park.

If not expended within the time frame established, the current owner of the property for which money was paid in lieu of land dedication shall be entitled to a refund providing a refund request is made within a one-year period. The activities of this program are accounted for in a special revenue fund.

**Note 14 - Agreement with Gulf Coast Water Authority**

In July of 1997, the City entered into an option agreement with Gulf Coast Water Authority (GCWA), a Texas conservation and reclamation district, to purchase surface water rights. The agreement allows the City the option to buy fifteen (15) million gallons per day of surface water from GCWA's canal system. Beginning in March 2009, the City exercised its option to purchase raw surface water and began paying for approximately 52,000 gallons a day to start the process of design for a surface water treatment plant. This water was utilized for a pilot test plant during the design phase of the project. This plant is the key facilitator for the Ground Water Reduction Plan for the region. The City completed the design and construction of the Regional Water Treatment Plant in 2012 and began treating surface water.

In May of 2014, the City and GCWA revisited the agreement and entered into a new System Raw Water Availability Agreement that provides the City with a firm quantity of fifteen (15) million gallons per day of surface water from GCWA's canal system. This contract is a long term contract and will be revisited in August 2027 when all of GCWA's contracts are renegotiated.

The City has paid GCWA \$9,929,506 cumulatively for water options through September 30, 2018.

**Note 15 - Regional Wastewater Treatment Facilities**

In March 1996, the City contracted with First Colony Municipal Utility District No. 9 (MUD 9) and Fort Bend County Municipal Utility District No. 42 (MUD 42) to construct a regional wastewater system to include a regional lift station, major transmission line, first phase of a treatment plant, and sludge processing. The project was completed and began operation in December 1999 with a treatment capacity of 1.5 million gallons per day (MGD), more than initially needed by MUDs 9 and 42. Between 2000 and 2010, the City signed regional wastewater facilities agreements with Fort Bend County MUDs No. 46, 115, 129 and 149 to utilize the temporary excess capacity in the Phase I plant, and to secure permanent capacity for these MUDs in future plant expansions. Construction of the Phase II plant expansion from 1.5 to 3.0 MGD began in 2009 and came on line in late 2010. This included a second aeration basin and clarifier, headworks improvements and ultraviolet disinfection system upgrades and expansion. Final cost shares are based on pro rata capacity allocations. The current discharge permit provides for future expansion of the plant to interim Phase III 4.5 MGD and final Phase IV 6.0 MGD phase. Sienna North, which is currently served by a temporary wastewater treatment plant owned by Sienna Plantation MUD 1, will be served by the Steep Bank/Flat Bank Plant either in the existing Phase II or the future Phase III.

The City owns the plant and is responsible for its operation and maintenance. Under an interlocal agreement between the City and Quail Valley Utility District, District staff performs the operation and maintenance. Each of the MUDs pays monthly charges for their share of operations and maintenance expenses, which includes funding an operations and maintenance reserve.

**Note 15 - Regional Wastewater Treatment Facilities (continued)**

MUDs 9, 42, 46, 115, 129 and 149 and the City have agreed that each district shall initially have the right to deliver, subject to agreed terms and conditions, wastewater to the plant in the following capacities:

<u>District</u>	<u>Percent</u>	<u>Reserved Capacity (MGD)</u>
First Colony MUD#9	44%	1.05000
Fort Bend County MUD#42	20%	0.45000
Fort Bend County MUD#115	12%	0.28375
Fort Bend County MUD#46	8%	0.42500
Fort Bend County MUD#129	14%	0.47075
Fort Bend County MUD#149	2%	0.32050
	<u>100%</u>	<u>3.00000</u>

In March 2015 the City and MUDs 9, 42, 46, 115, 129 and 149, amended the agreements to clarify the obligations of the existing agreements regarding the Phase III expansion, to establish a protocol for the MUDs the opportunity to sell any excess capacity to a future participant and to allow MUDs 46, 115, 129 and 149 the ability to adjust their total requested capacity to equal 1.5 million gallons.

The total assigned capacity will not exceed the permitted 3.0 MGD.

The City will provide funding, or per the agreements the City can request that the MUDs fund their pro-rata share, for the expansion of the facility when needed and reserves the option to utilize package plants in the interim, if necessary, to provide services to all areas. The districts will pay their share of the debt service for expansion or for regulatory upgrades. The maintenance and operation of the plant will be prorated among the MUDs utilizing their average equivalent connections for the year.

**Mustang Bayou Service Area**

The Mustang Bayou Water Supply and Wastewater Treatment Service Area includes Fort Bend Municipal Utility Districts No. 47 and 48 (which serve the Vicksburg and Olympia Estates neighborhoods and Hightower High School), Tax Increment Reinvestment Zone No. 2 and Public Improvement Districts No. 2, 3 and 4. The area is attracting major retail and residential development as a result of the Fort Bend Toll Road, which opened in August 2004, connecting Highway 6 with Beltway 8. In 2004, the City and Fort Bend MUDs 47 and 48 executed a regional wastewater treatment and water supply agreement to provide integrated utility services to the area. The wastewater portion of that agreement was updated in 2010 when regional wastewater treatment facilities agreements between the City and MUDs 47 and 48 were executed. Since the new agreements were executed the City has been providing regional water and wastewater service to MUDs 47 and 48 and retail service to the City service area.

The City and the Vicksburg Joint Powers (MUDs 47 and 48) collectively constructed new wastewater facilities for the expansion of the Vicksburg Wastewater Treatment Plant (WWTP), located on the west side of the Toll Road, just north of Trammel-Fresno Road. The City now owns and operates the Vicksburg WWTP, and has since renamed the plant the Mustang Bayou Regional WWTP. The City's Mustang Bayou Regional WWTP provides treatment for the entire service area, including MUDs 47 and 48. This expansion was completed in December of 2009, and plant ownership transfer was completed in March of 2010.

**Note 15 - Regional Wastewater Treatment Facilities (continued)**

**Mustang Bayou Service Area (continued)**

Fort Bend MUDs 47 and 48 own and operate a water well and plant located in the north side of the Mustang Service Area. The City owns and operates a water well and plant in the south side of the service area, south of Highway 6 and east of the Fort Bend Toll Road. The City well and plant has increased water supply and improved water pressure available for fire flows for new and existing development. Under the 2011 water agreements, the ownership of the MUDs' water well and plant was transferred to the City in January 2012, and the two plants and are permanently interconnected to jointly supply the entire service area.

The City projected a need for a water/wastewater master plan, capital improvement plan and an impact fee study as the City and the utility districts (MUDs 47, 48 and Vicksburg Joint Powers) proceed with coordination on utility service issues in the Mustang Bayou Service Area. This study has been completed and has provided the technical and financial information for the City to properly administer and provide utility service in the area. Council adopted the impact fees in January 2015 for the Mustang Bayou Service Area.

**Note 16 - Development Agreements**

**Agreement with Sienna Plantation**

In past years, it was the policy of City Council that before a reclamation district, water control improvement district or municipal utility district could be created, the landowners in the City's extra-territorial jurisdiction must petition for annexation into the City. As a result, the City approved the creation of several separate municipal districts in past years.

In 1995-96, the City began development of a regional water, sewer and storm drainage plan to determine future demands for water, sewer and storm drainage facilities for the entire City including these districts. With the City approximately one-third built, not including the City's extra-territorial jurisdiction, this was a good time to initiate the change. In conjunction with this, a Municipal Utility District Study was performed to assure that Regionalization versus separate MUDs was feasible.

As a result, the City determined to leave the existing districts in place at this time and review their Regionalization needs on an individual basis, when the need to sell new debt or expand the plant took place. For the rest of the City, the City is seeking Regionalization by requiring MUDs to go to a regionalized plant, and to develop contracts for Regionalization with existing MUDs. The Quail Valley MUD is a good example of this Regionalization effort.

In other areas, Public Improvement Districts are being formed to take care of the water, sewer, drainage and other needed improvements.

In 1995-96, several developers of Sienna Plantation, a 10,800-acre master planned community in the City's extraterritorial jurisdiction approached the City Council to allow development by agreement. As a result, a development agreement was proposed allowing development to take place outside the City limits.

**Note 16 - Development Agreements (continued)**

**Agreement with Sienna Plantation (continued)**

The developers in Sienna Plantation entered into the Sienna Plantation Joint Development Agreement with the City of Missouri City (the “City”) dated February 19, 1996, as amended (collectively, the “Development Agreement”), which stipulates the City’s regulatory authority over the development of Sienna Plantation. The Development Agreement establishes certain restrictions and commitments related to the development of Sienna Plantation, sets forth detailed design and construction standards, stipulates a formula for determining the time of annexation of land within Sienna Plantation by the City, and identifies and establishes a master plan for the development of Sienna Plantation. The provisions of the Development Agreement govern the development of all land within Sienna Plantation.

In the Development Agreement, the City agrees not to annex the property in any district before such time as (i) at least 90 percent of the developable acreage within such district has been developed with water, wastewater treatment, and drainage facilities; and (ii) the Developer has been reimbursed to the maximum extent permitted by the rules of the TCEQ or the City assumes any obligation for such reimbursement. The area is expected to add approximately 60,000 to the population of the City.

**Wastewater Treatment Service Contract**

In the fall of 2005, the City executed the First Supplement to the Fire Protection Agreement with Sienna Municipal Utility District (MUD) No. 1 for the purposes of outlining each entity’s responsibility in the construction of a fifth fire station. Said station was to be located in Sienna Plantation. The agreement stipulates that once a certain number of homes within Sienna proper have been constructed, the City is then obligated to commence design of the fire station.

The district (MUD No. 1) is obligated to contribute toward the cost of the fire station comparable to the City’s Fire Station No. 4, as well as the cost of an additional fire engine to be housed at the new station. Furthermore, the district is to fund the operational costs of the fifth fire station, as its primary service area will be serving Sienna proper, which is located outside the City’s corporate limits. The fire station has been constructed and is operational.

**Contract with Sienna Plantation Municipal Utility District No. 1 (Master District)**

The District, together with each conservation and reclamation district located within Sienna Plantation District, has contracted with Sienna Plantation Municipal Utility District No. 1 (the “Master District”) to provide water supply and distribution, sewage collection and treatment services, major trunk storm sewer drain services, fire protection, and other services and facilities permitted by law for the entire Sienna Plantation development. The District has incurred, or incurs, the following expenditures with respect to this contract:

- the District’s prorated share of the Master District’s capital cost (connection charges) of which future costs will be capitalized by the District; and,
- monthly connection charges in an amount sufficient to meet the District’s prorated share of the operational and maintenance costs of the central facilities, based on the relevant use of such facilities.

**Note 16 - Development Agreements (continued)**

**Contract with Sienna Plantation Municipal Utility District No. 1 (Master District) (continued)**

Fire Protection Agreements between City and Sienna Plantation MUDs

Fire Protection agreements have been entered into between the City and various Municipal Utility Districts as follows:

- March 19, 2001 Sienna Plantation Municipal Utility District 1
- March 19, 2001 Sienna Plantation Municipal Utility District 2
- March 19, 2001 Sienna Plantation Municipal Utility District 3
- January 3, 2005 Sienna Plantation Municipal Utility District 4
- January 3, 2005 Sienna Plantation Municipal Utility District 5
- January 3, 2005 Sienna Plantation Municipal Utility District 6
- January 3, 2005 Sienna Plantation Municipal Utility District 7
- February 21, 2005 Sienna Plantation Municipal Utility District 10
- February 21, 2005 Sienna Plantation Municipal Utility District 12

Each of these districts are outside the City's corporate limits, but within its extraterritorial jurisdiction. The agreements are to provide fire suppression and rescue services. The MUD districts agree to pay the City a monthly charge for each residential unit in the districts connected to the public water supply on or before the twentieth day of the preceding month. For non-residential properties, the districts agree to pay a monthly charge per 2,000 square feet of building floor space.

**Fire Station #5 Agreement with Sienna Plantation Municipal Utility District No. 1**

In March 2001, a Fire Protection Agreement between the City and the District required the District to design and construct Fire Station No. 5 ("Station 5") to service the entire Sienna Plantation area providing fire protection services performed by the City and received by the District. In September 2006, the First Supplement to Fire Protection Agreement (the "First Supplement") between the City and the District, was entered into, shifting the responsibility for the design and construction of Station 5 to the City. In March 2015, final negotiations were completed and the station opened in July 2015.

In providing Fire Protection Services to the Sienna Fire Service Area, the City shall be solely responsible for determining the standard of care for the operation and maintenance of its facilities and equipment and the training of its personnel. The City shall provide staff who meet minimum staff qualifications to perform the Fire Protection Services required by this Agreement. Neither the District nor the Internal Sienna MUDs assume any responsibility for the actions of the City staff in performing Fire Protection Services. The District will make no recommendations and is in no way responsible for the sufficiency or qualification of the City's staff. It is also understood and agreed that the City shall be the owner of Station 5 and all appurtenances, sites, rights-of-way, and easements, including all additions or improvements thereto.

**Note 16 - Development Agreements (continued)**

**Fire Station #5 Agreement with Sienna Plantation Municipal Utility District No. 1 (continued)**

Annually, the City will provide the District with an estimate of the Total Operating Costs upon presentation of the Fire Department's initial budget request submitted to the Finance Department and shall provide the final Total Operating Costs and Sienna Capital Costs calculations to the District within 10 business days of the City's adoption of its budget. The District shall review such data and provide any objections to the calculations within 10 business days. The City and the District shall work together to resolve any disagreement of the calculation of the Total Operating Costs and the Sienna Operating Costs. It is the intent of the Parties that Total Operating Costs shall include Capital Expenses; accordingly, Sienna Operating Costs shall include an allocation of Capital Expenses.

**NewQuest Properties Economic 380 Agreement - Fort Bend Town Center**

The Fort Bend Town Center is a commercial development located along both sides of the future extension of the Fort Bend Parkway south of State Highway 6. This particular property lacks some major infrastructure needed for development. As an incentive to have it develop sooner rather than later, the City executed an economic development agreement, reimbursing the developer for some of their cost incurred in developing the site. The total amount of the project is \$7,007,548. The portion of the project west of the Parkway has been completed. The reimbursable expenses for this portion total \$3,622,623.

As part of this development, the developer, with the City's assistance was successful in working out an agreement to extend service lanes for the future Fort Bend Parkway south of its current terminus. Such an extension was critical component in encouraging the next phase of the parkway to Sienna Parkway to take place sooner and ultimately improve traffic circulation in the Sienna North area. As an added bonus, the Fort Bend Toll Road Authority has agreed to reimburse the cost incurred for a portion of the extension, once bonds were sold.

Interest on the reimbursement is capped at two (2) years.

**Trammell Crow Development & Investment, Inc. Economic 380 Agreement - Lakeview Business Park**

Lakeview Business Park is a commercial park located at the intersection of Buffalo Run and Fondren Road, on the south side of Buffalo Run. The business park is the largest of its type undertaken by Trammel Crow Development & Investment, Inc. in the Houston area. In an effort to make the development more competitive, the City executed an economic development agreement, reimbursing the developer for costs incurred in the installation of a public roadway and storm sewer system. The park will be developed in two phases, with Phase I consisting mainly of the eastern half of the property. The following is the reimbursement schedule for both phases:

**Phase I**

- The roadway and drainage improvements for Phase I have been completed and accepted by the City. The City has reimbursed Trammel Crow for two of the three annual payments as outlined in the development agreement.
  
- The developer constructed spec buildings simultaneously with the installation of Phase I public improvements.

**Note 16 - Development Agreements (continued)**

**Trammell Crow Development & Investment, Inc. Economic 380 Agreement - Lakeview Business Park (continued)**

Phase II

- Upon completion and acceptance by the City of the remaining roadway and drainage improvements, the City would reimburse Trammel Crow in three equal annual payments, if and only if, the taxable value of the park exceeded \$50 million.

Projected ad valorem tax revenue to be realized by the City is an estimated \$7.2 million over the first ten years of the project.

**Reinvestment Zone Number Three Agreement – Sienna Plantation Management District (SPMD)**

The Tax Increment Reinvestment Zone #3 (the “Zone”) was established by the City in December of 2007, is located within the city limits near the intersection of State Highway 6 and Sienna Parkway. Created under state law, the Zone is to promote private economic development of an area by investing in public infrastructure such as public roadways, water distribution, wastewater collection and storm drainage facilities. The improvements will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City. All of the land within the zone lies wholly within the boundaries of the City.

The base taxable assessed value of real property within the TIRZ is established when the TIRZ is created. Any incremental growth in the taxable assessed value of real property within the TIRZ is established when the TIRZ is created. Any incremental growth in the taxable assessed value of real property over the base is considered a “tax increment.” Taxing jurisdictions within the Zone have the option of contributing all or portions of tax collections attributed to the tax increment to the City for use in financing the public infrastructure improvements. The City has entered into separate tax participation agreements with the Sienna Plantation Levee Improvement District, Houston Community College, Fort Bend Drainage District and Fort Bend County, Texas, which obligates these entities to contribute all or a portion of property taxes collected on the tax increment (“TIRZ Revenues”) to the City.

The City of Missouri City, the Sienna Plantation Management District (the “District”), and the Missouri City Development Authority (the “MCDA”), entered into the Sienna Plantation Reinvestment Zone Development Plan Agreement (the “Agreement”) to provide for the unified development of all land within the Zone and to establish rules for development, financing and operation of improvements. The Agreement defines two categories of projects: District Improvements and TIRZ Improvements. The District is responsible for the acquisition, design, financing and construction of all District Improvements and TIRZ Improvements.

The District Project budget for District TIRZ Improvements shall not exceed \$39 million, without the consent of the City. This includes new roadway construction (\$11.65 million), roadway and intersection improvements (\$7.15 million), a structured parking garage (\$13.5 million), decorative signage, landscaping, and enhancements (\$4.9 million), and zone administrative costs (\$1.8 million).

**Note 16 - Development Agreements (continued)**

**Reinvestment Zone Number Three Agreement – Sienna Plantation Management District (SPMD) (continued)**

The City of Missouri City, the Sienna Plantation Management District (the “District”), and the Missouri City Development Authority (the “MCDA”), entered into the Sienna Plantation Reinvestment Zone Development Plan Agreement (the “Agreement”) to provide for the unified development of all land within the Zone and to establish rules for development, financing and operation of improvements. The Agreement defines two categories of projects: District Improvements and TIRZ Improvements. The District is responsible for the acquisition, design, financing and construction of all District Improvements and TIRZ Improvements.

The District Project budget for District TIRZ Improvements shall not exceed \$39 million, without the consent of the City. This includes new roadway construction (\$11.65 million), roadway and intersection improvements (\$7.15 million), a structured parking garage (\$13.5 million), decorative signage, landscaping, and enhancements (\$4.9 million), and zone administrative costs (\$1.8 million).

District Improvements are financed with bonds that the District is authorized to issue for any appropriate District purpose. Those bonds are payable from District collected property taxes and any other lawful revenue of the District. TIRZ Improvements are financed with TIRZ bonds which are payable from TIRZ revenues and District property taxes. As of June 30, 2017, the District has issued \$14,332,865 in Road Bonds and Unlimited Tax and Tax Increment Contract Revenue Road Bonds (TIRZ Bonds). The TIRZ Bonds are the obligations solely of SPMD and not the City or TIRZ #3. The Bonds are secured by the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against taxable property in the District. In addition, the Bonds will be secured by the pledge of TIRZ revenues under the agreement described above, paid to the District from monies received by the City from tax increments resulting within TIRZ#3. These pledged revenues are anticipated to be sufficient to amortize the Bonds. The TIRZ Bonds year end amount outstanding is \$12.7 million, which is recognized as a contractual obligation in the City’s financial statements.

On the first business day of each calendar quarter, the City pays the District from the TIRZ revenues the amount necessary (1) to pay debt service on District TIRZ Bonds and to (2) to pay the direct costs of the development and construction of District TIRZ Improvements that are not funded through the issuance of District debt. During the fiscal year ended September 30, 2018, the City paid the district a total of \$1,219,085. Under the terms of the agreement, the District receives a METRO sales tax which is a portion of the sales tax rebated to the City by the Metropolitan Transportation Authority of Harris County which is derived from sales tax revenue generated within the Zone. The reimbursements will be based on the increase in taxable value of real property within the Zone and 50% of the total amount of Metro Tax generated from the District. During the fiscal year ended September 30, 2018, the City paid the district \$454,236.

**Note 16 - Development Agreements (continued)**

**Trammel Crow Economic 380 Agreement – Park Eight 90**

Located at the intersection of US90A and Beltway 8, Park Eight-Ninety is the newest business park being developed in Missouri City. The 129 acre development is being developed by Trammel Crow Development and will offer the opportunity for more than 1,700,000 sf of investment grade warehouse, distribution and manufacturing space. The project builds upon the strong relationship between Trammel Crow and the City and track record of success in developing the very successful Missouri City's Lakeview Business Park. Furthermore, the development standards put in place by the developer and by the City's Planned Development District ordinance build up on what was put in place of Lakeview development to ensure this property will deliver quality end users, with highest quality construction standards and an upscale appearance

In continuation of the City's pro-business and development values the City entered into a chapter 380 development agreement with Trammel Crow. This performance based agreement provides the opportunity for Trammel Crow to be reimbursed for up to \$7,000,000 of qualifying infrastructure costs associated with the park. The reimbursements are based on the net growth in assessed value in the park not including abated or exempt property and are structured so that the City is ensured a positive return on investment.

**Note 17 - Reimbursements Due to City and Developers**

The City has entered into agreements with developers and newly created governmental entities for purposes of developing areas that otherwise would not be developed. The planned resources for these developments are property tax increments in established zones within the City. Currently, the City's financial statements include two Tax Increment Reinvestment Zones (Zones 1 and 2) as blended component units along with a Development Authority created for these purposes. On July 20, 2006, the Missouri City Development Authority issued tax increment contract revenue bonds in the amount of \$6,540,000, the proceeds of which were used to reimburse certain developer costs relating to land development within TIRZ #1. These bonds were refunded on December 17, 2015, when the City issued \$4,600,000 in Missouri City Development Authority Tax Increment Revenue Refunding Bonds, Series 2015. The refunding will generate a savings of \$631,000 over the life of the new bonds. The par amount of the refunding is \$4,540,000, the interest rate is 2.22% and the maturity date will be 2027.

The City has also worked with area developers in the creation of Public Improvement Districts (PIDs) for development purposes that will use property assessments within their boundaries to create additional resources for development purposes. Costs associated with the PIDs' creation have been included in the Public Improvement District #2 and #4 Funds.

The City and developers have pre-funded certain creation costs for these entities and expect reimbursement of these costs in the future, once development has taken place and property values are at a level that will create the resources for repayment of these costs. The reimbursements will include interest at agreed-upon rates at the time the reimbursements are calculated and made.

In addition, the City has pre-funded capital costs for a regional wastewater treatment plant. These pre-funded costs have included over-sizing of sewer lines funded by the proceeds of City issued certificates of obligation. The City has also pre-funded additional costs from operating funds related to the over-sizing and engineering costs related to plant expansion for new users. These pre-funded costs are expected to be paid back as new or existing customers pay for capacity in the current and expanded plant.

The City plans to receive interest on these pre-funded costs at the time of reimbursement at agreed-upon rates at the time the reimbursements are calculated and made.

**Note 18 - Agreement with Harris County Metropolitan Transit Authority**

The City entered into a Congestion Mitigation/Traffic Management Agreement with the Harris County Metropolitan Transit Authority (METRO) to address ongoing mobility needs through the further development of regional transportation systems. Under this agreement, METRO will make payments to the City to fund eligible transportation projects as defined in the agreement. The agreement is effective through December 31, 2025. These payments will generally be limited to one-half (1/2) of all METRO sales tax collections within the City during the agreement. These payments will be in addition to payments for previously approved METRO projects within the City. The City received approximately \$5.03 million (\$914 thousand July 1, 2017 thru September 30, 2018, and \$4.1 million October 1, 2017 thru September 30, 2018) pursuant to this agreement for eligible transportation projects in the fiscal year 2018.

**Note 19 - Tax Abatements**

The City grants tax abatement agreements under Chapter 380 of the Texas Local Government Code and the Property Redevelopment and Tax Abatement Act under Chapter 312 of the Texas Tax Code to provide incentives for economic development within the City limits. The agreements take two forms; ad valorem taxes and sales tax.

The currently active ad valorem tax agreements call for the abatement of a portion (40% to 80%) of property taxes that would normally be due on real and personal property of a specified development's assessed value. All of these agreements will call for the entity to construct and maintain certain buildings and improvements at specified levels. Some agreements will call for entities to produce and maintain a certain number of jobs for the length of the agreements. Failure of the entity to comply with the requirements will cause the entity to be subject to a claw back provision which typically includes the repayment of all abated ad valorem taxes plus interest at the Texas Tax Code delinquent tax rate. Total ad valorem taxes abated in the current fiscal year under these agreements were approximately \$796,643.

Of the currently active sales tax abatements agreements, one provides for 100% abatement of sales taxes generated by the entity in exchange for employing 210 employees and maintaining at least \$10 million in inventory. Failure of the entity to meet either commitment will invalidate the tax rebate for the year the requirement was not satisfied. Three provide for a 50% abatement of sales taxes generated by the projects upon the successful completion of the project with no claw back provisions. The other one provides for a rebate of up to \$150,000 annually for three years upon substantial completion amongst other requirements with a claw back provision. Total sales taxes abated in the current fiscal year under these agreements totaled approximately \$558,002.

During fiscal year 2018 the city had 11 ad valorem and 5 sales tax abatement agreements that were active under the economic development program that resulted in abatements of \$796,643 and \$558,002 respectively.

**Note 20 - Prior Period Adjustment**

In the current fiscal year, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. As a result, the beginning net position of the City’s governmental activities and business-type activities has been restated on Exhibit A-1 Statement of Activities to reflect the net OPEB liability and deferred outflow of resources related to contributions made after the prior measurement date of the plan as follows:

	<b>Governmental Activities</b>
Beginning Net Position / Fund Balance as originally presented	\$ 115,872,182
Net OPEB obligation (GASB45)	1,820,215
Contributions made after measurement date	(133,585)
Total OPEB liability (GASB 75)	<u>(6,520,198)</u>
Net prior period adjustment	<u>(4,833,568)</u>
<b>Beginning Net Position / Fund Balance as restated</b>	<b><u>\$ 111,038,614</u></b>

**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF MISSOURI CITY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
*For the Fifteen Months Ended September 30, 2018*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
Property taxes and penalties	\$ 23,632,587	\$ 26,202,034	\$ 25,915,311	\$ (286,723)
Other taxes	8,416,172	10,815,156	11,944,882	1,129,726
Licenses and permits	2,510,614	2,647,154	3,533,623	886,469
Fines and forfeitures	967,150	1,041,789	1,190,545	148,756
Franchise taxes	3,990,463	5,115,436	5,357,742	242,306
Intergovernmental revenues	3,072,539	3,094,905	3,162,582	67,677
Other revenue	600,673	1,830,404	1,999,074	168,670
Charges for services	383,862	447,439	492,721	45,282
<b>Total Revenues</b>	<u>43,574,060</u>	<u>51,194,317</u>	<u>53,596,480</u>	<u>2,402,163</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	9,834,329	12,287,297	11,699,654	587,643
Finance	1,878,883	2,212,126	2,234,222	(22,096)
Police	13,636,762	16,268,455	16,735,214	(466,759)
Fire	8,102,663	10,174,105	10,918,160	(744,055)
Public works	7,399,365	10,727,397	9,990,602	736,795
Parks and recreation	3,128,485	4,128,550	3,600,386	528,164
Planning	1,471,238	1,724,861	1,732,489	(7,628)
<b>Capital outlay</b>	802,332	1,804,100	1,118,954	685,146
<b>Debt service</b>				
Principal	-	-	105,430	(105,430)
<b>Total Expenditures</b>	<u>46,254,057</u>	<u>59,326,891</u>	<u>58,135,111</u>	<u>1,191,780</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,679,997)</u>	<u>(8,132,574)</u>	<u>(4,538,631)</u>	<u>3,593,943</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	1,746,624	2,252,502	2,111,958	(140,544)
Transfers (to) other funds	-	-	(258,804)	(258,804)
<b>Total Other Financing Sources</b>	<u>1,746,624</u>	<u>2,252,502</u>	<u>1,853,154</u>	<u>(399,348)</u>
<b>Net Change in Fund Balance - Budgetary Basis</b>	(933,373)	(5,880,072)	(2,685,477)	3,194,595
Net adjustments to reflect operations in accordance with generally accepted accounting principals	-	-	117,742	117,742
<b>Net Change in Fund Balance - GAAP Basis</b>	<u>(933,373)</u>	<u>(5,880,072)</u>	<u>(2,567,735)</u>	<u>3,312,337</u>
<b>Fund Balances - Beginning</b>	<u>13,581,779</u>	<u>13,581,779</u>	<u>13,581,779</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 12,648,406</u>	<u>\$ 7,701,707</u>	<u>\$ 11,014,044</u>	<u>\$ 3,312,337</u>

## **1. Budgets and Budgetary Accounting**

Budgets are prepared on a basis other than generally accepted accounting principles (GAAP). The modified accrual basis of accounting, which is in accordance with GAAP, is used for financial reporting purposes. An annual operating budget is prepared on the “budgetary basis” and is approved annually by City Council. Encumbrance accounting is utilized for all governmental fund types. Any encumbered appropriation does not lapse at year-end and is included in budgetary expenditures for budget comparison purposes. In the current year, General Fund budgetary expenditures were \$117,742 more than for GAAP as a result of this inclusion of encumbrances for budgetary reporting purposes. Encumbrances are documented by purchase orders or contracts. Encumbrances outstanding at year-end do not constitute expenditures or liabilities under GAAP. The City honors these commitments and records GAAP expenditures in the subsequent year as the transactions are completed.

Fund Balance for the General Fund was originally budgeted to decrease by \$933,373 . The final budget called for a decrease of \$5,880,072 5%in fund balance. The actual change in Fund Balance was a \$2,567,735 decrease in fund balance, which is a positive budget variance of \$3,312,337 .

## **2. Stewardship, Compliance, and Accountability**

Budgets are adopted for all funds annually. Annual budgets are adopted for the General, Special Revenue, Debt Service and Enterprise Funds. The Proprietary Fund budgets are used primarily as financial plans for control purposes. Accordingly, no budgetary comparisons are presented for these funds. Budgetary control for capital projects funds is achieved through legally binding construction contracts and project length budgets.

These budgets are created by ordinance and include all sources and uses of funds as approved by Council. All annual budgets are prepared on a budgetary basis that differs from GAAP. In accordance with the City’s Charter, budgetary expenditures in governmental funds include encumbrances outstanding at year-end.

The appropriated budget is prepared by fund, function and department. The City’s department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level. The City Council made several supplementary budgetary appropriations, which were not considered material, throughout the year.

Encumbrances for materials, other goods, and purchased services are documented by purchase orders or contracts. Encumbrances outstanding at year-end do not constitute expenditures or liabilities under GAAP. The City honors these commitments and records GAAP expenditures in the subsequent year as the transactions are completed.

**2. Stewardship, Compliance, and Accountability (continued)**

	<b>Budgetary</b>		
	<b>Basis</b>	<b>Encumbrances</b>	<b>GAAP Basis</b>
Revenues	\$ 53,596,480	\$ -	\$ 53,596,480
Expenditures	58,135,111	(117,742)	58,017,369
	<u>\$ (4,538,631)</u>	<u>\$ 117,742</u>	<u>\$ (4,420,889)</u>

During the year, the General Fund had an original revenue budget of \$43,574,060 , and a final revenue budget of \$51,194,317 , resulting in an increased revenue budget of \$7,620,257 , or (17%). There were no significant revenue budgetary adjustments made during the year. Actual total revenues of \$53,596,480 were \$2,402,163 more than the final budget, or 5%. Property taxes were slightly less than budget by \$287 thousand.

The General Fund originally budgeted expenditures of \$46,254,057 , and had a final budget of \$59,326,891 ,resulting in an expenditure budget increase of \$13,072,834 . Actual expenditures were \$58,135,111 , which is a favorable variance of \$1,191,780 , or 2%.

Expenditures were over budget in finance by \$22 thousand, Police by \$467 thousand, Fire by \$744 thousand and planning by \$8 thousand. This is primarily due to emergency related expenditures.

**3. City Charter**

The City's Charter contains the following budgeting requirements:

The City Manager, on or before the first day of June of each year, shall submit to Council a proposed budget. The Council shall review the proposed budget and revise as deemed appropriate prior to circulation for public hearing.

After the public hearing, the Council may adopt the budget with or without amendment. In amending the budget, Council may add or increase programs or amounts and may delete or decrease any amount, except expenditures required by law or for debt or for estimated cash deficits, provided no amendments to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income plus funds available from prior years.

The Council shall adopt the budget by the 25th of June of each year. Adoption of the budget shall constitute appropriation of the amounts specified therein as expenditures and shall constitute a levy of the property tax therein proposed.

Encumbered appropriations do not lapse at year-end and are included in budgetary expenditures. Budgetary expenditures may not legally exceed appropriations at the department level. Department heads are authorized to transfer budgeted amounts within a department. At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered

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## CITY OF MISSOURI CITY, TEXAS

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

## Last Four Measurement Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Total pension liability</b>				
Service Cost	\$ 3,022,157	\$ 3,596,718	\$ 3,760,150	\$ 4,026,779
Interest (on the Total Pension Liability)	7,039,404	7,420,493	7,601,041	8,134,301
Difference between expected and actual experience	(431,047)	434,820	1,235,380	513,297
Changes of assumptions	-	(230,688)	-	-
Benefit payments, including refunds of employee contributions	<u>(4,328,141)</u>	<u>(4,619,197)</u>	<u>(4,784,969)</u>	<u>(4,874,521)</u>
Net change in total pension liability	5,302,373	6,602,146	7,811,602	7,799,856
Total pension liability – beginning	101,215,907	106,518,280	113,120,426	120,932,028
Total pension liability – ending	<u>\$ 106,518,280</u>	<u>\$ 113,120,426</u>	<u>\$ 120,932,028</u>	<u>\$ 128,731,884</u>
<b>Plan fiduciary net position</b>				
Contributions – employer	\$ 1,018,731	\$ 1,853,966	\$ 1,921,157	\$ 2,306,353
Contributions – employee	1,358,254	1,461,322	1,514,445	1,634,055
Net investment income	4,892,846	130,473	5,889,244	12,697,084
Benefit payments, including refunds of employee contributions	(4,328,141)	(4,619,197)	(4,784,969)	(4,874,521)
Administrative Expense	(51,091)	(79,478)	(66,535)	(65,824)
Other	<u>(4,201)</u>	<u>(3,925)</u>	<u>(3,585)</u>	<u>(3,335)</u>
Net change in plan fiduciary net position	2,886,398	(1,256,839)	4,469,757	11,693,812
Plan fiduciary net position – beginning	85,543,392	88,429,790	87,172,951	91,642,708
Plan fiduciary net position – ending	<u>\$ 88,429,790</u>	<u>\$ 87,172,951</u>	<u>\$ 91,642,708</u>	<u>\$ 103,336,520</u>
<b>Net pension liability</b>	<u>\$ 18,088,490</u>	<u>\$ 25,947,475</u>	<u>\$ 29,289,320</u>	<u>\$ 25,395,364</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	83.0%	77.1%	75.8%	80.3%
<b>Covered-employee payroll</b>	\$ 19,243,804	\$ 20,850,538	\$ 21,634,924	\$ 23,343,646
<b>Net pension liability as a percentage of covered employee payroll</b>	94.0%	124.4%	135.4%	108.8%

GASB 68 requires 10 years of data to be provided in this schedule. The City will continue to build this schedule over the next 10-year period as the information becomes available.

**CITY OF MISSOURI CITY, TEXAS**  
**SCHEDULE OF CONTRIBUTIONS**  
*Last Ten Fiscal Years\*\**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 2,815,551	\$ 2,200,471	\$ 1,876,548	\$ 1,402,879	\$ 953,766
Contributions in relation to the actuarially determined contribution	<u>2,815,551</u>	<u>2,200,471</u>	<u>1,876,548</u>	<u>1,402,879</u>	<u>953,766</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 28,642,429	\$ 23,197,472	\$ 19,645,653	\$ 18,575,957	\$ 17,589,972
Contributions as a percentage of covered employee payroll	9.8%	9.5%	9.6%	7.6%	5.4%

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially Determined Contribution	\$ 1,779,036	\$ 2,778,949	\$ 2,882,292	\$ 2,833,342	\$ 2,724,228
Contributions in relation to the actuarially determined contribution	<u>1,779,036</u>	<u>2,515,034</u>	<u>2,346,528</u>	<u>2,210,306</u>	<u>2,200,396</u>
Contribution deficiency (excess)	\$ -	\$ 263,915	\$ 535,764	\$ 623,036	\$ 523,832
Covered employee payroll	\$ 16,642,341	\$ 16,362,228	\$ 16,681,946	\$ 16,630,535	\$ 14,741,216
Contributions as a percentage of covered employee payroll	10.7%	15.4%	14.1%	13.3%	14.9%

\*\* 2018 is for the fifteen months ended September 30, 2018 due to a change in year-end

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014

Mortality RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

- Notes
- 1) Granted 100% ad hoc USC with transfer.
  - 2) Granted 70% ad hoc COLA.

**CITY OF MISSOURI CITY, TEXAS***Exhibit B-5***OTHER POST EMPLOYMENT BENEFITS – SCHEDULE OF CHANGE IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS****CITY OF MISSOURI CITY TMRS SUPPLEMENTAL DEATH BENEFITS FUND****SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS***For the Last Measurement Year Ended December 31*

	<u>2017</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 32,681
Interest	26,956
Changes of assumptions	69,029
Benefit payments	<u>(4,669)</u>
Net change in total OPEB liability	123,997
Total OPEB liability - beginning	<u>699,105</u>
Total OPEB liability - ending	<u>\$ 823,102</u>
Covered payroll	\$23,343,646
Total OPEB liability as a percentage of covered payroll	3.53%

**CITY OF MISSOURI CITY RETIREE HEALTH CARE PLAN****SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS***For the Last Measurement Year Ended December 31*

	<u>2017</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 232,018
Interest	231,894
Changes of assumptions	437,405
Benefit payments	<u>(235,642)</u>
Net change in total OPEB liability	665,675
Total OPEB liability - beginning	<u>6,088,263</u>
Total OPEB liability - ending	<u>\$ 6,753,938</u>
Covered payroll	\$21,879,740
Total OPEB liability as a percentage of covered payroll	30.87%

**Notes to the Required Supplementary Information**

Ten years of data should be presented but data was unavailable prior to 2017. There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GAB Statement No. 75. No significant methods and assumptions to disclose.

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

## **Non-major Governmental Funds**

### **Special Revenue Funds**

Special Revenue Funds are used to account for specific revenues that are legally restricted for particular purposes.

#### **Park Land Dedication Fund**

This fund is used to account for cash payments in lieu of land donated for parks as established by the Park Land Dedication Ordinance. Funds must be expended within five years from the date of the receipt for acquisition or development of a neighborhood park.

#### **Law Enforcement Fund**

This fund is used to account for monies resulting from narcotics contraband seized within the County as a result of a final conviction or forfeiture by the State. The funds are to be used solely for law enforcement purposes. The Law Enforcement Block Grant is also accounted for in this fund.

#### **Radio Communications Fund**

This fund is used to account for the operations and maintenance of the radio communications facilities, a portion of which is paid by other area users.

#### **Court Security, Technology, and Juvenile Case Funds**

These funds are used to account for monies resulting from court fee assessments. The funds are to be used solely for security, technology and case management of the court.

#### **Missouri City TV Facility and Equipment Fund**

This fund is used to account for Public, Educational, and Governmental Access (PEG) fees collected from cable TV subscribers. The funds are to be used solely for technology, furniture and equipment related to the City's cable TV station programming.

#### **Grants Fund**

This fund is used to account for the administering of all federal, state and local grants received by the City, excluding Community Development Block Grant (CDBG) related funds.

#### **Community Development Block Grant Funds**

These funds are used to account for revenues to be received from the Community Development Block Grant Entitlement Fund.

#### **Donations Fund**

This fund is used to account for all miscellaneous donations received by the City. Donations are recorded and administered based on the departmental purpose that receives the donation.

#### **Missouri City Development Authority Fund**

This fund is used to account for the Development Authority, which is made up of City Council with ex-officio members including the City Manager, Director of Public Works, City Attorney, Director of Planning, Finance Director, and may also include representatives of the Fort Bend Independent School District as non-voting members. The board will act for the City to develop policies, implement project and financing plans with the planned improvement districts and tax incremental reinvestment zones.

## **Non-major Governmental Funds (continued)**

### **Special Revenue Funds (continued)**

#### **Tax Incremental Reinvestment Zone (TIRZ) #1 (Fifth Street) Fund**

This fund is used to account for the TIRZ which covers the Fifth Street area of the City, which is located near an unincorporated area in the City of Stafford's extra-territorial jurisdiction. The Fort Bend Economic Development Commission developed the plan to improve the area noted for substandard housing, a lack of public infrastructure and crime.

#### **Tax Incremental Reinvestment Zone (TIRZ) #2 (Vicksburg) Fund**

This fund is used to account for the TIRZ in the Vicksburg area of the City. The land within this TIRZ is prime for development has been limited for years due to drainage problems. By forming the TIRZ, drainage problems can be addressed on a regional basis and quality growth can occur.

#### **Tax Incremental Reinvestment Zone (TIRZ) #3 (Sienna) Fund**

This fund is used to account for the TIRZ in the Sienna Plantation area of the City. The land within this TIRZ is prime for development has been limited for years due to drainage problems. By forming the TIRZ, drainage problems can be addressed on a regional basis and quality growth can occur.

#### **Public Improvement District (PID) #2 (Vicksburg) Fund**

Public Improvement District (PID) #2 (Vicksburg) Fund This fund is used to track the sources and uses of funds for the Public Improvement District in the Vicksburg area. As improvements are made in this district, a special assessment fee will be charged to property owners.

#### **Public Improvement District (PID) #4 (Creekmont) Fund**

This fund is used to track the sources and uses of funds for the Public Improvement District in the Creekmont area. As improvements are made in this district, a special assessment fee will be charged to property owners.

#### **Hotel Occupancy Tax Fund**

This fund was created to account for the collection of remittances from the city's hotels. Hotel occupancy taxes are received quarterly.

**CITY OF MISSOURI CITY, TEXAS**

*COMBINING BALANCE SHEET*

*NONMAJOR GOVERNMENTAL FUNDS*

*September 30, 2018*

	<u>Park Land Dedication Fund</u>	<u>Law Enforcement Fund</u>	<u>Radio Communications Fund</u>	<u>Court Security Fee Fund</u>
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 382,209	\$ 164,549	\$ 48,815	\$ 24,712
Investments	1,208,703	520,403	154,385	78,156
Receivables	-	-	7,132	8,814
Prepaid items	-	-	-	-
<b>Total Assets</b>	<u>\$ 1,590,912</u>	<u>\$ 684,952</u>	<u>\$ 210,332</u>	<u>\$ 111,682</u>
<b>Liabilities:</b>				
Accounts payable	1,085	-	-	-
Salaries payable	-	-	3,743	813
Due to other funds	3	-	-	-
Due to others	-	-	-	3
<b>Total Liabilities</b>	<u>1,088</u>	<u>-</u>	<u>3,743</u>	<u>816</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	-	8,814
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,814</u>
<b>Fund Balances:</b>				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Law enforcement	-	684,952	206,589	102,052
Facilities construction	-	-	-	-
Parkland dedication	1,589,824	-	-	-
Community Development	-	-	-	-
<b>Total Fund Balances</b>	<u>1,589,824</u>	<u>684,952</u>	<u>206,589</u>	<u>102,052</u>
<b>Resources and Fund Balances</b>	<u>\$ 1,590,912</u>	<u>\$ 684,952</u>	<u>\$ 210,332</u>	<u>\$ 111,682</u>

<u>Court Technology Fee Fund</u>	<u>Court Juvenile Case Fund</u>	<u>Missouri City TV Facility &amp; Equipment Fund</u>	<u>Grants Fund</u>	<u>CDBG Fund</u>	<u>Donations Fund</u>
\$ 35,959	\$ 942	\$ 107,773	\$ 63,896	\$ 59	\$ 34,343
113,725	2,976	340,847	202,076	185	108,613
11,727	13,424	38,074	77,230	13,845	-
-	-	-	-	-	-
<u>\$ 161,411</u>	<u>\$ 17,342</u>	<u>\$ 486,694</u>	<u>\$ 343,202</u>	<u>\$ 14,089</u>	<u>\$ 142,956</u>
2,229	-	31,084	-	-	-
-	-	-	-	2,168	-
-	-	-	-	46,763	-
-	211	-	2,221	-	-
<u>2,229</u>	<u>211</u>	<u>31,084</u>	<u>2,221</u>	<u>48,931</u>	<u>-</u>
11,727	13,424	-	-	-	-
<u>11,727</u>	<u>13,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
147,455	3,707	-	340,981	-	-
-	-	455,610	-	-	-
-	-	-	-	-	-
-	-	-	-	(34,842)	142,956
<u>147,455</u>	<u>3,707</u>	<u>455,610</u>	<u>340,981</u>	<u>(34,842)</u>	<u>142,956</u>
<u>\$ 161,411</u>	<u>\$ 17,342</u>	<u>\$ 486,694</u>	<u>\$ 343,202</u>	<u>\$ 14,089</u>	<u>\$ 142,956</u>

**CITY OF MISSOURI CITY, TEXAS**

*COMBINING BALANCE SHEET*

**NONMAJOR GOVERNMENTAL FUNDS**

*September 30, 2018*

	<b>Missouri City Development Authority Fund</b>	<b>TIRZ #1 (Fifth Street) Fund</b>	<b>TIRZ # 2 (Vicksburg) Fund</b>	<b>TIRZ # 3 (Sienna) Fund</b>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 19,759	\$ 259,127	\$ 1,569,687	\$ 721,099
Investments	-	882,007	4,964,320	2,280,560
Receivables	-	-	-	196,034
Prepaid items	-	-	-	1,239,071
<b>Total Assets</b>	<u>\$ 19,759</u>	<u>\$ 1,141,134</u>	<u>\$ 6,534,007</u>	<u>\$ 4,436,764</u>
 <b>Liabilities:</b>				
Accounts payable	-	-	-	-
Salaries payable	-	-	-	-
Due to other funds	2,470	-	-	-
Due to others	-	-	-	-
<b>Total Liabilities</b>	<u>2,470</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	-	196,034
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,034</u>
 <b>Fund Balances:</b>				
Nonspendable:				
Prepaid items	-	-	-	1,239,071
Restricted for:				
Law enforcement	-	-	-	-
Facilities construction	-	-	-	-
Parkland dedication	-	-	-	-
Community Development	17,289	1,141,134	6,534,007	3,001,659
<b>Total Fund Balances</b>	<u>17,289</u>	<u>1,141,134</u>	<u>6,534,007</u>	<u>4,240,730</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 19,759</u>	<u>\$ 1,141,134</u>	<u>\$ 6,534,007</u>	<u>\$ 4,436,764</u>

<b>PID # 2 (Vicksburg) Fund</b>	<b>PID # 4 (Creekmont) Fund</b>	<b>Hotel Occupancy Tax</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 192,927	\$ 65,769	\$ 147,402	\$ 3,839,027
610,152	208,000	466,178	12,141,286
-	-	41,821	408,101
-	-	-	1,239,071
<u>\$ 803,079</u>	<u>\$ 273,769</u>	<u>\$ 655,401</u>	<u>\$ 17,627,485</u>
-	-	14,620	49,018
-	-	3,579	10,303
-	-	-	49,236
-	-	-	2,435
<u>-</u>	<u>-</u>	<u>18,199</u>	<u>110,992</u>
-	-	-	229,999
<u>-</u>	<u>-</u>	<u>-</u>	<u>229,999</u>
-	-	-	1,239,071
-	-	-	1,485,736
-	-	-	455,610
-	-	-	1,589,824
<u>803,079</u>	<u>273,769</u>	<u>637,202</u>	<u>12,516,253</u>
<u>803,079</u>	<u>273,769</u>	<u>637,202</u>	<u>17,286,494</u>
<u>\$ 803,079</u>	<u>\$ 273,769</u>	<u>\$ 655,401</u>	<u>\$ 17,627,485</u>

**CITY OF MISSOURI CITY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
*For the Fifteen Months Ended September 30, 2018*

	<b>Park Land Dedication Fund</b>	<b>Law Enforcement Fund</b>	<b>Radio Communications Fund</b>	<b>Court Security Fee Fund</b>
<b>Revenues</b>				
Taxes:				
Property taxes and penalties	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Fines and forfeitures	-	-	-	25,227
Franchise taxes	-	-	-	-
Intergovernmental revenues	-	277,067	87,258	-
Other revenue	429,800	-	-	-
Charges for services	-	-	277,887	-
Investment income	20,034	6,906	2,608	2,083
<b>Total revenues</b>	<b>449,834</b>	<b>283,973</b>	<b>367,753</b>	<b>27,310</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	-	29,607
Police	-	85,465	280,181	-
Fire	-	-	-	-
Parks and recreation	58,824	-	-	-
Planning	-	-	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>58,824</b>	<b>85,465</b>	<b>280,181</b>	<b>29,607</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>391,010</b>	<b>198,508</b>	<b>87,572</b>	<b>(2,297)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	-	-	58,804	-
Transfers (to) other funds	(129,745)	-	(53,348)	(25,001)
<b>Total Other Financing Sources (Uses)</b>	<b>(129,745)</b>	<b>-</b>	<b>5,456</b>	<b>(25,001)</b>
<b>Net Change in Fund Balance</b>	<b>261,265</b>	<b>198,508</b>	<b>93,028</b>	<b>(27,298)</b>
<b>Fund Balances, Beginning</b>	<b>1,328,559</b>	<b>486,444</b>	<b>113,561</b>	<b>129,350</b>
<b>Fund Balances, Ending</b>	<b>\$ 1,589,824</b>	<b>\$ 684,952</b>	<b>\$ 206,589</b>	<b>\$ 102,052</b>

<u>Court Technology Fee Fund</u>	<u>Court Juvenile Case Fund</u>	<u>Missouri City TV Facility &amp; Equipment Fund</u>	<u>Grants Fund</u>	<u>CDBG Fund</u>	<u>Donations Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
33,651	49,912	-	-	-	-
-	-	227,689	-	-	-
-	-	-	80,649	298,818	-
-	-	-	-	-	189,037
-	-	-	-	-	-
2,946	(35)	5,819	-	-	4,367
<u>36,597</u>	<u>49,877</u>	<u>233,508</u>	<u>80,649</u>	<u>298,818</u>	<u>193,404</u>
44,205	350	103,110	-	-	1,800
-	-	-	62,715	-	51,358
-	-	-	-	-	13,020
-	-	-	-	-	107,753
-	-	-	-	361,158	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>44,205</u>	<u>350</u>	<u>103,110</u>	<u>62,715</u>	<u>361,158</u>	<u>173,931</u>
(7,608)	49,527	130,398	17,934	(62,340)	19,473
-	-	-	-	-	-
-	(45,820)	-	-	-	-
-	(45,820)	-	-	-	-
(7,608)	3,707	130,398	17,934	(62,340)	19,473
155,063	-	325,212	323,047	27,498	123,483
<u>\$ 147,455</u>	<u>\$ 3,707</u>	<u>\$ 455,610</u>	<u>\$ 340,981</u>	<u>\$ (34,842)</u>	<u>\$ 142,956</u>

**CITY OF MISSOURI CITY, TEXAS**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE*

*NONMAJOR GOVERNMENTAL FUNDS*

*For the Fifteen Months Ended September 30, 2018*

	<b>Missouri City Development Authority Fund</b>	<b>TIRZ #1 (Fifth Street) Fund</b>	<b>TIRZ # 2 (Vicksburg) Fund</b>	<b>TIRZ # 3 (Sienna) Fund</b>
<b>Revenues</b>				
Taxes:				
Property taxes and penalties	\$ -	\$ 972,287	\$ 2,463,308	\$ 1,923,497
Other taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Franchise taxes	-	-	-	-
Intergovernmental revenues	-	-	-	-
Other revenue	-	-	-	-
Charges for services	-	-	-	-
Investment income	(62)	35,823	106,205	55,495
<b>Total revenues</b>	<b>(62)</b>	<b>1,008,110</b>	<b>2,569,513</b>	<b>1,978,992</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	1,125,630	5,449	-	-
Police	-	-	-	-
Fire	-	-	-	-
Parks and recreation	-	-	-	-
Planning	-	-	-	-
<b>Debt service:</b>				
Principal	-	360,000	410,000	405,000
Interest and fiscal charges	-	87,357	158,944	584,803
<b>Total expenditures</b>	<b>1,125,630</b>	<b>452,806</b>	<b>568,944</b>	<b>989,803</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,125,692)</b>	<b>555,304</b>	<b>2,000,569</b>	<b>989,189</b>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	1,233,664	-	-	-
Transfers (to) other funds	(100,000)	(1,276,341)	(113,947)	(94,740)
<b>Total Other Financing Sources (Uses)</b>	<b>1,133,664</b>	<b>(1,276,341)</b>	<b>(113,947)</b>	<b>(94,740)</b>
<b>Net Change in Fund Balance</b>	<b>7,972</b>	<b>(721,037)</b>	<b>1,886,622</b>	<b>894,449</b>
<b>Fund Balances, Beginning (as restated)</b>	<b>9,317</b>	<b>1,862,171</b>	<b>4,647,385</b>	<b>3,346,281</b>
<b>Fund Balances, Ending</b>	<b>\$ 17,289</b>	<b>\$ 1,141,134</b>	<b>\$ 6,534,007</b>	<b>\$ 4,240,730</b>

<b>PID # 2 (Vicksburg) Fund</b>	<b>PID # 4 (Creekmont) Fund</b>	<b>Hotel Occupancy Tax</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 704,356	\$ 397,071	\$ -	\$ 6,460,519
-	-	270,487	270,487
-	-	-	108,790
-	-	-	227,689
-	-	-	743,792
-	-	-	618,837
-	-	-	277,887
23,582	6,896	10,182	282,849
<u>727,938</u>	<u>403,967</u>	<u>280,669</u>	<u>8,990,850</u>
680,638	600	265,741	2,257,130
-	-	-	479,719
-	-	-	13,020
-	-	-	166,577
-	-	-	361,158
80,000	145,000	-	1,400,000
227,025	208,044	-	1,266,173
<u>987,663</u>	<u>353,644</u>	<u>265,741</u>	<u>5,943,777</u>
(259,725)	50,323	14,928	3,047,073
-	-	-	1,292,468
<u>(42,264)</u>	<u>(20,000)</u>	<u>(25,100)</u>	<u>(1,926,306)</u>
<u>(42,264)</u>	<u>(20,000)</u>	<u>(25,100)</u>	<u>(633,838)</u>
(301,989)	30,323	(10,172)	2,413,235
1,105,068	243,446	647,374	14,873,259
<u>\$ 803,079</u>	<u>\$ 273,769</u>	<u>\$ 637,202</u>	<u>\$ 17,286,494</u>

**CITY OF MISSOURI CITY, TEXAS**  
**PARK LAND DEDICATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fifteen Months Ended September 30, 2018**

	<u>Final Budget</u>	<u>GAAP Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Other revenue	\$ 428,400	\$ 429,800	\$ 1,400
Investment income	20,994	20,034	(960)
<b>Total revenues</b>	<u>449,394</u>	<u>449,834</u>	<u>440</u>
<b>Expenditures</b>			
<b>Current:</b>			
Parks and recreation	314,243	58,824	255,419
<b>Total expenditures</b>	<u>314,243</u>	<u>58,824</u>	<u>255,419</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	135,151	391,010	255,859
<b>Other Financing Sources (Uses)</b>			
Transfers (to) other funds	(129,745)	(129,745)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(129,745)</u>	<u>(129,745)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	5,406	261,265	255,859
<b>Fund Balances, Beginning</b>	<u>1,328,559</u>	<u>1,328,559</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 1,333,965</u>	<u>\$ 1,589,824</u>	<u>\$ 255,859</u>

**CITY OF MISSOURI CITY, TEXAS**  
**LAW ENFORCEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fifteen Months Ended September 30, 2018**

	<b>Final Budget</b>	<b>GAAP Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental revenues	\$ 50,000	\$ 277,067	\$ 227,067
Investment income	7,900	6,906	(994)
<b>Total revenues</b>	<u>57,900</u>	<u>283,973</u>	<u>226,073</u>
<b>Expenditures</b>			
<b>Current:</b>			
Police	165,220	85,465	79,755
<b>Capital outlay</b>	104,780	-	104,780
<b>Total expenditures</b>	<u>270,000</u>	<u>85,465</u>	<u>184,535</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(212,100)	198,508	410,608
<b>Fund Balances, Beginning</b>	486,444	486,444	-
<b>Fund Balances, Ending</b>	<u>\$ 274,344</u>	<u>\$ 684,952</u>	<u>\$ 410,608</u>

**CITY OF MISSOURI CITY, TEXAS**  
**RADIO COMMUNICATIONS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fifteen Months Ended September 30, 2018**

	<b>Final Budget</b>	<b>GAAP Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental revenues	\$ 86,406	\$ 87,258	\$ 852
Charges for services	285,952	277,887	(8,065)
Investment income	1,230	2,608	1,378
<b>Total revenues</b>	<u>373,588</u>	<u>367,753</u>	<u>(5,835)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Police	362,234	280,181	82,053
<b>Total expenditures</b>	<u>362,234</u>	<u>280,181</u>	<u>82,053</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	11,354	87,572	76,218
<b>Other Financing Sources (Uses)</b>			
Transfers from other funds	58,804	58,804	-
<b>Total Other Financing Sources (Uses)</b>	<u>5,456</u>	<u>5,456</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	16,810	93,028	76,218
<b>Fund Balances, Beginning</b>	<u>113,561</u>	<u>113,561</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 130,371</u>	<u>\$ 206,589</u>	<u>\$ 76,218</u>

**CITY OF MISSOURI CITY, TEXAS**  
**COURT SECURITY FEE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fifteen Months Ended September 30, 2018**

	<b>Final Budget</b>	<b>GAAP Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Fines and forfeitures	\$ 24,199	\$ 25,227	\$ 1,028
Investment income	4,598	2,083	(2,515)
<b>Total revenues</b>	<u>28,797</u>	<u>27,310</u>	<u>(1,487)</u>
<b>Expenditures</b>			
<b>Current:</b>			
General government	44,106	29,607	-
<b>Capital outlay</b>	<u>11,309</u>	<u>-</u>	<u>11,309</u>
<b>Total expenditures</b>	<u>55,415</u>	<u>29,607</u>	<u>11,309</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(26,618)	(2,297)	9,822
<b>Other Financing Sources (Uses)</b>			-
Transfers (to) other funds	<u>(25,001)</u>	<u>(25,001)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(25,001)</u>	<u>(25,001)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(51,619)	(27,298)	24,321
<b>Fund Balances, Beginning</b>	<u>129,350</u>	<u>129,350</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 77,731</u>	<u>\$ 102,052</u>	<u>\$ 24,321</u>

**CITY OF MISSOURI CITY, TEXAS**  
**COURT TECHNOLOGY FEE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
*For the Fifteen Months Ended September 30, 2018*

	<u>Final Budget</u>	<u>GAAP Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Fines and forfeitures	\$ 32,280	\$ 33,651	\$ 1,371
Investment income	4,412	2,946	(1,466)
<b>Total revenues</b>	<u>36,692</u>	<u>36,597</u>	<u>(95)</u>
 <b>Expenditures</b>			
<b>Current:</b>			
General government	52,292	44,205	-
<b>Total expenditures</b>	<u>52,292</u>	<u>44,205</u>	<u>-</u>
<b>Over (Under) Expenditures</b>	(15,600)	(7,608)	(95)
<b>Fund Balances, Beginning</b>	<u>155,063</u>	<u>155,063</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 139,463</u>	<u>\$ 147,455</u>	<u>\$ 7,992</u>

**CITY OF MISSOURI CITY, TEXAS**  
**COURT JUVENILE CASE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fifteen Months Ended September 30, 2018**

	<b>Final Budget</b>	<b>GAAP Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Fines and forfeitures	\$ 47,659	\$ 49,912	\$ 2,253
Investment income	120	(35)	(155)
<b>Total revenues</b>	<u>47,779</u>	<u>49,877</u>	<u>2,098</u>
<b>Expenditures</b>			
<b>Current:</b>			
General government	350	350	-
<b>Total expenditures</b>	<u>350</u>	<u>350</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	47,429	49,527	2,098
<b>Other Financing Sources (Uses)</b>			
Transfers (to) other funds	(45,820)	(45,820)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(45,820)</u>	<u>(45,820)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	1,609	3,707	2,098
<b>Fund Balances, Beginning</b>	-	-	-
<b>Fund Balances, Ending</b>	<u>\$ 1,609</u>	<u>\$ 3,707</u>	<u>\$ 2,098</u>

**CITY OF MISSOURI CITY, TEXAS**  
**MISSOURI CITY TV FACILITY & EQUIPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
*For the Fifteen Months Ended September 30, 2018*

	<b>Final Budget</b>	<b>GAAP Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Franchise taxes	\$ 160,000	\$ 227,689	\$ 67,689
Investment income	7,232	5,819	(1,413)
<b>Total revenues</b>	167,232	233,508	66,276
<b>Expenditures</b>			
<b>Current:</b>			
General government	228,059	103,110	-
<b>Total expenditures</b>	228,059	103,110	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(60,827)	130,398	66,276
<b>Fund Balances, Beginning</b>	325,212	325,212	-
<b>Fund Balances, Ending</b>	\$ 264,385	\$ 455,610	\$ 191,225

**CITY OF MISSOURI CITY, TEXAS**  
**GRANTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fifteen Months Ended September 30, 2018**

	<b>Final Budget</b>	<b>GAAP Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental revenues	\$ 4,350	\$ 80,649	\$ 76,299
<b>Total revenues</b>	4,350	80,649	76,299
<b>Expenditures</b>			
<b>Current:</b>			
Police	66,970	62,715	4,255
<b>Total expenditures</b>	66,970	62,715	4,255
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(62,620)	17,934	80,554
<b>Fund Balances, Beginning</b>	323,047	323,047	-
<b>Fund Balances, Ending</b>	\$ 260,427	\$ 340,981	\$ 80,554

**CITY OF MISSOURI CITY, TEXAS**

**CDBG FUND**

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

*For the Fifteen Months Ended September 30, 2018*

	<u>Final Budget</u>	<u>GAAP Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental revenues	<u>\$ 596,569</u>	<u>\$ 298,818</u>	<u>\$ (297,751)</u>
<b>Total revenues</b>	<u>596,569</u>	<u>298,818</u>	<u>(297,751)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Planning	<u>555,020</u>	<u>361,158</u>	<u>193,862</u>
<b>Total expenditures</b>	<u>555,020</u>	<u>361,158</u>	<u>193,862</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	41,549	(62,340)	(103,889)
<b>Fund Balances, Beginning</b>	<u>27,498</u>	<u>27,498</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 69,047</u>	<u>\$ (34,842)</u>	<u>\$ (103,889)</u>

**CITY OF MISSOURI CITY, TEXAS**  
**DONATIONS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fifteen Months Ended September 30, 2018**

	<b>Final Budget</b>	<b>GAAP Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Other revenue	\$ 231,926	\$ 189,037	\$ (42,889)
Investment income	3,055	4,367	1,312
<b>Total revenues</b>	<u>234,981</u>	<u>193,404</u>	<u>(41,577)</u>
<b>Expenditures</b>			
<b>Current:</b>			
General government	45,340	1,800	-
Police	52,000	51,358	642
Fire	12,000	13,020	(1,020)
Public works	700	-	700
Parks and recreation	114,644	107,753	6,891
<b>Total expenditures</b>	<u>224,684</u>	<u>173,931</u>	<u>7,213</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	10,297	19,473	(34,364)
<b>Fund Balances, Beginning</b>	<u>123,483</u>	<u>123,483</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 133,780</u>	<u>\$ 142,956</u>	<u>\$ 9,176</u>

**CITY OF MISSOURI CITY, TEXAS**  
**MISSOURI CITY DEVELOPMENT AUTHORITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
*For the Fifteen Months Ended September 30, 2018*

	<u>Final Budget</u>	<u>GAAP Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Investment income	\$ 243	\$ (19,821)	\$ (20,064)
<b>Total revenues</b>	<u>243</u>	<u>(19,821)</u>	<u>(20,064)</u>
<b>Expenditures</b>			
<b>Current:</b>			
General government	1,125,000	1,125,630	-
<b>Total expenditures</b>	<u>1,125,000</u>	<u>1,125,630</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(1,124,757)	(1,145,451)	(20,064)
<b>Other Financing Sources (Uses)</b>			
Transfers from other funds	1,225,000	1,233,664	8,664
Transfers (to) other funds	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>1,125,000</u>	<u>1,133,664</u>	<u>8,664</u>
<b>Net Change in Fund Balance</b>	243	(11,787)	(12,030)
<b>Fund Balances, Beginning</b>	<u>9,317</u>	<u>9,317</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 9,560</u>	<u>\$ (2,470)</u>	<u>\$ (12,030)</u>

**CITY OF MISSOURI CITY, TEXAS**  
**TIRZ #1 (FIFTH STREET) FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fifteen Months Ended September 30, 2018**

	<u>Final Budget</u>	<u>GAAP Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Taxes:			
Property taxes and penalties	\$ 1,001,565	\$ 972,287	\$ (29,278)
Investment income	36,956	55,582	18,626
<b>Total revenues</b>	<u>1,038,521</u>	<u>1,027,869</u>	<u>(10,652)</u>
<b>Expenditures</b>			
<b>Current:</b>			
General government	1,970	5,449	-
<b>Debt service:</b>			
Principal	360,000	360,000	-
Interest and fiscal charges	87,357	87,357	-
<b>Total expenditures</b>	<u>449,327</u>	<u>452,806</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	589,194	575,063	(10,652)
<b>Other Financing Sources (Uses)</b>			
Transfers (to) other funds	(1,276,341)	(1,276,341)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,276,341)</u>	<u>(1,276,341)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(687,147)	(701,278)	(14,131)
<b>Fund Balances, Beginning</b>	1,862,171	1,862,171	-
<b>Fund Balances, Ending</b>	<u>\$ 1,175,024</u>	<u>\$ 1,160,893</u>	<u>\$ (14,131)</u>

**CITY OF MISSOURI CITY, TEXAS**  
**TIRZ # 2 (VICKSBURG) FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fifteen Months Ended September 30, 2018**

	<u>Final Budget</u>	<u>GAAP Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Taxes:			
Property taxes and penalties	\$ 2,278,231	\$ 2,463,308	\$ 185,077
Investment income	76,207	106,205	29,998
<b>Total revenues</b>	<u>2,354,438</u>	<u>2,569,513</u>	<u>215,075</u>
<b>Expenditures</b>			
<b>Current:</b>			
<b>Debt service:</b>			
Principal	580,000	410,000	170,000
Interest and fiscal charges	179,694	158,944	20,750
<b>Total expenditures</b>	<u>788,694</u>	<u>568,944</u>	<u>190,750</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	1,565,744	2,000,569	405,825
<b>Other Financing Sources (Uses)</b>			
Transfers (to) other funds	(93,860)	(113,947)	20,087
<b>Total Other Financing Sources (Uses)</b>	<u>(93,860)</u>	<u>(113,947)</u>	<u>20,087</u>
<b>Net Change in Fund Balance</b>	1,471,884	1,886,622	414,738
<b>Fund Balances, Beginning</b>	4,647,385	4,647,385	-
<b>Fund Balances, Ending</b>	<u>\$ 6,119,269</u>	<u>\$ 6,534,007</u>	<u>\$ 414,738</u>

**CITY OF MISSOURI CITY, TEXAS**  
**TIRZ #3 (SIENNA) FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fifteen Months Ended September 30, 2018**

	<u>Final Budget</u>	<u>GAAP Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Taxes:			
Property taxes and penalties	\$ 2,078,339	\$ 1,923,497	\$ (154,842)
Investment income	38,840	55,495	16,655
<b>Total revenues</b>	<u>2,117,179</u>	<u>1,978,992</u>	<u>(138,187)</u>
<b>Expenditures</b>			
<b>Current:</b>			
<b>Capital outlay</b>	617,793	-	617,793
<b>Debt service:</b>			
Principal	-	405,000	(405,000)
Interest and fiscal charges	-	584,803	(584,803)
<b>Total expenditures</b>	<u>617,793</u>	<u>989,803</u>	<u>(372,010)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	1,499,386	989,189	(510,197)
<b>Other Financing Sources (Uses)</b>			-
Transfers (to) other funds	(93,600)	(94,740)	1,140
<b>Total Other Financing Sources (Uses)</b>	<u>(93,600)</u>	<u>(94,740)</u>	<u>1,140</u>
<b>Net Change in Fund Balance</b>	1,405,786	894,449	(511,337)
<b>Fund Balances, Beginning</b>	<u>3,346,281</u>	<u>3,346,281</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 4,752,067</u>	<u>\$ 4,240,730</u>	<u>\$ (511,337)</u>

**CITY OF MISSOURI CITY, TEXAS**  
**PID # 2 (VICKSBURG) FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
*For the Fifteen Months Ended September 30, 2018*

	<b>Final Budget</b>	<b>GAAP Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Taxes:			
Property taxes and penalties	\$ 505,675	\$ 704,356	\$ 198,681
Investment income	12,765	23,582	10,817
<b>Total revenues</b>	<u>518,440</u>	<u>727,938</u>	<u>209,498</u>
<b>Expenditures</b>			
<b>Current:</b>			
General government	4,500	680,638	-
<b>Debt service:</b>			
Principal	80,000	80,000	-
Interest and fiscal charges	227,100	227,025	75
<b>Total expenditures</b>	<u>311,600</u>	<u>987,663</u>	<u>75</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	206,840	(259,725)	209,573
<b>Other Financing Sources (Uses)</b>			-
Transfers (to) other funds	(33,600)	(42,264)	8,664
<b>Total Other Financing Sources (Uses)</b>	<u>(33,600)</u>	<u>(42,264)</u>	<u>8,664</u>
<b>Net Change in Fund Balance</b>	173,240	(301,989)	(475,229)
<b>Fund Balances, Beginning</b>	<u>1,105,068</u>	<u>1,105,068</u>	-
<b>Fund Balances, Ending</b>	<u>\$1,278,308</u>	<u>\$ 803,079</u>	<u>\$ (475,229)</u>

**CITY OF MISSOURI CITY, TEXAS**  
**PID # 4 (CREEKMONT) FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fifteen Months Ended September 30, 2018**

	<b>Final Budget</b>	<b>GAAP Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Taxes:			
Property taxes and penalties	\$ 388,707	\$ 397,071	\$ 8,364
Investment income	3,923	6,896	2,973
<b>Total revenues</b>	<u>392,630</u>	<u>403,967</u>	<u>11,337</u>
<b>Expenditures</b>			
<b>Current:</b>			
General government	-	600	-
<b>Debt service:</b>			
Principal	145,000	145,000	-
Interest and fiscal charges	215,400	208,044	7,356
<b>Total expenditures</b>	<u>360,400</u>	<u>353,644</u>	<u>7,356</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	32,230	50,323	18,693
<b>Other Financing Sources (Uses)</b>			-
Transfers (to) other funds	(33,600)	(20,000)	(13,600)
<b>Total Other Financing Sources (Uses)</b>	<u>(33,600)</u>	<u>(20,000)</u>	<u>(13,600)</u>
<b>Net Change in Fund Balance</b>	(1,370)	30,323	31,693
<b>Fund Balances, Beginning</b>	243,446	243,446	-
<b>Fund Balances, Ending</b>	<u>\$ 242,076</u>	<u>\$ 273,769</u>	<u>\$ 31,693</u>

**CITY OF MISSOURI CITY, TEXAS**  
**HOTEL OCCUPANCY TAX**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
*For the Fifteen Months Ended September 30, 2018*

	<u>Final Budget</u>	<u>GAAP Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Taxes:			
Other taxes	\$ 200,000	\$ 270,487	\$ 70,487
Investment income	12,756	10,182	(2,574)
<b>Total revenues</b>	<u>212,756</u>	<u>280,669</u>	<u>67,913</u>
<b>Expenditures</b>			
<b>Current:</b>			-
General government	<u>346,408</u>	<u>265,741</u>	<u>-</u>
<b>Total expenditures</b>	<u>346,408</u>	<u>265,741</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(133,652)	14,928	67,913
<b>Other Financing Sources (Uses)</b>			-
Transfers (to) other funds	<u>(25,100)</u>	<u>(25,100)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(25,100)</u>	<u>(25,100)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(158,752)	(10,172)	148,580
<b>Fund Balances, Beginning</b>	<u>647,374</u>	<u>647,374</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ 488,622</u>	<u>\$ 637,202</u>	<u>\$ 148,580</u>

**CITY OF MISSOURI CITY, TEXAS**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
*For the Fifteen Months Ended September 30, 2018*

	<u>Final Budget</u>	<u>GAAP Actual</u>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Taxes:			
Property taxes and penalties	\$ 9,464,955	\$ 9,391,252	\$ (73,703)
Investment income	194,950	143,029	(51,921)
<b>Total revenues</b>	<u>9,659,905</u>	<u>9,534,281</u>	<u>(125,624)</u>
<b>Expenditures</b>			
<b>Debt service:</b>			
Principal	6,381,119	6,381,119	-
Interest and fiscal charges	3,524,237	3,280,660	243,577
<b>Total expenditures</b>	<u>9,905,356</u>	<u>9,661,779</u>	<u>243,577</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(245,451)	(127,498)	117,953
<b>Fund Balances, Beginning</b>	4,909,113	4,909,113	-
<b>Fund Balances, Ending</b>	<u>\$ 4,663,657</u>	<u>\$ 4,781,610</u>	<u>\$ 117,953</u>

**CITY OF MISSOURI CITY, TEXAS**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
*For the Fifteen Months Ended September 30, 2018*

	<u>Final Budget</u>	<u>GAAP Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Taxes:			
Other taxes	\$ 5,164,828	\$ 4,480,114	\$ (684,714)
Intergovernmental revenues	4,022,823	4,022,823	-
Other revenue	72,200	72,200	-
Investment income	423,400	464,972	41,572
<b>Total revenues</b>	<u>9,683,251</u>	<u>9,040,109</u>	<u>(643,142)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Planning	3,952,129	2,383,255	1,568,874
<b>Capital outlay</b>	<u>35,717,102</u>	<u>12,675,736</u>	<u>23,041,366</u>
<b>Total expenditures</b>	<u>39,669,231</u>	<u>15,058,991</u>	<u>24,610,240</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(29,985,980)	(6,018,882)	23,967,098
<b>Other Financing Sources (Uses)</b>			
Transfers from other funds	1,546,495	1,546,495	-
Transfers (to) other funds	<u>(2,125,000)</u>	<u>(2,125,000)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(578,505)</u>	<u>(578,505)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(30,564,485)	(6,597,387)	23,967,098
<b>Fund Balances, Beginning (as restated)</b>	<u>24,002,209</u>	<u>24,002,209</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<u>\$ (6,562,276)</u>	<u>\$ 17,404,822</u>	<u>\$ 23,967,098</u>

## 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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	120
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	131
<b>Debt Capacity</b> 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.	136
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	140
<b>Operating Information</b> 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.	144

**Sources** - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

**CITY OF MISSOURI CITY, TEXAS**

**NET POSITION BY COMPONENT**

*Last Ten Fiscal Years*

*(accrual basis of accounting)*

	<u>2009<sup>(4)</sup></u>	<u>2010<sup>(4)</sup></u>	<u>2011<sup>(4)</sup></u>	<u>2012<sup>(2)(4)</sup></u>
<b>Governmental Activities</b>				
Investment in capital assets	\$ 61,284,054	\$ 83,919,838	\$ 90,854,187	\$ 112,072,157
Restricted	13,202,591	15,252,973	15,820,812	17,692,029
Unrestricted	<u>16,144,474</u>	<u>9,040,742</u>	<u>5,925,353</u>	<u>1,007,456</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 90,631,119</u>	<u>\$ 108,213,553</u>	<u>\$ 112,600,352</u>	<u>\$ 130,771,642</u>
<b>Business-type Activities</b>				
Investment in capital assets	\$ 8,561,629	\$ 9,847,115	\$ 16,338,112	\$ 19,054,462
Restricted	14,749,488	12,560,142	10,223,549	10,361,178
Unrestricted	<u>1,320,290</u>	<u>4,822,761</u>	<u>3,222,763</u>	<u>6,019,700</u>
<b>Total Business-type Activities Net Position</b>	<u>\$ 24,631,407</u>	<u>\$ 27,230,018</u>	<u>\$ 29,784,424</u>	<u>\$ 35,435,340</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 69,845,683	\$ 93,766,953	\$ 107,192,299	\$ 131,126,619
Restricted	27,952,079	27,813,115	26,044,361	28,053,207
Unrestricted	<u>17,464,764</u>	<u>13,863,503</u>	<u>9,148,116</u>	<u>7,027,156</u>
<b>Total Primary Government Net Position</b>	<u>\$ 115,262,526</u>	<u>\$ 135,443,571</u>	<u>\$ 142,384,776</u>	<u>\$ 166,206,982</u>

(1) - 2007 includes the phase-in of street infrastructure.

(2) - 2012 includes the adjustment for deferred charges and bond issuance costs. Only FY12 was restated as the changes were minimal.

(3) - 2015 the City implemented GASB 68 in fiscal year 2015. Although beginning balances as of 6/30/2014 were restated, it was not practicable to restate previous periods as information was not available.

(4) - 2009-20014 balances have been restated to reflect certain contractual obligations payable net of capital assets.

*Table 1*

<u>2013</u> <sup>(4)</sup>	<u>2014</u> <sup>(3)(4)</sup>	<u>2015</u> <sup>(3)</sup>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 108,022,705	\$ 104,175,517	\$ 113,896,557	\$ 112,877,527	\$ 116,292,562	\$ 118,436,911
19,198,630	15,155,170	16,142,254	18,767,355	7,977,819	7,626,379
<u>(60,641)</u>	<u>(5,145,871)</u>	<u>(12,618,360)</u>	<u>(15,929,148)</u>	<u>(8,398,199)</u>	<u>(15,052,987)</u>
<u>\$ 127,160,694</u>	<u>\$ 114,184,816</u>	<u>\$ 117,420,451</u>	<u>\$ 117,420,451</u>	<u>\$ 115,872,182</u>	<u>\$ 111,010,303</u>
\$ 28,168,337	\$ 27,400,088	\$ 18,214,954	\$ 19,296,480	\$ 26,490,293	\$ 35,154,398
639,682	5,064,997	-	-	-	-
<u>9,212,724</u>	<u>11,747,734</u>	<u>29,306,651</u>	<u>30,464,095</u>	<u>27,715,373</u>	<u>22,371,533</u>
<u>\$ 38,020,743</u>	<u>\$ 44,212,819</u>	<u>\$ 47,521,605</u>	<u>\$ 49,760,575</u>	<u>\$ 54,205,666</u>	<u>\$ 57,525,931</u>
\$ 136,191,042	\$ 131,575,605	\$ 132,111,511	\$ 132,174,007	\$ 142,782,855	153,591,309
19,838,312	20,220,167	16,142,254	18,767,355	7,977,819	7,626,379
<u>9,152,083</u>	<u>6,601,863</u>	<u>16,688,291</u>	<u>14,534,947</u>	<u>19,317,174</u>	<u>7,318,546</u>
<u>\$ 165,181,437</u>	<u>\$ 158,397,635</u>	<u>\$ 164,942,056</u>	<u>\$ 165,476,309</u>	<u>\$ 170,077,848</u>	<u>\$ 168,536,234</u>

**CITY OF MISSOURI CITY, TEXAS**  
**CHANGES IN NET POSITION**  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

	2009 <sup>(2)</sup>	2010 <sup>(2)</sup>	2011 <sup>(2)</sup>	2012 <sup>(2)</sup>
<b>Expenses</b>				
<b>Governmental Activities</b>				
General government	\$ 6,422,236	\$ 4,656,737	\$ 4,257,336	\$ 4,005,420
Finance	2,663,164	2,514,696	1,811,994	1,727,595
Police	10,980,913	10,292,595	11,357,484	12,359,028
Fire	6,608,560	6,607,916	6,535,135	7,123,068
Public works	7,828,700	8,027,165	9,613,495	9,804,954
Parks and recreation	5,028,950	3,074,830	3,194,143	3,603,491
Planning	2,565,530	1,709,211	4,907,638	5,462,866
Interest and fiscal agent fees on long-term debt	3,639,743	3,720,409	4,643,435	4,785,434
<b>Total Governmental Activities Expenses</b>	<u>45,737,796</u>	<u>40,603,559</u>	<u>46,320,660</u>	<u>48,871,856</u>
<b>Business-type activities</b>				
Water and Wastewater Utilities	2,952,601	1,922,907	2,706,585	2,700,461
Surface Water Treatment	2,398,963	2,073,770	3,113,792	4,173,978
Solid Waste Collections			1,514,934	2,522,659
Golf Course	2,034,704	2,257,164	2,595,108	2,654,844
<b>Total Business-type Activities Expenses</b>	<u>7,386,269</u>	<u>6,253,841</u>	<u>9,930,419</u>	<u>12,051,942</u>
<b>Total Primary Government Expenses</b>	<u>\$ 53,124,065</u>	<u>\$ 46,857,400</u>	<u>\$ 56,251,079</u>	<u>\$ 60,923,798</u>
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
Charges for services				
General government	\$ 293,690	\$ 382,880	\$ 412,808	\$ 276,584
Police	1,477,773	1,394,146	1,326,178	1,851,731
Fire	331,350	1,191,994	1,189,702	1,006,196
Public works	23,870	71,292	748,294	61,365
Parks and recreation	1,718,336	252,510	173,665	192,867
Planning	1,417,340	1,413,497	1,449,621	2,484,365
Operating grants and contributions	3,650,069	2,613,329	1,423,400	1,977,220
Capital grants and contributions	2,588,969	14,787,403	8,522,316	24,370,740
<b>Total Governmental Activities Program Revenues</b>	<u>11,501,397</u>	<u>22,107,051</u>	<u>15,245,984</u>	<u>32,221,069</u>
<b>Business-type Activities</b>				
Charges for services:				
Water and Wastewater Utilities	1,503,578	1,461,042	1,996,039	2,345,137
Surface Water Treatment	2,823,077	4,716,891	6,114,915	7,315,810
Solid Waste Collections			1,695,948	2,528,097
Golf Course	1,591,869	2,046,588	2,640,130	2,709,168
Operating grants and contributions	194,767	44,478	784,711	735,558
Capital grants and contributions	3,827,735	-	251,532	1,931,950
<b>Total Business-type Activities Program Revenues</b>	<u>9,941,026</u>	<u>8,268,999</u>	<u>13,483,274</u>	<u>17,565,720</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 21,442,423</u>	<u>\$ 30,376,051</u>	<u>\$ 28,729,258</u>	<u>\$ 49,786,788</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (34,236,399)	\$ (18,496,509)	\$ (31,074,676)	\$ (16,650,789)
Business-type activities	<u>2,554,757</u>	<u>2,015,158</u>	<u>3,552,857</u>	<u>5,513,778</u>
<b>Total Primary Government Net Expense</b>	<u>\$ (31,681,641)</u>	<u>\$ (16,481,350)</u>	<u>\$ (27,521,820)</u>	<u>\$ (11,137,011)</u>

*Table 2*  
*Page 1 of 2*

<b>2013 <sup>(2)</sup></b>	<b>2014 <sup>(2)</sup></b>	<b>2015 <sup>(1)</sup></b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 4,142,781	\$ 4,634,444	\$ 6,492,267	\$ 7,841,833	\$ 9,480,629	\$ 14,685,034
1,782,997	1,796,195	1,759,615	1,870,127	1,984,993	2,412,310
12,172,891	13,380,007	13,039,962	15,330,234	15,754,861	19,181,580
7,664,736	7,768,603	7,843,356	9,308,340	9,837,771	11,895,168
16,084,371	12,741,972	18,163,336	16,645,172	15,422,548	18,407,432
3,891,667	4,013,806	4,026,878	4,107,637	4,367,231	5,734,819
3,403,015	2,628,644	1,744,218	1,788,303	2,029,829	4,605,253
4,635,593	5,179,115	4,272,821	4,382,162	4,028,758	5,114,943
<u>53,778,051</u>	<u>52,142,786</u>	<u>57,342,453</u>	<u>61,273,808</u>	<u>62,906,620</u>	<u>82,036,539</u>
2,580,551	2,986,595	3,093,633	5,434,860	3,373,696	5,656,670
5,085,212	5,339,073	5,283,401	4,205,243	5,907,887	8,707,936
2,956,836	3,469,203	3,679,094	3,773,446	3,614,938	4,541,814
3,789,856	3,859,137	3,621,548	3,803,917	3,948,931	5,004,014
<u>14,412,455</u>	<u>15,654,008</u>	<u>15,677,676</u>	<u>17,217,466</u>	<u>16,845,452</u>	<u>23,910,434</u>
<u>\$ 68,190,506</u>	<u>\$ 67,796,794</u>	<u>\$ 73,020,129</u>	<u>\$ 78,491,274</u>	<u>\$ 79,752,072</u>	<u>\$ 105,946,973</u>
\$ 274,073	\$ 280,813	\$ 389,674	\$ -	\$ 101,605	\$ 33,651
2,081,156	1,640,668	1,611,817	1,838,574	1,539,316	1,861,538
1,044,976	1,197,436	1,471,507	1,114,253	1,738	2,815,435
548,122	582,542	949,887	228,360	288,976	615,359
286,702	345,499	391,203	397,744	449,888	496,122
1,868,943	1,941,428	2,157,000	2,116,620	4,258,684	6,594,391
2,502,684	2,467,479	1,258,291	2,624,540	3,424,595	5,306,914
6,478,849	4,027,446	9,602,877	3,835,598	1,063,192	64,550
<u>15,085,505</u>	<u>12,483,311</u>	<u>17,832,256</u>	<u>12,155,689</u>	<u>11,127,994</u>	<u>17,787,960</u>
2,475,142	7,103,409	4,207,171	2,414,704	3,423,948	5,077,365
8,661,397	6,722,751	7,364,722	7,775,833	8,625,149	13,058,646
2,988,082	3,446,411	3,688,185	3,914,416	3,811,381	4,391,811
3,320,262	3,446,732	3,487,697	3,817,729	3,919,448	4,711,428
-	-	-	1,341,000	-	-
12,520	494,178	111,227	9,750	1,893,076	-
<u>17,457,403</u>	<u>21,213,481</u>	<u>18,859,002</u>	<u>19,273,432</u>	<u>21,673,002</u>	<u>27,239,250</u>
<u>\$ 32,542,908</u>	<u>\$ 33,696,792</u>	<u>\$ 36,691,258</u>	<u>\$ 31,429,121</u>	<u>\$ 32,800,996</u>	<u>\$ 45,027,210</u>
\$ (38,692,546)	\$ (39,659,474)	\$ (39,510,197)	\$ (49,118,119)	\$ (51,778,626)	\$ (64,248,579)
<u>3,044,948</u>	<u>5,559,473</u>	<u>3,181,326</u>	<u>2,055,966</u>	<u>4,827,550</u>	<u>3,328,816</u>
<u>\$ (35,647,597)</u>	<u>\$ (34,100,001)</u>	<u>\$ (36,328,871)</u>	<u>\$ (47,062,153)</u>	<u>\$ (46,951,076)</u>	<u>\$ (60,919,763)</u>

**City of Missouri City, Texas**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2009<sup>(2)</sup></u>	<u>2010<sup>(2)</sup></u>	<u>2011<sup>(2)</sup></u>	<u>2012<sup>(2)</sup></u>
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities</b>				
Taxes				
Property taxes	\$ 23,404,548	\$ 25,175,634	\$ 24,693,069	\$ 24,054,499
Sales and use taxes	6,170,586	5,910,970	5,926,280	6,249,961
Franchise taxes	2,762,379	3,045,855	2,957,632	3,128,028
Investment earnings	1,486,422	998,930	59,195	830,936
Other	252,985	745,745	417,443	98,530
Gain on Sale of Assets	-	-	-	-
Transfers	773,010	201,809	1,407,857	460,124
<b>Total Governmental Activities</b>	<u>34,849,930</u>	<u>36,078,942</u>	<u>35,461,476</u>	<u>34,822,078</u>
<b>Business-type Activities</b>				
Investment earnings	456,135	785,261	344,470	565,070
Other revenues	-	-	64,937	31,274
Transfers	(773,010)	(201,809)	(1,407,857)	(460,124)
<b>Total Business-type Activities</b>	<u>(316,875)</u>	<u>583,452</u>	<u>(998,450)</u>	<u>136,220</u>
<b>Total Primary Government</b>	<u>\$ 34,533,055</u>	<u>\$ 36,662,394</u>	<u>\$ 34,463,026</u>	<u>\$ 34,958,297</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 613,531	\$ 17,582,433	\$ 4,386,800	\$ 18,171,289
Business-type activities	2,237,884	2,598,610	2,554,407	5,650,000
<b>Total Primary Government</b>	<u>\$ 2,851,415</u>	<u>\$ 20,181,043</u>	<u>\$ 6,941,206</u>	<u>\$ 23,821,289</u>

<u>2013 <sup>(2)</sup></u>	<u>2014 <sup>(2)</sup></u>	<u>2015 <sup>(1)</sup></u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 24,297,769	\$ 27,311,330	\$ 28,657,996	\$ 32,072,287	\$ 37,284,254	\$ 41,915,313
7,165,628	7,708,738	8,684,423	8,879,005	8,406,471	12,215,369
3,270,712	3,751,269	3,673,724	4,474,450	5,667,371	6,948,121
(555,974)	654,572	792,273	912,451	107,009	1,120,334
667,096	694,553	569,085	525,388	169,806	1,200,103
-	-	-	147,194	108,017	180,217
236,366	(98,574)	368,331	402,627	394,000	640,811
<u>35,081,597</u>	<u>40,021,888</u>	<u>42,745,832</u>	<u>47,413,402</u>	<u>52,136,928</u>	<u>64,220,268</u>
(234,259)	470,075	495,791	585,631	11,541	503,153
11,082	63,954	-	-	-	129,107
<u>(236,366)</u>	<u>98,574</u>	<u>(368,331)</u>	<u>(402,627)</u>	<u>(394,000)</u>	<u>(640,811)</u>
<u>(459,543)</u>	<u>632,603</u>	<u>127,460</u>	<u>183,004</u>	<u>(382,459)</u>	<u>(8,551)</u>
<u>\$ 34,622,054</u>	<u>\$ 40,654,491</u>	<u>\$ 42,873,292</u>	<u>\$ 47,596,406</u>	<u>\$ 51,754,469</u>	<u>\$ 64,211,717</u>
\$ (3,610,949)	\$ 362,414	\$ 3,235,635	\$ (1,704,717)	\$ 358,302	\$ (28,311)
2,585,405	6,192,076	3,308,786	2,238,970	4,445,091	3,320,265
<u>\$ (1,025,544)</u>	<u>\$ 6,554,490</u>	<u>\$ 6,544,421</u>	<u>\$ 534,253</u>	<u>\$ 4,803,393</u>	<u>\$ 3,291,954</u>

- (1) - 2015 the City implemented GASB 68 in fiscal year 2015. It was not practicable to restate previous periods as information was not available.
- (2) 2009-2014 balances have been restated to reflect certain contractual obligations payable net of capital assets.

**CITY OF MISSOURI CITY, TEXAS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>General Fund</b>				
Nonspendable	\$ 3,424	\$ 6,022	\$ 6,022	\$ 6,022
Committed	-	-	383,302	-
Assigned	-	-	-	585,417
Unassigned	7,638,590	8,351,416	8,676,401	7,823,805
<b>Total General Fund</b>	<b>\$ 9,330,123</b>	<b>\$ 7,642,014</b>	<b>\$ 8,357,438</b>	<b>\$ 8,415,244</b>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted				
Parks and trail systems	354,301	-	447,007	-
Law enforcement	225,786	305,823	418,334	655,162
Construction/Improvement	24,708,417	18,361,758	22,178,384	11,632,664
Debt service	3,577,337	4,908,681	6,286,812	6,704,909
Parkland dedication	1,174,842	1,151,998	1,210,395	939,144
Community development	4,463,669	6,518,100	5,468,888	6,261,304
Drainage	-	-	71,007	-
Transportation	2,664,621	2,138,046	3,439,451	-
Sidewalk construction	-	223,435	234,972	-
Unassigned	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 29,172,995</b>	<b>\$ 37,168,973</b>	<b>\$ 33,607,841</b>	<b>\$ 26,193,183</b>

*Table 3*

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 8,134	\$ 7,316	\$ 169,007	\$ 123,092	\$ 291,340	\$ 286,279
-	-	-	-	-	-
163,151	-	-	-	-	-
8,248,141	8,944,853	9,272,658	12,181,379	13,290,439	11,566,105
<u>\$ 8,419,426</u>	<u>\$ 8,952,169</u>	<u>\$ 9,441,665</u>	<u>\$ 12,304,471</u>	<u>\$ 13,581,779</u>	<u>\$ 11,852,384</u>
\$ -	\$ -	\$ -	\$ 766,834	\$ 1,237,252	\$ 1,239,071
-	-	-	-	-	-
853,324	837,630	832,609	808,608	1,207,465	1,496,076
5,543,353	3,821,979	15,032,280	10,166,181	24,327,421	17,917,828
5,750,142	5,559,287	6,084,493	5,312,160	4,909,113	4,803,583
1,052,354	1,253,642	1,162,997	1,291,044	1,328,559	872,632
7,444,638	6,207,825	6,776,411	8,968,645	10,774,771	12,629,429
-	-	-	-	-	-
3,131,131	3,155,217	3,116,809	3,637,111	-	-
-	-	-	-	-	-
-	507,604	-	-	-	-
<u>\$ 23,774,942</u>	<u>\$ 21,343,184</u>	<u>\$ 33,005,599</u>	<u>\$ 30,950,583</u>	<u>\$ 43,784,581</u>	<u>\$ 38,958,619</u>

**CITY OF MISSOURI CITY, TEXAS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	2009	2010	2011	2012
<b>Revenues</b>				
Taxes	\$ 29,630,556	\$ 31,150,613	\$ 30,726,604	\$ 30,181,806
Licenses and permits	1,441,210	1,441,394	1,675,038	1,417,337
Fines and forfeitures	1,248,034	1,167,287	1,094,903	1,202,259
Franchise taxes	2,762,379	3,045,855	2,957,632	3,128,027
Intergovernmental	2,003,432	5,398,020	9,859,462	7,840,755
Other revenues	3,943,321	4,202,067	1,415,240	2,383,676
Charges for services	293,690	298,084	1,639,127	1,440,874
<b>Total Revenues</b>	<u>41,322,622</u>	<u>46,703,320</u>	<u>49,368,006</u>	<u>47,594,734</u>
<b>Expenditures</b>				
General government	5,542,848	4,253,742	3,939,181	3,988,853
Finance	2,344,433	2,498,124	1,703,528	1,665,912
Police	9,755,727	9,734,061	10,673,346	11,416,463
Fire	6,294,528	6,335,680	6,275,501	6,281,297
Public works	4,352,584	4,213,970	3,795,224	3,832,721
Parks and recreation	2,587,699	2,401,477	2,269,798	2,489,545
Planning	2,489,090	2,200,941	2,032,676	1,948,329
Capital outlay	12,287,900	29,901,641	20,357,036	21,512,507
Debt service				
Principal	4,211,514	4,930,424	5,598,893	6,571,174
Interest, fiscal charges and other	4,212,872	4,130,980	4,694,709	4,290,606
<b>Total Expenditures</b>	<u>54,079,195</u>	<u>70,601,040</u>	<u>61,339,892</u>	<u>63,997,407</u>
<b>(Deficiency) of Revenues</b>				
<b>(Under) Expenditures</b>	(12,756,573)	(23,897,720)	(11,971,886)	(16,402,673)
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	1,395,535	2,105,563	2,310,617	1,571,128
Transfers (to) other funds	(708,194)	(1,527,736)	(1,059,888)	(1,111,004)
Issuance of debt	21,084,994	20,390,000	17,300,000	1,730,000
Proceeds of refunding bonds	-	12,325,000	-	-
Refunding bonds paid to escrow	-	(12,506,000)	-	-
Bond premium/discount	242,464	265,185	276,852	-
Capital contributions	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>22,014,799</u>	<u>21,052,012</u>	<u>18,827,581</u>	<u>2,190,124</u>
<b>Net Change in Fund Balances</b>	<u>\$ 9,258,226</u>	<u>\$ (2,845,708)</u>	<u>\$ 6,855,695</u>	<u>\$ (14,212,549)</u>

Debt service as a percentage of noncapital expenditures

20.2%                      22.3%                      25.1%                      25.6%

Table 4

2013	2014	2015	2016	2017	2018
\$ 32,120,862	\$ 35,116,877	\$ 37,862,638	\$ 41,002,147	\$ 48,641,072	\$ 58,462,562
1,868,943	1,941,428	2,157,000	2,117,010	2,284,359	3,533,623
1,080,019	837,891	943,282	1,007,932	953,088	1,299,335
3,270,712	3,751,269	4,063,398	4,474,450	4,415,992	5,585,431
9,419,782	5,066,267	10,673,491	6,313,317	3,507,075	7,929,197
1,602,429	3,732,296	1,542,101	1,496,528	698,386	3,340,588
1,139,516	1,165,897	2,857,242	2,730,858	655,524	770,608
<u>50,502,263</u>	<u>51,611,925</u>	<u>60,099,152</u>	<u>59,142,242</u>	<u>61,155,496</u>	<u>80,921,344</u>
3,959,679	4,172,766	5,969,645	7,099,377	8,886,411	14,683,624
1,700,717	1,702,068	1,590,230	1,647,227	1,786,676	2,198,262
11,402,549	12,145,928	11,964,426	13,582,025	13,385,041	17,922,858
7,096,264	7,642,673	7,025,891	7,819,682	8,179,280	10,594,235
3,878,658	4,091,991	6,166,096	6,102,143	5,677,834	9,757,493
2,615,376	2,765,536	2,683,448	2,613,566	2,770,361	3,741,421
1,939,311	1,974,274	1,496,168	1,695,864	4,449,921	4,464,818
11,365,928	11,828,844	10,457,395	11,077,322	7,016,623	13,794,690
6,288,464	6,648,391	6,297,167	7,146,781	7,127,955	7,886,546
4,180,418	3,900,674	4,070,196	4,869,498	3,978,663	4,546,828
<u>54,427,364</u>	<u>56,873,145</u>	<u>57,720,662</u>	<u>63,653,485</u>	<u>63,258,765</u>	<u>89,590,775</u>
(3,925,101)	(5,261,220)	2,378,490	(4,511,243)	(2,103,269)	(8,669,431)
1,646,589	2,053,961	2,597,255	2,809,475	2,973,032	5,781,439
(1,591,091)	(1,635,075)	(2,228,924)	(1,346,115)	(2,579,032)	(4,231,761)
1,400,000	2,730,000	8,600,000	3,080,000	14,445,000	-
-	8,293,500	3,381,162	37,387,537	-	-
-	(8,587,151)	(3,459,489)	(43,756,578)	-	-
55,551	506,971	883,417	6,377,880	1,195,371	-
-	-	-	-	-	564,396
<u>1,511,049</u>	<u>3,362,206</u>	<u>9,773,421</u>	<u>4,552,199</u>	<u>16,034,371</u>	<u>2,114,074</u>
<u>\$ (2,414,052)</u>	<u>\$ (1,899,014)</u>	<u>\$ 12,151,911</u>	<u>\$ 40,956</u>	<u>\$ 13,931,102</u>	<u>\$ (6,555,357)</u>
24.3%	23.4%	21.9%	22.9%	19.7%	16.4%

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**CITY OF MISSOURI CITY, TEXAS**  
**ASSESSED VALUE AND ESTIMATED VALUE**  
**OF TAXABLE PROPERTY**  
*Last Ten Fiscal Years*

<b>Fiscal Year Ended September 30 <sup>(2)</sup></b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Personal Property</b>	<b>Less: Tax-Exempt Real Property</b>	<b>Total Taxable Assessed Value <sup>(1)</sup></b>	<b>Total Direct Tax Rate</b>
2009	\$ 3,556,035,984	\$ 995,874,085	\$ 219,067,020	\$ 356,586,213	\$ 4,414,390,876	\$ 0.51724
2010	3,553,265,304	1,079,112,582	222,974,938	402,163,149	4,453,189,675	0.52840
2011	3,507,174,930	1,042,709,883	249,976,257	420,384,596	4,379,476,474	0.52840
2012	3,380,198,444	1,035,957,512	253,710,761	414,654,210	4,255,212,507	0.52840
2013	3,408,987,167	1,088,870,799	274,878,700	478,290,353	4,294,446,313	0.54480
2014	3,501,328,319	1,235,164,588	356,499,475	589,463,716	4,503,528,666	0.57375
2015	3,813,318,015	1,327,129,879	463,859,231	745,234,055	4,859,073,524	0.56500
2016	4,248,824,206	1,324,880,464	532,871,547	328,414,295	5,204,346,175	0.54468
2017	5,068,072,199	1,144,444,276	485,784,138	430,886,358	6,267,414,255	0.56010
2018	5,276,092,157	1,235,369,722	579,073,506	419,886,545	6,670,648,840	0.60000

**Source** - Tax assessor/collector's records.

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

Tax rates are per \$100 of assessed value.

<sup>(2)</sup> Prior to 2018, fiscal year-end was June 30.

**CITY OF MISSOURI CITY, TEXAS**  
**PROPERTY TAX RATES -**  
**DIRECT AND OVERLAPPING GOVERNMENTS (1)**  
**Last Ten Fiscal Years**

**FORT BEND COUNTY**

Fiscal Year	Blue Ridge West MUD		Fort Bend MUD #26		Fort Bend Co. WCID #2		Meadowcreek MUD		Quail Valley UD		Palmer Plant. MUD #1		First Colony MUD #9		Palmer Plant. MUD #2		MUD #49	
	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate
2009	0.42	2.80	0.67	3.05	0.18	2.56	0.10	2.48	0.00	2.38	0.68	3.06	0.30	2.87	0.49	2.87	0.95	3.33
2010	0.42	2.84	0.70	3.13	0.18	2.61	0.10	2.53	0.00	2.43	0.69	3.12	0.30	2.91	0.50	2.92	0.95	3.38
2011	0.41	2.87	0.71	3.17	0.18	2.64	0.10	2.56	0.00	2.46	0.74	3.20	0.31	2.96	0.52	2.98	0.95	3.41
2012	0.41	2.88	0.86	3.33	0.18	2.65	0.10	2.57	0.00	2.47	0.74	3.20	0.32	2.98	0.52	2.98	0.95	3.42
2013	0.41	2.82	0.86	3.27	0.18	2.59	0.10	2.51	0.00	2.41	0.74	3.14	0.03	2.63	0.54	2.95	0.95	3.36
2014	0.41	2.85	0.91	3.35	0.18	2.62	0.10	2.54	0.00	2.44	0.76	3.19	0.32	2.91	0.54	2.98	0.95	3.39
2015	0.43	2.90	0.85	3.32	0.18	2.65	0.10	2.57	0.00	2.47	0.56	3.03	0.28	2.91	0.53	3.00	0.94	3.41
2016	0.42	2.88	0.82	3.28	0.21	2.67	0.10	2.56	0.00	2.46	0.48	2.94	0.26	2.87	0.46	2.92	0.84	3.30
2017	0.41	2.88	0.80	3.28	0.21	2.69	0.10	2.57	0.00	2.47	0.48	2.95	0.26	2.88	0.45	2.92	0.62	3.09
2018	0.41	2.88	0.80	3.28	0.21	2.69	0.42	2.89	0.00	2.47	0.45	2.92	0.24	2.86	0.62	3.09	0.62	3.09

**HARRIS COUNTY**

Fiscal Year	Harris County WC & ID (Fondren Road)		Southwest Harris County MUD #1		Harris County MUD #122		Missouri City	Houston ISD	Houston Comm. College	Harris <sup>(3)</sup> County
	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate	MUD Rate	Over-lapping Rate				
2009	0.54	2.94	0.61	3.01	0.87	3.27	0.52	1.16	0.09	0.64
2010	0.54	2.95	0.71	3.12	0.87	3.28	0.53	1.16	0.09	0.64
2011	0.54	2.95	0.71	3.12	0.87	3.28	0.53	1.16	0.09	0.64
2012	0.54	2.96	0.71	3.13	0.87	3.29	0.53	1.16	0.10	0.64
2013	0.58	3.02	0.82	3.26	0.84	3.28	0.54	1.16	0.10	0.64
2014	0.60	3.09	0.82	3.31	0.80	3.29	0.57	1.19	0.10	0.64
2015	0.60	3.07	0.82	3.29	0.75	3.22	0.54	1.20	0.10	0.63
2016	0.60	3.09	0.82	3.31	0.70	3.19	0.56	1.20	0.10	0.63
2017	0.58	3.08	0.64	3.14	0.68	3.18	0.56	1.21	0.10	0.64
2018	0.57	3.11	0.62	3.16	0.66	3.20	0.60	1.21	0.10	0.64

**Note** - Property Tax rates based on per \$100 of assessed valuation.

Table 6

Fort Bend MUD #46		Thunderbird MUD		Fort Bend MUD #42		Fort Bend MUD #47		Fort Bend MUD #48		Fort Bend MUD #115		First Colony LID	Mo. City	Fort Bend ISD	Fort Bend County	Houston Comm. College
MUD Rate	Over- lapping Rate	MUD Rate	Over- lapping Rate	MUD Rate	Over- lapping Rate	MUD Rate	Over- lapping Rate	MUD Rate	Over- lapping Rate	MUD Rate	Over- lapping Rate					
0.90	3.28	0.00	2.38	0.42	2.80	1.04	3.42	0.88	3.26	0.53	2.91	0.19	0.52	1.27	0.50	0.09
0.88	3.31	0.00	2.43	0.42	2.85	1.04	3.47	0.88	3.31	0.50	2.93	0.19	0.53	1.31	0.50	0.09
0.88	3.34	0.00	2.46	0.43	2.89	1.04	3.50	0.88	3.34	0.50	2.96	0.19	0.53	1.34	0.50	0.09
0.88	3.35	0.00	2.47	0.43	2.90	1.04	3.51	0.88	3.35	0.50	2.97	0.19	0.53	1.34	0.50	0.10
0.90	3.30	0.00	2.41	0.43	2.84	1.17	3.58	0.88	3.29	0.50	2.91	0.19	0.54	1.34	0.42	0.10
0.90	3.33	0.00	2.44	0.43	2.87	1.12	3.56	0.88	3.32	0.50	2.94	0.16	0.57	1.34	0.43	0.10
0.90	3.33	0.00	2.44	0.42	2.87	0.95	3.56	0.98	3.32	0.50	2.94	0.15	0.54	1.34	0.49	0.10
0.90	3.36	-	2.46	0.40	2.86	0.95	3.41	0.96	3.42	0.44	2.90	0.15	0.56	1.34	0.46	0.10
0.90	3.37	0.00	2.47	0.38	2.85	0.92	3.40	0.96	3.43	0.44	2.91	0.15	0.56	1.34	0.47	0.10
0.90	3.37	0.00	2.47	0.38	2.85	0.92	3.40	0.96	3.43	0.44	2.91	0.15	0.60	1.32	0.45	0.10

<sup>(1)</sup> - Total overlapping tax rate per property is determined by adding county tax rate, school rate, applicable utility district rate, and Missouri City tax rate. Entities created with no tax rates are: Fort Bend County MUD #'s 36, 45, 54, 55, 56, 60 and Colony Bay Levy Improvement District. The overlapping rates include direct and overlapping tax rates.

<sup>(2)</sup> - Serves only First Colony MUD #9.

<sup>(3)</sup> - Harris County tax rate includes Harris County, Harris County Flood Control District, Port of Houston Authority, Harris County Department of Education, Harris County Hospital District, and Harris County Toll Road District.

Table 7

**CITY OF MISSOURI CITY, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
*Current Year and Nine Years Ago*

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Ben E Keith CO	\$ 34,389,667	1	0.52%	\$		
Inland American Missouri City Riverstone LTD Partnership	29,759,476	2	0.45%			
Elysian At Sienna Plantation LP	26,459,581	3	0.40%			
MDC Coastal 2 LLC	26,378,429	4	0.40%			
Niagra Bottling LLC	23,823,057	5	0.36%			
Centerpoint Energy Electric	22,773,924	6	0.34%	20,810,390	2	0.47%
Kroger Texas LP	22,457,914	7	0.34%			
Warren Alloy Valve & Fitting Co LLC	22,154,962	8	0.33%			
Watermark Retreat at Sienna Plantation	21,886,657	9	0.33%			
RELP Gateway LLC	21,541,105	10	0.32%			
Riverstone Retail Parnters Ltd				39,464,490	1	0.89%
MF/WM Sienna Ltd				16,593,460	3	0.38%
Colony Lakes Center LTD				15,796,270	4	0.36%
Target Corporation				15,162,860	5	0.34%
Walmart Real Estate				13,005,840	6	0.29%
Comcast of Houston LLC				10,149,240	7	0.23%
Opus West LP				8,943,680	8	0.20%
La Paloma Blanca LA				8,740,650	9	0.20%
Vicksburg Estates LTD				8,417,120	10	0.19%
Subtotal	251,624,771		3.77%	157,084,000		3.56%
Other Taxpayers	6,419,024,069		96.23%	4,257,306,876		96.44%
<b>Total</b>	<b>\$ 6,670,648,840</b>		<b>100.00%</b>	<b>\$ 4,414,390,876</b>		<b>100.00%</b>

**CITY OF MISSOURI CITY, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Tax Rate</b>	<b>Total Tax Levy and Adjust.</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
			<b>Amount</b>	<b>% of Levy</b>		<b>Amount</b>	<b>% of Levy</b>
2009	\$ 0.51724	\$ 22,835,266	\$ 22,076,370	96.68	\$ 736,130	\$ 22,812,500	99.90
2010	0.52840	23,507,100	22,834,605	97.14	615,233	23,449,838	99.76
2011	0.52840	23,145,280	22,611,412	97.69	466,366	23,077,778	99.71
2012	0.52840	22,491,150	22,066,951	98.11	327,329	22,394,280	99.57
2013	0.54480	23,400,790	22,933,338	98.00	331,165	23,264,503	99.42
2014	0.57375	25,846,014	25,401,743	98.28	387,049	25,788,792	99.78
2015	0.56500	27,460,890	26,989,826	98.28	412,724	27,402,550	99.79
2016	0.54468	29,672,159	29,174,012	98.32	455,279	29,629,291	99.86
2017	0.56010	33,531,574	32,880,030	98.06	408,121	33,288,151	99.27
2018	0.60000	33,806,373	33,193,759	98.19	-	33,193,759	98.19

**CITY OF MISSOURI CITY, TEXAS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
*Last Ten Fiscal Years*

<b>Fiscal Year Ended September 30</b> <sup>(2)</sup>	<b>Governmental Activities</b>				
	<b>General Obligation Bonds</b>	<b>Certificates of Obligation</b>	<b>Increment Contract Revenue Bonds</b>	<b>Tax Notes</b>	<b>Capital Leases</b>
2009	\$ 59,640,000	\$ 21,870,108	\$ 6,100,000	\$ -	\$ -
2010	66,575,000	23,449,494	5,865,000	-	-
2011	71,425,000	30,602,810	5,620,000	-	-
2012	66,235,000	29,640,486	5,365,000	1,575,000	-
2013	62,985,000	28,528,807	5,100,000	1,325,000	153,199
2014	63,336,444	26,213,205	4,825,000	1,070,000	117,845
2015	69,739,211	23,417,924	4,540,000	810,000	398,731
2016	82,935,875	9,042,458	4,285,000	545,000	339,428
2017	93,389,423	8,031,355	3,935,000	275,000	267,221
2018	87,153,927	7,091,924	3,575,000	-	451,648

**Source** - Tax assessor/collector's records.

<sup>(1)</sup> See the Schedule of Demographic and Economic Statistics (Table 15) for personal income and population data

<sup>(2)</sup> - Prior to 2018, fiscal year-end was June 30

*Table 9*

<b>Business-type Activities</b>				
<b>General Obligation Bonds</b>	<b>Certificates of Obligation</b>	<b>Total Primary Government</b>	<b>% of Personal Income <sup>(1)</sup></b>	<b>Per Capita <sup>(1)</sup></b>
\$ -	\$ 3,169,889	\$ 90,779,997	3.93%	\$ 1,343
-	55,770,500	151,659,994	6.48%	2,226
-	55,582,189	163,229,999	7.26%	2,376
-	54,124,513	156,939,999	6.47%	2,249
-	52,601,193	150,693,199	6.03%	2,095
-	51,069,796	146,632,290	5.98%	2,019
579,666	56,251,745	155,737,277	5.44%	1,938
48,070,908	15,017,542	160,236,211	5.81%	2,161
47,507,329	12,833,645	166,238,973	6.11%	2,230
47,022,770	10,573,076	155,868,345	5.24%	2,018

Table 10

**CITY OF MISSOURI CITY, TEXAS**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
*Last Ten Fiscal Years*

<b>Fiscal Year Ended June 30</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>% of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2009	\$ 59,640,000	\$ 3,577,337	\$ 56,062,663	1.27%	829
2010	66,575,000	4,908,681	61,666,319	1.38%	905
2011	71,425,000	6,286,811	65,138,189	1.49%	948
2012	66,235,000	6,704,909	59,530,091	1.40%	853
2013	62,985,000	5,750,142	57,234,858	1.33%	796
2014	63,336,444	5,559,287	57,777,157	1.28%	796
2015	70,318,877	5,583,379	64,735,498	1.33%	805
2016	131,006,783	5,312,160	125,694,623	2.42%	1,695
2017	140,896,852	4,909,113	135,987,639	2.17%	1,695
2018	134,176,697	4,781,620	129,395,077	1.94%	1,675

**Missouri Source:** First Southwest Company and Texas Municipal Advisory Council.

Table 11

**CITY OF MISSOURI CITY, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
September 30, 2018

<u>Governmental Unit</u>	<u>Tax Supported Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>(1)</sup></u>	<u>City of Missouri City Share of Debt</u>
Blue Ridge West MUD	\$ 2,315,000	100.00 %	\$ 2,315,000
First Colony Levee Improvement District	None	49.37	-
First Colony MUD No. 9	9,525,000	100.00	9,525,000
Fort Bend County	593,940,527	8.11	48,168,577
Fort Bend County MUD No. 26	9,775,000	100.00	9,775,000
Fort Bend County MUD No. 42	7,130,000	97.90	6,980,270
Fort Bend County MUD No. 45	None	100.00	-
Fort Bend County MUD No. 46	14,845,000	100.00	14,845,000
Fort Bend County MUD No. 47	5,805,000	100.00	5,805,000
Fort Bend County MUD No. 48	15,830,000	100.00	15,830,000
Fort Bend County MUD No. 49	500,000	100.00	500,000
Fort Bend County MUD No. 54	None	100.00	-
Fort Bend County MUD No. 56	None	100.00	-
Fort Bend County MUD No. 60	None	100.00	-
Fort Bend County MUD No. 115	8,740,000	100.00	8,740,000
Fort Bend County WCID No. 2	64,045,000	20.31	13,007,540
Fort Bend Independent School District	1,000,633,767	15.58	155,898,741
Harris County	2,200,173,022	0.06	1,320,104
Harris County Department of Education	6,555,000	0.06	3,933
Harris County Flood Control District	83,075,000	0.06	49,845
Harris County Hospital District	59,490,000	0.06	35,694
Harris County MUD No. 122	1,295,000	100.00	1,295,000
Harris County Toll Road	-	0.05	-
Harris County WCID (Fondren Road)	2,640,000	100.00	2,640,000
Houston Community College System	580,635,000	2.95	17,128,733
Houston Independent School District	3,151,430,000	0.15	4,727,145
Meadowcreek MUD	None	100.00	-
Palmer Plantation MUD #1	None	100.00	-
Palmer Plantation MUD #2	5,125,000	100.00	5,125,000
Port of Houston Authority	613,699,397	0.06	368,220
Quail Valley Utility District	None	100.00	-
Sienna Plantation Levee Imp. District	100,530,000	7.30	7,338,690
Sienna Plantation Management District	32,485,000	100.00	32,485,000
Sienna Plantation MUD #10	58,995,000	0.10	58,995
Sienna Plantation MUD #12	55,030,000	7.67	4,220,801
Southwest Harris County MUD #1	1,590,000	100.00	1,590,000
		Total Overlapping Debt	369,777,286
<b>City of Missouri City</b>			98,272,499
		<b>Total Direct and Overlapping Debt</b>	468,049,785
		<b>Population</b>	77,242
		<b>Per Capita Debt-Direct and Overlapping</b>	\$ 6,060

Source: First

Southwest Company and Texas Municipal Advisory Council

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

<sup>(1)</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City's boundaries and dividing it by the overlapping government's total taxable assessed value.

<sup>(2)</sup> Harris County Toll Road debt is supported by toll revenue. No tax is levied to pay debt service

**CITY OF MISSOURI CITY, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
*Last Ten Fiscal Years*

<b>Fiscal Year Ended September 30 <sup>(5)</sup></b>	<b>Population</b>	<b>Personal Income <sup>(4)</sup></b>	<b>Per Capita Personal Income <sup>(1)</sup></b>	<b>Median Age <sup>(1)</sup></b>	<b>School Enrollment <sup>(2)</sup></b>	<b>Unemployment Rate <sup>(3)</sup></b>
2009	67,600	\$ 2,307,796,400	\$ 34,139	36	68,707	7.0%
2010	68,125	2,339,821,250	34,346	36	69,030	8.5%
2011	68,691	2,247,019,992	32,712	36	68,805	7.6%
2012	69,774	2,426,251,302	34,773	38	69,343	6.7%
2013	71,935	2,498,806,095	34,737	39	69,570	7.8%
2014	72,625	2,451,093,750	33,750	38	72,625	5.4%
2015	80,379	2,860,206,336	35,584	38	73,269	4.4%
2016	74,139	2,758,119,078	37,202	39	74,266	5.4%
2017	74,561	2,720,432,646	36,486	39	75,395	5.4%
2018	77,242	2,974,975,630	38,515	39	75,898	4.1%

n/a - information not available.

**Data sources:**

<sup>(1)</sup> Fort Bend Economic Development Council Quick Stats and Facts.

<sup>(2)</sup> Fort Bend Independent School District.

<sup>(3)</sup> Texas Workforce Commission, for Fort Bend County Labor Force.

<sup>(4)</sup> Personal income information is a total for the year.

<sup>(5)</sup> Prior to 2018, fiscal year-end was June 30

**CITY OF MISSOURI CITY, TEXAS**  
**PRINCIPAL EMPLOYERS**  
*Current Year and Nine Years Ago*

Employer	2018			2009		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Fort Bend ISD	975	1	1.32 %	869	1	2.26 %
Wal-Mart Stores, LLP	650	2	0.88	400	2	1.04
Ben E. Keith	419	3	0.57			
City of Missouri City	369	4	0.50	319	3	0.83
Twin Star Bakery	299	5	0.40			
HEB	265	6	0.36	280	4	0.73
Super Target	255	7	0.34	185	5	0.48
Kroger	172	8	0.23	150	6	0.39
Home Depot	150	9	0.20	128	7	0.33
Niagara Bottling	133	10	0.18			
EIM Company				125	8	0.33
Tamlyn & Sons				50	9	0.13
Kohl's Department Store				100	10	0.26
<b>Total</b>	<u>3,687</u>		<u>4.97 %</u>	<u>2,606</u>		<u>6.79 %</u>

Source - Missouri City Economic Development.

**CITY OF MISSOURI CITY, TEXAS**  
**FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION**  
*Last Ten Fiscal Years*

<b>Function</b>	<b>Full-time Equivalent Employees as of June 30</b>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
General government	43	44	41	40	40
Finance	16	16	16	16	16
Public safety					
Police					
Officers	78	78	86	94	94
Civilians	30	30	27	27	27
Fire					
Firefighters	64	64	64	64	64
Civilians	1	1	1	1	1
Public works					
Streets and sanitation	15	15	13	13	13
Administration and maintenance	23	23	20	25	26
Parks and recreation	21	21	21	15	17
Development Services	28	28	22	23	23
<b>Total</b>	<b>319</b>	<b>320</b>	<b>311</b>	<b>318</b>	<b>321</b>

*Table 14*

<b>Full-time Equivalent Employees as of June 30</b>				
<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
36	37	39	42	44
16	17	17	16	17
97	97	100	101	102
35	36	37	44	47
77	77	77	77	77
1	1	1	1	2
13	13	13	13	14
24	25	25	24	27
18	18	18	18	19
18	17	17	18	20
<u>335</u>	<u>338</u>	<u>344</u>	<u>354</u>	<u>369</u>

**CITY OF MISSOURI CITY, TEXAS**  
**OPERATING INDICATORS BY FUNCTION**  
*Last Ten Fiscal Years*

<b>Function</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Police</b>						
Number of stations	1	1	1	2	2	2
Arrests	1,456	1,690	2,019	1,794	1,903	1,499
Accidents investigated	917	1,338	910	778	1,071	998
Citations	16,677	12,145	13,637	12,591	12,385	8,238
Alarm response calls	6,191	5,814	5,901	5,273	5,295	5,325
Calls for service	27,249	26,635	26,841	26,133	66,332	104,504
<b>Fire</b>						
Number of stations	4	4	4	4	4	4
Emergency responses	5,873	5,244	4,696	4,620	5,262	5,331
Fire incidents	224	199	258	216	201	215
EMS First Responder incidents	3,066	2,845	2,485	2,607	3,008	3,108
Average response time	6:33 min	6:47 min	6:29 min	6:32 min	6:43 min	6:51 min
<b>Public Works</b>						
Lane miles of streets maintained	556	605	637	637	637	637
Flexible pavement repairs	82	40	5	11	5	2
Rigid pavement repairs	28	50	75	51	155	143
Wastewater Treatment (million gallons)	433	460	530	762	750	821
<b>Fleet Operations</b>						
Vehicles maintained	134	145	142	144	159	162
Equipment maintained	285	287	295	336	306	306
Vehicle preventive maintenance	878	950	1,006	733	800	768
Vehicle repairs	2,403	2,200	2,470	2,751	2,650	2,832
<b>Parks and recreation</b>						
Number of parks	33	33	35	35	35	35
Acres	910	1,021	1,095	1,095	1,095	1,095
Park pavillion reservations	404	659	965	1,013	362	397
Athletic field reservations	5,872	3,714	1,453	2,197	1,081	176
Community center reservations	1,299	393	1,110	289	558	177
Multi-Purpose Room	-	-	-	-	-	-
<b>Planning</b>						
Permits issued	3,880	2,681	3,263	3,256	2,544	5,089
Inspections performed	10,823	11,712	12,816	11,991	14,220	15,545
Commercial plans reviewed	125	87	167	288	337	446
Residential plans reviewed	227	248	182	302	515	622

Source - Various City departments.

*Table 15*

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
2	2	2	2
1,840	1,739	1,376	2,339
1,132	1,766	1,446	1,712
11,328	6,221	4,385	24,192
6,419	5,601	4,347	4,633
115,628	113,050	87,605	92,951
4	5	5	5
5,651	5,920	6,035	6,736
161	205	207	206
3,380	3,667	3,814	4,218
6:44 min	6:49 min	6:34 min	6:14 min
637	637	637	637
0	0	0	0
162	150	227	160
890	922	926	1,177
162	165	194	204
306	305	334	361
575	640	374	718
2,375	2,422	1,635	2,694
35	35	36	37
1,057	1,225	1,061	1,071
500	502	479	554
181	186	140	163
96	93	137	167
-	141	132	165
6,975	6,919	6,322	6,461
18,500	12,780	17,167	13,385
450	552	1,250	1,392
550	584	594	707

**CITY OF MISSOURI CITY, TEXAS**  
**CAPITAL ASSETS STATISTICS BY FUNCTION**  
*Last Ten Fiscal Years*

<b>Function</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Public safety					
Police					
Stations	1	1	1	2	2
Patrol units	42	42	43	46	44
Fire					
Stations	4	4	4	4	4
Public works					
Streets (miles)	556	636	636	641	664
Parks and recreation					
Parks acreage	910	1,021	1,095	1,095	1,095
Parks	33	33	35	35	35
Water and sewer					
Water mains (miles) *	17	35	35	45	48
Fire hydrants *	209	370	370	417	433
Maximum water storage capacity (millions of gallons)	1	0.550	0.550	2.826	2.826
Sanitary sewers (miles) *	15	33	22	26	28
Storm sewers (miles) *	45	45	23	30	30
Maximum daily sewer treatment capacity (millions of gallons)	1.500	1.500	3.950	3.950	3.950

n/a - information not available.

\* Due to the nature of the City being serviced by various Municipal Utility districts who provide these services directly to our citizens, the City owns very few water mains, fire hydrants, sanitary sewers or storm sewers at this time.

**Source** - Various City departments.

**Note** - No capital asset indicators are available for the general government function.

**Table 16**

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
2	2	2	2	2
42	44	44	87	56
4	4	5	5	5
637	637	637	603	637
1,095	1,095	1,225	1,225	1,071
35	35	35	35	37
31	32	38	38	38
245	255	266	266	266
4.326	4.326	4.326	4.326	4.326
21	22	22	22	25
9	9	87	87	87
3.950	3.950	3.950	3.950	3.950



## CITY COUNCIL AGENDA ITEM COVER MEMO

March 18, 2019

**To:** Mayor and City Council  
**Agenda Item:** 2(b) Consider and discuss the structure of the Census Complete Count committee.  
**Submitted by:** Bill Atkinson, Assistant City Manager

### SYNOPSIS

Consider and discuss the proposed resolution supporting the United States Census Bureau by Creating a Census 2020 "Complete Count Committee" to provide the city with assistance and advice in obtaining the most accurate and complete population count in the upcoming decennial census.

### STRATEGIC PLAN 2019 GOALS ADDRESSED

- Create a great place to live
- Maintain a financially sound City
- Have quality development through buildout

### BACKGROUND

The City has met with Ms. Dionne Roberts-Emegha of the 2020 Census to discuss the kick-off of the 2020 Census in Missouri City. The United States Census has been performed every ten years since 1790, with the last census conducted in 2010. It is important that our citizens participate in the Census since the decennial population count affects the amount of federal revenue distributed to the city for roads, schools, and other federal funding opportunities. In addition, an accurate population count within the city better plan and fund needed facilities based on population distribution.

To insure the highest level of participation, it is recommended the City appoint a Census 2020 Complete Count Committee. The appointment of a citizen based Complete Count Committee by the mayor and council will assist in the promotion, outreach, understanding and education regarding the 2020 Census prior to it beginning.

The suggested activities of the group include:

- Develop an action plan that support the taking of the census.
- Create ways to dispel myths and fears about privacy and confidentiality of data taken.
- Encourage corporations and foundations to become sponsors of census activates.
- Implement special events to generate interest and participation in the census.
- Plan a Census Day to promote community response.

Once appointed, the Census Bureau staff would come and train the committee members on their roles and responsibilities. This training would take place before the beginning of the year in order to train and prepare the group to provide information to residents about on-line census participation beginning in March. They suggest the citizen committee is not too large in order to keep it manageable. So, the proposed resolution has there being fifteen (15) members of the committee. Further, it is recommended that the committee is representative of the demographic, religious, educational and cultural make-up of our community.

## BUDGET ANALYSIS

Not applicable

**Purchasing Review:** N/A

**Financial/Budget Review:** N/A

*Note:* Compliance with the conflict of interest questionnaire requirements, if applicable, and the interested party disclosure requirements (HB 1295) has been confirmed/is pending within 30-days of this Council action and prior to execution.

## SUPPORTING MATERIALS

1. Proposed Resolution in support of creating a Complete Count Committee
2. Background information regarding the Complete Count Committee and Census 2020

## STAFF'S RECOMMENDATION

Consider and discuss the proposed resolution supporting the United States Census Bureau by Creating a Census 2020 "Complete Count Committee" to provide the city with assistance and advice in obtaining the most accurate and complete population count in the upcoming decennial census.

**Director Approval:** **Bill Atkinson, Assistant City Manager**

**RESOLUTION NO. R-19-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MISSOURI CITY, TEXAS, REPEALING AND REPLACING CITY OF MISSOURI CITY RESOLUTION NO. R-18-40, SUPPORTING THE UNITED STATES CENSUS BUREAU BY CREATING A CENSUS 2020 “COMPLETE COUNT COMMITTEE.”.**

\* \* \* \* \*

WHEREAS, the United States Census has been performed every ten years since 1790, with the last census conducted in 2010; and

WHEREAS, the City of Missouri City (the “City”) decennial census population count directly affects the amount of federal revenue distribution within the city for roads, schools, libraries, senior centers, daycare centers, and hospitals; and

WHEREAS, an accurate population count within the City helps the governing body better plan and fund needed facilities based on populations within the City; and

WHEREAS, the City welcomes assistance and advice from community-based organizations, the public school districts, local businesses and the media in counting the entire local population within the City; and

WHEREAS, the more informed that the residents become about the 2020 census operations, the better their understanding of the census process becomes; thus, increasing their willingness to be part of the successful enumeration in 2020; and

WHEREAS, the United States Census Bureau (“Census Bureau”) is required by law to protect information provided by particular individuals; and

WHEREAS, the Census Bureau is not permitted to publicly release responses furnished by any particular individual, or on behalf of an individual, or release information to other governmental agencies; and

WHEREAS, per the Federal Cybersecurity Enhancement Act of 2015, census data is protected from cybersecurity risk by screening the systems that transmit this data; and

WHEREAS, City residents may need the goods and services provided by local and state government, paid for in part by federal grants; and

WHEREAS, the City Council of the City of Missouri City desires to repeal and replace Resolution No. R-18-40, adopted on October 15, 2018, with this Resolution to set the “complete count committee” membership at a total of fifteen (15) members; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MISSOURI CITY, TEXAS:

Section 1. A Census 2020 Complete Count Committee is established to serve in an advisory capacity to the City Council of the City of Missouri City.

Section 2. Name. The advisory committee shall be called the Complete Count Committee (Committee).

Section 3. Purpose. The Committee shall advise and assist the City of Missouri City in obtaining the most accurate and complete population count for Census 2020 by increasing the response rate through a focused, structured neighbor-to-neighbor program. The Committee will also utilize the local knowledge, expertise and influence of each Committee member to design and implement a census awareness campaign targeted to the community.

Section 4. Duties and Responsibilities. The Committee shall discuss and formulate strategies and techniques, working with the City of Missouri City staff and Census Bureau officials, to enhance and increase the City's response rate to Census 2020. The Committee shall be charged with the responsibility of planning and conducting local educational initiatives, including distributing posters flyers and handouts for use by the media and others. The Committee will prepare materials for public service announcements on radio, television, and on social media. Committee members may speak at forums and meetings to promote and inform others of the census. The Committee may identify census job candidates or distribute recruiting materials while also prompting the use of Spanish in the materials, and the Committee may identify space for "be counted sites" or questionnaire assistance centers.

Section 5. Membership. The Committee shall consist of a total of fifteen (15) members. The City Council of the City of Missouri City shall appoint the members. The Committee shall elect its own chair person.

Section 6. Time. The Committee shall serve from April 1, 2019, through June 30, 2020, at which time the Committee, having completed its work, shall dissolve. No resolution dissolving or rescinding the Committee is necessary. The members of the Committee shall serve for the duration of the Committee's existence. The City Council shall fill any vacancy on the Committee.

Section 7. Meetings. The Committee shall conduct all meetings in accordance with adopted City policies and procedures. The Committee shall meet at least every three months (quarterly) but may meet more often.

Section 8. Repeal. Resolution No. R-18-40, adopted on October 15, 2018, creating a census 2020 "complete count committee" is hereby repealed and replaced with this Resolution.

Section 9. The officers and employees of the City are hereby authorized and directed to execute such instruments and take such actions as are consistent with the provisions of this resolution.

PASSED AND APPROVED on first and final reading this 18th day of March, 2019.

\_\_\_\_\_  
Yolanda Ford, Mayor

ATTEST:

APPROVED AS TO FORM:

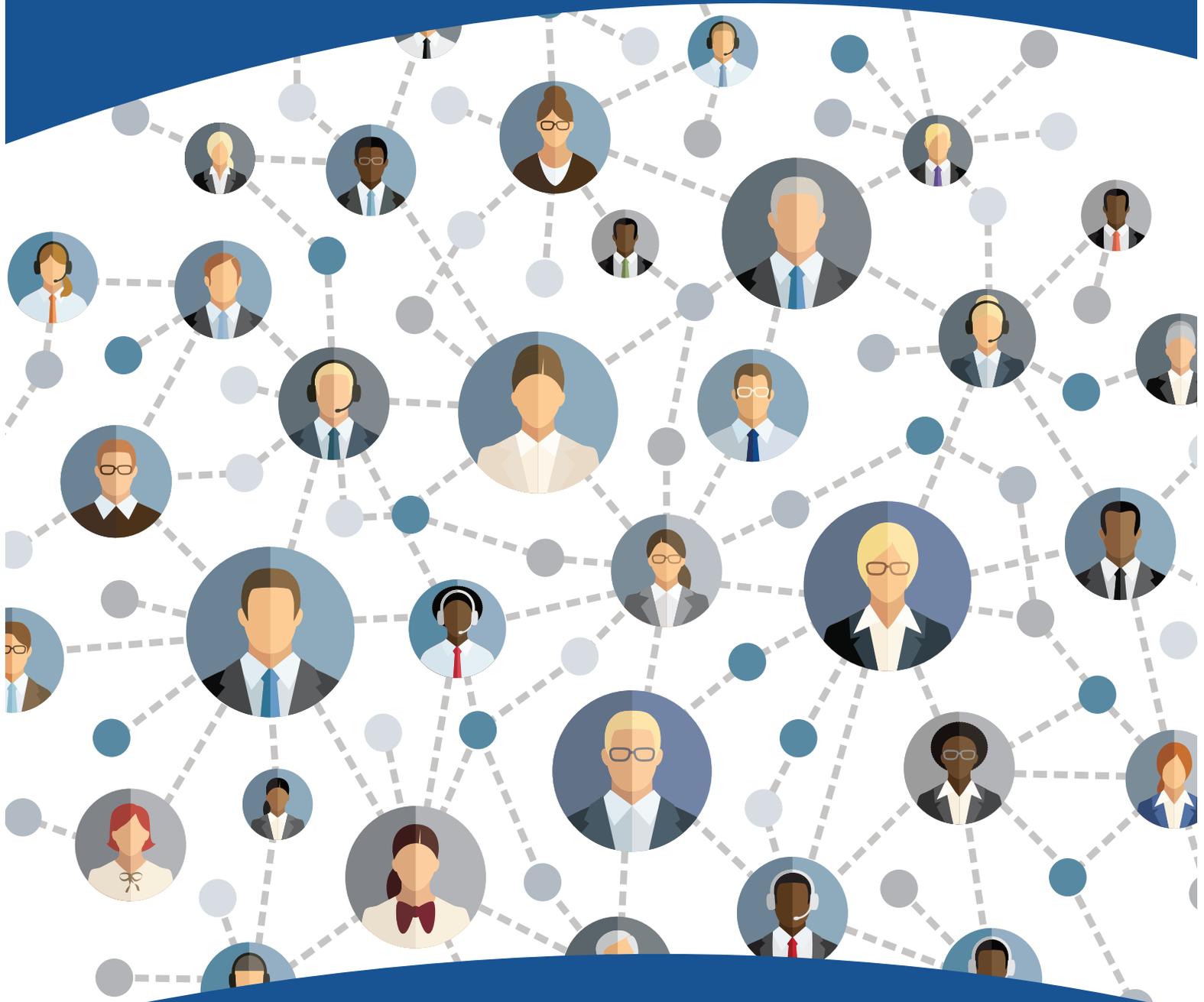
\_\_\_\_\_  
Maria Jackson, City Secretary

\_\_\_\_\_  
E. Joyce Iyamu, City Attorney

# 2020 Census Complete Count Committee

## Guide

D-1280(RV)



United States<sup>®</sup>  
**Census**  
Bureau

United States<sup>®</sup>  
**Census**  
**2020**

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# WHY DO WE TAKE THE CENSUS?

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The U.S. Constitution (Article I, Section 2) mandates a headcount every 10 years of everyone residing in the 50 states, Puerto Rico, and the Island Areas of the United States. This includes people of all ages, races, ethnic groups, citizens, and noncitizens. The first census was conducted in 1790 and one has been conducted every 10 years since then.

The population totals from the census determine the number of seats each state has in the House of Representatives. States also use the totals to redraw their legislative and school districts. The next census occurs in 2020.

The U.S. Census Bureau must submit state population totals to the President of the United States by December 31, 2020.

The population totals also affect funding in your community, and data collected in the census help decision makers know how your community is changing. Approximately \$675 billion in federal funding is distributed to communities each year.

## **Will the 2020 Census be the same as 2010?**

There are some important changes in 2020:

- We are building a more accurate address list and automating our field operations—all while keeping your information confidential and safe.
- For the first time, you will be able to respond online, by phone, or by mail.
- We will use data that the public has already provided to cut down on in-person follow up visits to nonresponding households.



# HOW ARE CENSUS DATA USED?

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## **Census data are widely and wisely used.**

Census data are used in many ways. Some examples include:

- Distribution of more than \$675 billion annually in federal funds back to tribal, state, and local governments.
- Redistricting of state legislative districts.
- Forecasting future transportation needs for all segments of the population.
- Determining areas eligible for housing assistance and rehabilitation loans.
- Assisting federal, tribal, state, and local governments in planning and implementing programs, services, and emergency response.
- Designing facilities for people with disabilities, the elderly, and children.



# ARE CENSUS DATA REALLY CONFIDENTIAL?

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## **ABSOLUTELY!**

All responses to Census Bureau surveys and censuses are confidential and protected under Title 13 of the U.S. Code. Under this law, the Census Bureau is required to keep respondent information confidential. We will never share a respondent's personal information with immigration enforcement agencies, like ICE; law enforcement agencies, like the FBI or police; or allow it to be used to determine their eligibility for government benefits. The results from any census or survey are reported in statistical format only.

Individual records from the decennial censuses are, by law (Title 44, U.S. Code), confidential for 72 years.

In addition, under Title 13, U.S. Code, all Census Bureau employees swear a lifetime oath to protect respondent data. It is a felony for any Census Bureau employee to disclose any confidential census information during or after employment, and the penalty for wrongful disclosure is up to 5 years imprisonment and/or a fine of \$250,000.



# WHAT ARE COMPLETE COUNT COMMITTEES?

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## **Complete Count Committees**

Complete Count Committees (CCC) are volunteer committees established by tribal, state, and local governments and community leaders or organizations to increase awareness and motivate residents to respond to the 2020 Census. CCCs serve as state and local “census ambassador” groups that play an integral part in ensuring a complete and accurate count of the community in the 2020 Census. Success of the census depends on community involvement at every level. The U.S. Census Bureau cannot conduct the 2020 Census alone.

There are three kinds of Complete Count Committees (other than the State Level CCC):

- Tribal.
- State and local government (regional, county, city, or town).
- Community.

A Complete Count Committee should be formed to:

- Increase the self-response rate for households responding online, by phone, or mailing back their questionnaire through a focused, structured, neighbor-to-neighbor program.
- Utilize the local knowledge, expertise, and influence of each Complete Count Committee member to design and implement a census awareness campaign targeted to the community.
- Bring together a cross section of community members whose focus is 2020 Census awareness.

Let's take a look at these and review the differences between the common types and sizes.

### **Tribal and Government Complete Count Committees**

Complete Count Committees are usually formed by the highest elected official in that jurisdiction, such as a tribal leader, a mayor, county commissioner, or regional chairman. The highest elected official may appoint a chair of the CCC and may then appoint members of the community to serve as members of the CCC. Members appointed could be representative of a cross section of the community, be willing and able to serve until the census is over, and help implement a creative outreach campaign in areas that may pose a challenge in 2020. Members could include persons from the areas of education, media, business, religion, philanthropy, and community groups. Most local government CCCs are small to medium size, depending on the jurisdiction. A town may have a small committee with only 3-5 members, while a city may be medium to large size with anywhere from 10 to more than 100 members, depending the size of the city or tribe.

Since state, county, and regional CCCs cover a larger geography, they tend to be larger in size, with 20-50 members. The size and number of members depends on what works best for each jurisdiction and what will make the most effective and successful

committee. Mayors, county commissioners, and heads of regional boards understand the importance of getting a complete and accurate census count and how census data impact their communities. In previous censuses, the most productive government CCCs had a subcommittee structure. Examples of subcommittees and what they do are covered under "What Is the Subcommittee Structure of a CCC?"

### **Examples of Tribal and Government Complete Count Committee Strategies**

Nationwide, there were over 10,000 Complete Count Committees formed with the Census Bureau during the 2010 Census and the majority of them were local government committees. Here are some of the strategies that worked for them:

- Allocate/obtain funds for the CCC and assign a staff person to work with the committee.
- Set clear, achievable goals and objectives.
- Identify areas of the community that may need extra efforts, either a geographical area or a population group that might be hard to count.
- Use a "grassroots" approach working with community-based organizations and groups who have direct contact with households who may be hard to count.
- Create promotional materials and products customized for the local area.
- Implement special events such as Census Day "Be Counted" parades.
- Build awareness of the census and its benefits and motivate response through social media, newsletters, and other communications.

### **Sample Activities of Tribal and Government Complete Count Committees**

#### **2018-2019**

- Develop a list of barriers, groups, or concerns that might impede the progress of the 2020 Census in your local area, such as recent immigrants, non-English speaking groups, high crime areas, and areas with gated communities.
- Create ways to dispel myths and alleviate fears about the privacy and confidentiality of census data.

- Place census messages on water bills, property tax bills, social media, and local speeches and other correspondence generated by the jurisdiction.
- Host a Census Solutions Workshop (see Appendix C) with others in the community.
- Develop and implement activities to involve local government employees in the 2020 Census Awareness Campaign.
- Encourage corporations to become official sponsors of your census activities.
- Have census posters, banners, and other signage placed in highly visible public locations.
- Include the 2020 Census logo and message on bus schedules, brochures, newsletters, social media sites, and your local jurisdiction Web site.
- Sponsor a census booth at county fairs, carnivals, and festivals (especially cultural or ethnic celebrations).
- Sponsor a contest to design a sticker or poster promoting the 2020 Census.
- Have census information available during voter registration drives.

### *January–March 2020*

- Add a census message during meetings, events, and to written or digital/electronic correspondence like social media.
- Provide information on federally funded programs that have benefitted the community.
- Plan a major promotional event around the start of self-response or when households get their invitation to respond. Advise communities that they can respond to the census online.
- Saturate public access areas with easy-to-read and understandable census information customized for your community.
- Ask elected officials to encourage households to complete the census online, by phone, or return the questionnaire by mail.

- Place a census message on all municipal marquees urging households to complete the questionnaire online, by phone, or by mail.

### *April 2020*

- Place public service announcements in local media encouraging households to respond.
- Have census rallies or parades.
- Urge households who do not respond to cooperate with census takers.

## **Community Complete Count Committees**

Community Complete Count Committees are often formed in areas that do not have a government CCC or areas that may require a more targeted outreach approach. Community CCCs may be formed by a community group/organization or a coalition of several organizations. For example, an organization in a predominately elderly community may want to form a CCC in order to build awareness among that population and encourage them to respond when the invitations to respond are delivered. A tenants' association may form a committee to educate tenants about the census and help those needing assistance in completing their census. Community CCCs identify their own chair and committee members. They may choose individuals who are influential leaders or gatekeepers in the community to serve as members or others that will help accomplish the goals of the committee. They may also include foundations or philanthropy groups to fund the committee's activities around a particular audience. Community CCCs are usually small to medium in size with anywhere from 5 to 25 members depending on the sponsoring organization(s) and the size of the community it represents.

Small committees may not need subcommittees, however larger committees may find this structure helps them focus and work more effectively.

## **Examples of Community Complete Count Committee Strategies**

A number of organizations formed Community CCCs in previous censuses. Some examples of these organizations are Community Action Groups, Hispanic Service Center, Delta Sigma Theta Sorority, and Human Development Commission.

Here are some suggestions that worked for them:

- Set clear achievable goals and objectives.
- Identify what the committee will focus on. Some examples include increasing the response rate in public housing communities among cultural/ethnic groups in your area or among students in colleges/universities, outreach and promotion to youth and elderly in the community, or a global approach if no other CCCs are in the area.
- Develop an action plan that includes activities and events which will support your efforts and help you meet your goals and objectives.
- Create promotional materials that appeal to your community.
- Implement special events that will generate interest and participation in the census.
- Use social media to engage your community.

### **Sample Activities of Community Complete Count Committees**

#### *2018–2019*

- Make a list of community-based organizations in your area. Hold a meeting with leaders of the organizations and solicit their help in creating a census awareness campaign targeted to community members.
- Host a Census Solutions Workshop with other community-based organizations in your area to come up with innovative and engaging ways to reach your communities.
- Check the community calendar in your area for events. Contact organizations to see if you can have a census table to pass out census materials to increase awareness.
- Plan and solicit sponsors for a “Census Day/Night Street Festival” in late 2019. Think of creative games or activities where census information can be incorporated.

- Develop a 2019 Census Activity Calendar, ask organizations to choose a month in which they will sponsor census activities or promote census awareness.
- Ask organizations to include a census article or message in all of their publications and social media channels from April 2019 to July 2020.

#### *January–March 2020*

- Encourage organizations to include 2020 Census on the agenda of their meetings, workshops, or conferences.
- Distribute/post on social media fliers announcing the invitation to respond to the census at busy locations in the community.
- Make public statements of support and the importance of participating in the 2020 Census.

#### *April 2020*

- Encourage households to complete the questionnaire online, by phone, or by mail.
- Plan a Census Day event to motivate the community response.
- Look online or check with your census contact person about response rates for your community. If rates are low, plan special events or activities to motivate individuals to respond.
- Remind households if they didn’t respond online, by phone, or mail their questionnaire back, a census worker may come to their home. Encourage households to cooperate with census workers.

#### *May 2020*

- Continue to encourage community individuals to cooperate with census workers.
- Evaluate what worked best for your community and briefly report this information to your census contact.
- Celebrate your success and thank all those involved in making it happen.



# WHEN SHOULD A COMPLETE COUNT COMMITTEE ORGANIZE?

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## **Get Organized RIGHT NOW!**

Although the 2020 Census may seem a ways off, the census awareness campaign should start TODAY. The 2020 Census jobs are being advertised. Households will begin to experience, by the end of 2019, some type of census operation such as address listing. These operations are necessary to verify the accuracy and location of each address in the United States.

The immediate formation of a CCC will ensure that local households are kept abreast of the various census operations before the information is nationally circulated.

The more informed households are about the 2020 Census operations, the better their understanding of the census process becomes, thus increasing their willingness to be a part of the successful enumeration in 2020.



# WHAT IS THE SUBCOMMITTEE STRUCTURE OF A CCC?

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## The Structure

The Census Bureau partnership staff will serve as a liaison or an informational resource.

The operation of the CCC flows from the tribal leader or highest elected official or community leader to the chairperson, the committee members, and/or to the community at large.

The tribal leader or highest elected official or community leader appoints a chairperson. The chairperson is the liaison or main source of contact between the CCC and the Census Bureau.

The chairperson collaborates with the highest elected official or community leader to select subcommittee chairs.

The CCC should involve every aspect of a local community in its subcommittee structure—government, education, faith-based organizations, media, community-based organizations, business, foundations or other philanthropic organizations, and recruiting. **The Census Bureau does not manage Complete Count Committees.**

The following are examples of a typical subcommittee structure. Other subcommittees may be formed based on the focus of the CCC or the needs of the community. Examples of other subcommittee topics are migrant and seasonal farmworkers, children/youth services, immigrants, senior services, and the disabled community.

The subcommittee chairpersons may recruit members for their respective teams. The ideal candidates for a Complete Count Committee are those community members who have

expertise, influence, and experience in the area of the respective committee. Committees that invest time, resources, and energy in this project are more productive and successful.

**Recruiting subcommittee**—Disseminates information about census job openings for the 2020 Census. Information will include the number of jobs available and types of jobs available.

**Government subcommittee**—Assists in all activities between the Census Bureau and the local government, such as participation in decennial geography programs and identifying other resources for CCC activities.

**Education subcommittee**—Facilitates census awareness for local schools from prekindergarten through twelfth grade, as well as postsecondary education institutions in the area. May also encourage school administrators, teachers, and students to use Statistics in Schools materials.

**Faith-based subcommittee**—Creates and coordinates activities and materials that can be

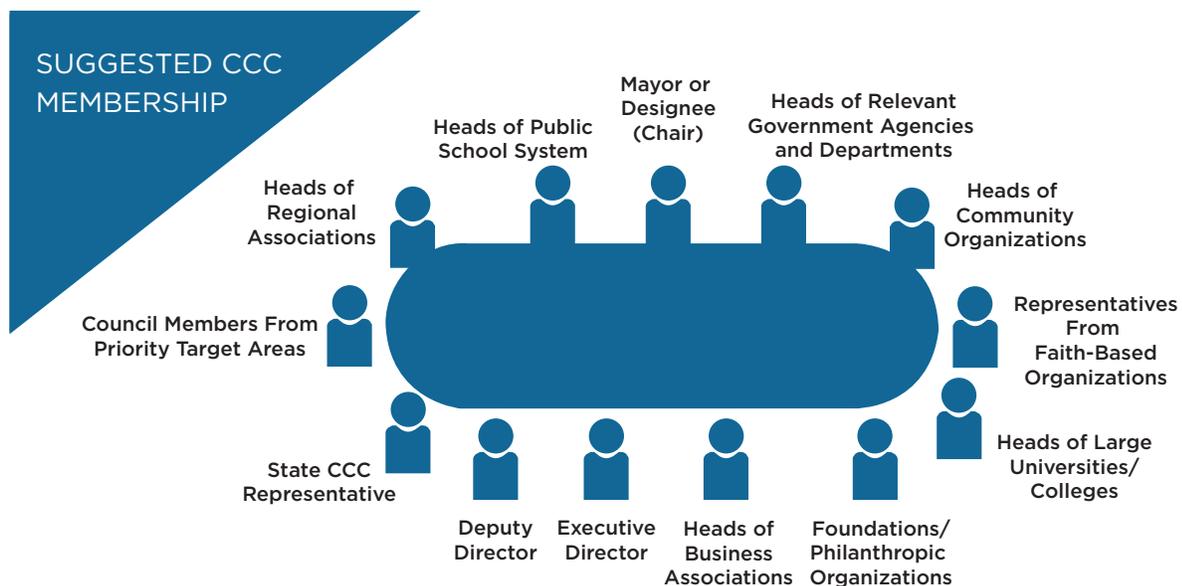
used by any local faith-based institution in the promotion of the 2020 Census awareness and participation.

**Media subcommittee**—Facilitates ways to get the census message to all community households, using all available sources such as local newspapers, newsletters, fliers, local festivals, billboards, social media, radio, and television.

**Community-based organizations subcommittee**—Collaborates with community organizations to inform individuals of the importance of participating in the 2020 Census and the benefits derived from census data.

**Business subcommittee**—Creates and coordinates activities that involve businesses in census awareness, such as distribution of census information and census messages on packaging (grocery bags) and the inclusion of the census logo and message on sales promotion materials.

Figure 1.  
**Suggested CCC Membership**



\*Partnership Specialist is advisor and Census Bureau liaison to Municipal CCCs



## SUMMARY: THE BENEFITS OF COMPLETE COUNT COMMITTEES

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CCCs speak the language of and know the pulse of its community, therefore establishing an information highway that even the internet cannot rival—neighbor informing neighbor.

The CCCs will help ensure an accurate 2020 Census count.

The CCCs gain valuable knowledge about the census process at the local level and develop a plan to impart that knowledge to each and every household as only neighbors and fellow stakeholders can do.

The CCCs help maximize participation and response rates by increasing awareness throughout the 2020 Census.

# APPENDIX A:

# 50 WAYS CENSUS DATA ARE USED

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- Decision making at all levels of government.
- Drawing federal, state, and local legislative districts.
- Attracting new businesses to state and local areas.
- Distributing over \$675 billion annually in federal funds and even more in state funds.
- Forecasting future transportation needs for all segments of the population.
- Planning for hospitals, nursing homes, clinics, and the location of other health services.
- Forecasting future housing needs for all segments of the population.
- Directing funds for services for people in poverty.
- Designing public safety strategies.
- Development of rural areas.
- Analyzing local trends.
- Estimating the number of people displaced by natural disasters.
- Developing assistance programs for American Indians and Alaska Natives.
- Creating maps to speed emergency services to households in need of assistance.
- Delivering goods and services to local markets.
- Designing facilities for people with disabilities, the elderly, or children.
- Planning future government services.
- Planning investments and evaluating financial risk.
- Publishing economic and statistical reports about the United States and its people.
- Facilitating scientific research.
- Developing “intelligent” maps for government and business.
- Providing proof of age, relationship, or residence certificates provided by the Census Bureau.
- Distributing medical research.
- Reapportioning seats in the House of Representatives.
- Planning and researching for media as background for news stories.
- Drawing school district boundaries.
- Planning budgets for government at all levels.
- Spotting trends in the economic well-being of the nation.
- Planning for public transportation services.
- Planning health and educational services for people with disabilities.
- Establishing fair market rents and enforcing fair lending practices.
- Directing services to children and adults with limited English proficiency.
- Planning urban land use.
- Planning outreach strategies.
- Understanding labor supply.
- Assessing the potential for spread of communicable diseases.
- Making business decisions.
- Understanding consumer needs.
- Planning for faith-based organizations.
- Locating factory sites and distribution centers.
- Distributing catalogs and developing direct mail pieces.
- Setting a standard for creating both public and private sector surveys.
- Evaluating programs in different geographic areas.
- Providing genealogical research.
- Planning for school projects.
- Developing adult education programs.
- Researching historical subject areas.
- Determining areas eligible for housing assistance and rehabilitation loans.

# APPENDIX B:

# UNDERSTANDING THE LANGUAGE OF THE 2020 CENSUS

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## GLOSSARY

### The 2020 Census From A to Z

#### A

##### **Address Canvassing**

The Address Canvassing program implements methods to improve and refine the U.S. Census Bureau's address list in advance of the 2020 Census enumeration. The Census Bureau needs the address and physical location of each living quarter in the United States and Puerto Rico to conduct and tabulate the census. An accurate list ensures that residents will be invited to participate in the census and that the census counts residents in the correct location.

##### **American Community Survey (ACS)**

A monthly sample household survey conducted by the Census Bureau to obtain information similar to the long-form census questionnaire. The ACS is sent to a small percentage of the U.S. population on a rotating basis. First tested in 1995, it replaced the long form for the 2010 Census. Since 2004, ACS has provided annual data for social and economic characteristics for many geographic areas and population groups.

##### **Area Census Office (ACO)**

A temporary office established to oversee census operations in a specific area. These operations include address listing field work, local recruiting, and visiting households to conduct the 2020 Census.

#### C

##### **Census Bureau**

An agency within the U.S. Department of Commerce and the country's preeminent statistical collection and dissemination agency. It publishes a wide variety of statistical data about people, housing, and the economy of the nation. The Census Bureau conducts approximately 200 annual surveys, conducts the

decennial census of the U.S. population and housing, the quinquennial economic census, and the census of governments.

##### **Census Day**

The reference date for collection of information for a census. For the decennial census, this has been April 1 of the decade year (year ending with zero) since the 1930 Census. April 1, 2020, is the reference date, Census Day, for the 2020 Census.

##### **Census Information Center (CIC)**

The CIC program was established in 1988, when the Census Bureau and the National Urban League entered into a joint agreement to create a pilot project to make census data and information available to minority communities. Over the next 2 years, the Census Bureau added four additional organizations to the pilot program; the National Council of La Raza, the Asian and Pacific Islander American Health Forum, Americans for Indian Opportunity, and the Southwest Voter Research Institute (now the William C. Velasquez Institute).

In 2000, the CIC network became an official Census Bureau program. That year, the Census Bureau expanded the network to a total of 59 organizations.

##### **Census Solutions Workshop**

A Census Solutions Workshop is a creative, collaborative, problem-solving event that brings together diverse thinkers. The Census Solutions Workshop is specifically geared to generate new ways of communicating the importance of census data, reaching hard-to-count populations, and encouraging participation in Census Bureau surveys and programs.

## **Commitment**

An agreement or pledge to carry out a particular task or activity that will in some way help the census achieve its goals.

## **Complete Count Committee (CCC)**

A volunteer committee established by tribal, state, and local governments, and/or community organizations to include a cross section of community leaders, including representatives from government agencies; education, business, and religious organizations; community agencies; minority organizations; and the media. The committees are charged with developing and implementing a 2020 Census outreach, promotion, recruiting, and enumeration assistance plan of action designed to target and address the needs of their communities.

## **Confidentiality**

The guarantee made by law (Title 13, U.S. Code) to individuals who provide information to the Census Bureau, ensuring that the Census Bureau will not reveal information to others.

## **D**

### **Decennial Census**

The census of population and housing taken by the Census Bureau in each year ending in zero. Article I, Section 2, of the U.S. Constitution requires that a census be taken every 10 years for the purpose of apportioning the U.S. House of Representatives. The first census of population was taken in 1790.

## **E**

### **Enumeration**

The process of interviewing people and recording the information on census forms.

### **Enumerator**

A Census Bureau employee who collects census information by visiting households during census field operations.

## **G**

### **Group Quarters (GQ)**

The Census Bureau classifies all people not living in housing units as living in group quarters. There are two types of group quarters: institutional group

quarters (for example, correctional facilities for adults, nursing homes, and hospice facilities) and noninstitutional group quarters (for example, college/university student housing, military quarters, and group homes).

## **H**

### **Hard to Count (HTC)**

Groups or populations who have historically been undercounted and/or traditionally have not responded well to the decennial census questionnaire, such as ethnic/minority populations, renters, and low income households.

### **Hard to Enumerate (HTE)**

An area for which the environment or population may present difficulties for enumeration.

### **Highest Elected Official (HEO)**

The elected or appointed person who is the chief executive official of a governmental unit and is most responsible for the governmental activities of the governmental unit such as the governor of a state, chair of a county commission, or mayor of an incorporated place, tribal leader, or chairman.

### **Household (HH)**

A person or group of people who occupy a housing unit as their usual place of residence. The number of households equals the number of occupied housing units in a census.

### **Housing Unit (HU)**

A house, townhouse, mobile home or trailer, apartment, group of rooms, or single room that is occupied as separate living quarters or, if vacant, is intended for occupancy as separate living quarters.

## **M**

### **Master Address File (MAF)**

A Census Bureau computer file of every address and physical location, including their geographic locations, that will be used to conduct the next decennial census, as well as some ongoing surveys. This address file is updated throughout the decade and is supplemented by information provided by tribal, state, and local governments.

## N

### **Nonresponse (NR)**

A housing unit for which the Census Bureau does not have a completed questionnaire and from which the Census Bureau did not receive a telephone or Internet response.

### **Nonresponse Followup (NRFU)**

A field operation designed to obtain a completed interview from households where a self-response was not received. Enumerators will make personal visits to these households to obtain completed interviews. The enumerator will collect respondents' answers to interview questions or information about the status of the housing unit (for example, vacant or nonexistent). If all attempts to contact the individuals of a household are unsuccessful, an enumerator will obtain as much information as possible about the household from a neighbor, building manager, or another reliable source.

## P

### **Partner**

A partner is a group or individual that commits to participate in some way with census activities.

### **Partnership**

An agreement with tribal, state, and local governments, national organizations, and community groups (faith-based organizations, businesses, media, schools, etc.) that allows their active participation in various census activities.

### **Partnership Specialist**

The Partnership Specialist takes a lead role in outreach and promotional efforts before and during census operations. Their main duties are increasing awareness and outreach in communities and gaining cooperation and participation from those communities.

### **Privacy Act**

The Privacy Act of 1974 requires that each federal agency advise respondents of their rights. Specifically, every respondent must know under what law the information is being collected, how the information will be used, whether he or she must answer the questions, and the consequences of not answering the questions.

## R

### **Regional Census Center (RCC)**

One of six temporary Census Bureau offices established to manage census field office and local census office activities and to conduct geographic programs and support operations.

### **Regional Office (RO)**

One of six permanent Census Bureau offices that direct and advise local census offices for the 2020 Census. The Regional Office also conducts some one-time and ongoing Census Bureau surveys, such as the Current Population Survey (CPS), which is used to publish unemployment figures each month, and the American Community Survey (ACS), a nationwide survey designed to obtain information similar to long-form data and to provide communities a fresh, more current look at how they are changing.

### **Respondent**

The person who answers the Census Bureau's questions about his or her living quarters and its occupants. The respondent is usually the member of the household who owns or rents the living quarters.

### **Response Outreach Area Mapper (ROAM)**

A Web mapping application developed to make it easier to identify hard-to-count areas and to provide a socioeconomic and demographic characteristic profile of these areas using American Community Survey estimates available in the Census Bureau Planning Database, available at <[www.census.gov/roam](http://www.census.gov/roam)>.

## S

### **Self-Response**

Self-response is where households complete and return their census questionnaire in a timely manner, directly to the Census Bureau, without requiring a census worker to visit the house to obtain their responses in person. Self-response—by internet, mail, or phone—is significantly less costly than in-person followup.

### **State Data Center (SDC)**

The State Data Center (SDC) program is one of the Census Bureau's longest and most successful partnerships. This partnership between the 50 states, the

District of Columbia, Puerto Rico, the island areas, and the Census Bureau was created in 1978 to make data available locally to the public through a network of state agencies, universities, libraries, and regional, and local governments.

The SDC lead organization is appointed by the Governor of each state/commonwealth, Puerto Rico, the Island Areas (American Samoa, Guam, The Commonwealth of the Northern Mariana Islands, Virgin Islands) or the mayor of the District of Columbia.

Since its creation, the SDC network has provided access and education on Census Bureau data and products as well as other statistical resources to millions of data users.

### **Statistics in Schools (SIS)**

A national program component of the 2020 Census with an emphasis on kindergarten through eighth grade students in schools located in hard-to-count areas. The purpose of Statistics in Schools is to educate all of the nation's K-12 students about the importance of the 2020 Census.

## **T**

### **Title 13 (U.S. Code)**

The collection of laws under which the Census Bureau operates. This law guarantees the confidentiality of census information and establishes penalties for disclosing this information. It also provides the authorization for conducting censuses in Puerto Rico and the Island Areas.

### **Transitory Locations**

Sites that contain movable or mobile housing that may include transitory units such as boats, motorized recreational vehicles or trailers, tents, or other types of portable housing.

Transitory locations also include hotels or motels if being occupied on a transitory basis because the occupants have no other residence.

## **U**

### **Update Enumerate (UE)**

The UE operation is designed to update the address and feature data and enumerate respondents in person. UE is designated to occur in areas where the initial visit requires enumerating while updating the address frame, in particular in remote geographic areas that have unique challenges associated with accessibility.

### **Update Leave (UL)**

This operation is designed to update the address and feature data and leave a choice questionnaire package at every housing unit (HU) identified to allow the household to self-respond. UL is designed to occur in areas where the majority of HU do not either have mail delivered to the physical location of the housing unit, or the mail delivery information for the HU cannot be verified.

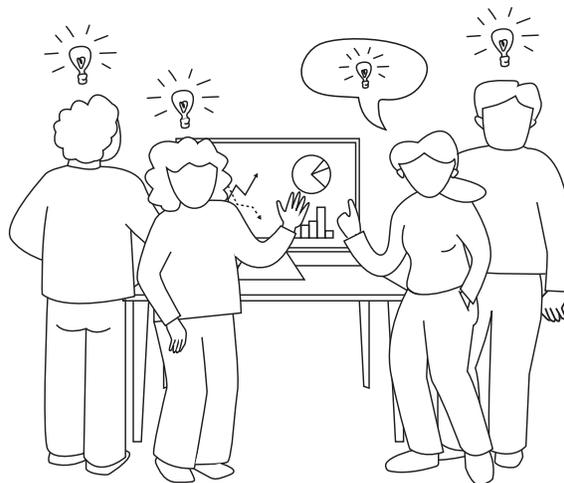
## **V**

### **Value Added**

Refers to any service or activity provided by partners that would ordinarily require payment such as room/space for training, use of staff time, and use of other business resources.

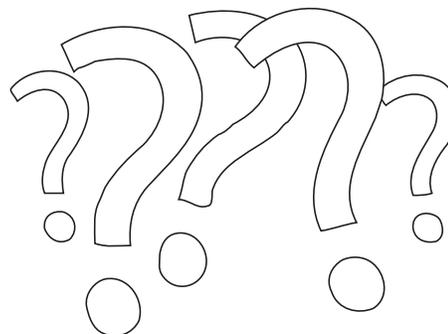
# What Is A Census Solutions Workshop?

A solutions workshop is a creative, collaborative, problem-solving event that brings together diverse thinkers. A Census Solutions Workshop generates new ways of communicating the importance of census data, reaching hard-to-count populations, and encouraging participation in Census Bureau surveys and programs.



## Why It Matters

A complete count ensures accurate census data that is critical for government programs, policies, and decision-making, but participation in Census Bureau surveys has declined in recent decades. We want to support your efforts to generate innovative and engaging ways to reach your communities.



## How Can You Host A Workshop?

Businesses, city officials, community-based organizations, or anyone else can host a workshop. We created a toolkit to give you step-by-step guidance on how to host one.

The toolkit is available at:  
[www.census.gov/partners](http://www.census.gov/partners).

For more information, please contact us at:  
[census.partners@census.gov](mailto:census.partners@census.gov).





# CONTACT INFORMATION

For additional information about the Complete Count Committee Program, please contact your regional census center.

If you reside in:	Please contact:
Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, and South Carolina	<b>ATLANTA</b> Atlanta.rcc.partnership@2020census.gov
Arkansas, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, and Wisconsin	<b>CHICAGO</b> Chicago.rcc.partnership@2020census.gov
Arizona, Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, South Dakota, Oklahoma, Texas, Utah, and Wyoming	<b>DALLAS</b> Dallas.rcc.partnership@2020census.gov
Alaska, California, Hawaii, Idaho, Nevada, Oregon, and Washington	<b>LOS ANGELES</b> Los.Angeles.rcc.partnership@2020census.gov
Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Puerto Rico	<b>NEW YORK</b> New.York.rcc.partnership@2020census.gov
Delaware, District of Columbia, Kentucky, Maryland, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia	<b>PHILADELPHIA</b> Philadelphia.rcc.partnership@2020census.gov

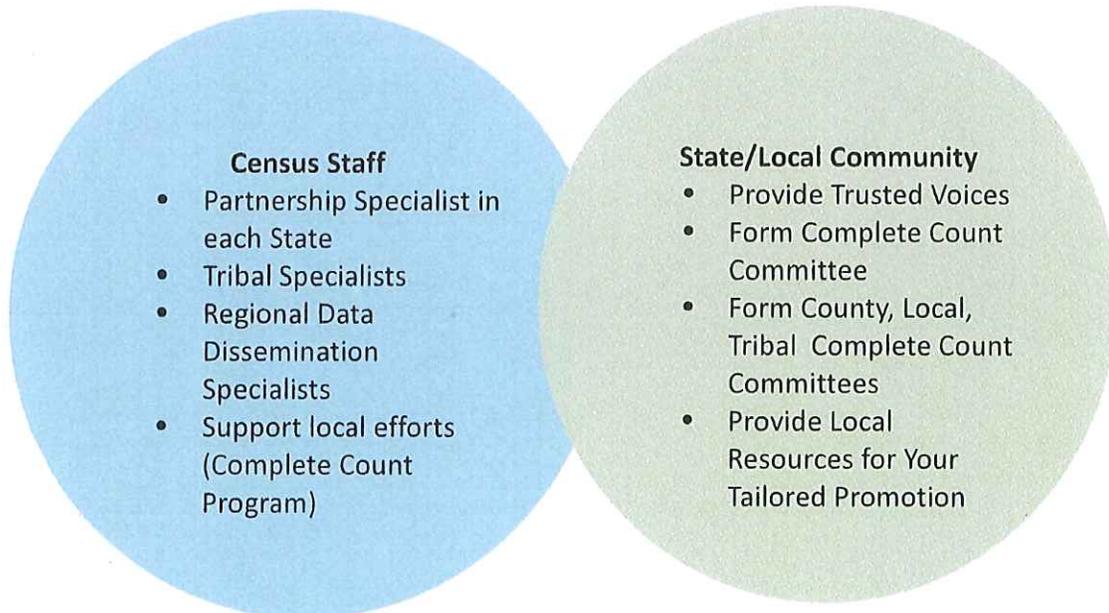
## Structure of a Complete Count Committee

The mayor/county official appoints the members of the Complete Count Committee. The key elements of a successful CCC are:

- **Outreach** - People who can communicate to hard-to-count groups
- **Resourceful** - People who can bring resources to the table
- **Decision-makers** - People who can approve initiatives
- **Credibility** - People of influence and respect
- **Commitment** - People willing to doing the work
- Bipartisan
- Representative of all major races and ethnicities within the community/emerging population
- Creation of a coalition of businesses, community groups, government officials and large university representatives



Once the committee is formed, the Census Partnership staff member serves as liaison and advisor to the Complete Count Committee. The Partnership staff member will attend the meetings in an advisory capacity.



## Suggested Subcommittees

**Government subcommittee** – Assists in all activities between the Census Bureau and the local government, such as participation in decennial geography programs, providing free space for Mobile Response Tables, recruitment and training, and identifying other resources for CCC activities.

**Education subcommittee**—Facilitates census awareness for local schools from prekindergarten through twelfth grade, as well as postsecondary education institutions in the area. Encourages school administrators, teachers, and students to use Statistics In Schools materials where appropriate.

**Faith-based subcommittee**—Creates and coordinates activities and materials that can be used by any local faith-based institution in the promotion of the 2020 Census for awareness and participation purposes.

**Media subcommittee**—Creates and facilitates ways to get the census message to all community residents, using all available sources such as social media, local newspapers, newsletters, fliers, local festivals, billboards, radio, and television.

**Community-based organizations subcommittee**—Collaborates with community organizations to inform residents of the importance of participating in the 2020 Census and the benefits derived from census data.

**Business subcommittee**—Creates and coordinates activities that involve businesses in census awareness, such as distribution of census information and census messages on packaging (grocery bags), and the inclusion of the census logo and message on sales promotion materials.

**Recruiting subcommittee**—Disseminates information about census job openings for the 2020 Census. Information will include the number of jobs available, types of jobs available, and the locations of testing and training sites.

The subcommittee chairpersons may recruit members for their respective teams. The ideal candidates for a **Complete Count Committee** are community members who have expertise, influence, and experience in the area of the respective committee. Committees are more productive and successful when they invest time, resources, and energy to this effort.

## Suggested Complete Count Committee Activities

**Develop an action plan** that will include activities, events, etc., which will support your efforts and help you meet your goals and objectives.

**Create ways to dispel myths** and alleviate fears about the privacy and confidentiality of census data.

**Encourage corporations and foundations** to become official sponsors of your census activities.

**Implement special events** that will generate interest and participation in the census.

**Plan a Census Day** event to motivate community response.





## CITY COUNCIL AGENDA ITEM COVER MEMO

March 18, 2019

**To:** Mayor and City Council  
**Agenda Item:** 2(c) Municipal Court Judge Contracts  
**Submitted by:** E. Joyce Iyamu, City Attorney

### SYNOPSIS

On February 18, 2019, Councilmembers voted to (1) reappoint Debra Sinclair as presiding judge and Robert Richter, Jr. and Robert Rosenberg as associate judges and (2) require City of Missouri City municipal court judges to enter into contracts with the City of Missouri City (the "City") detailing additional terms of their part-time employment. Councilmembers did not object to providing appointed judges with the draft contract that was provided to the Council on March 4, 2019. The draft contract included a provision that required Council to review judges annually. Councilmember Pearson asked staff to provide examples of assessment tools for judges that are utilized by other cities. Such assessments are attached. The judges were provided with the draft contract and returned their comments on the contract on or about Monday, March 11, 2019. Their comments are also attached. Council may accept or reject those comments at this time.

### BACKGROUND

The proposed changes to the draft contract include, but are not limited to, the following substantive items:

- Deletes Section 1.B regarding annual meetings for broad, general guidance;
- Adds language in Section 1.C that the judge may only be removed or replaced for cause;
- Deletes Section 2.C requiring judges to convey a sense of fairness and exhibit respect toward all persons;
- Amends language in Section 4 providing that a judge's duties don't include the management of administrative court personnel;
- Adds language requiring the presiding judge to coordinate dockets and the assignment of judges to facilitate dockets with the division director of court;
- Amends Section 7 to change the hourly rate from \$95 to \$100;
- Adds a new Section 8 and changes the training rate from \$250 a year to \$350 a year;
- Adds language to Section 9 providing that each judge will be provided notice and copies of any complaints, oral or written, upon receipt of such complaint by the city or a city employee and will be copied on any request by the city for additional information from the complainant; and
- Adds language to Section 9 that requires the city to give the judge 30 days' notice in advance of termination.

### BUDGET ANALYSIS

Payment for judges' compensation and training is taken from the budget of the municipal court.

### SUPPORTING MATERIALS

1. Judges' Comments on Draft Contract

2. Exhibit A, Description of Municipal Court Judge Duties – no comments received
3. Assessment tools for judges from the Cities of Rosenberg and Sugar Land
4. Compensation survey provided for Special Council meeting on February 18, 2019, by City Municipal Court staff
5. Confidential comparison chart of proposed changes with legal recommendations – to be provided to council only

**STAFF'S RECOMMENDATION**

Consider whether to authorize the execution of the contract with or without certain amendments.

**Director Approval:**

**E. Joyce Iyamu, City Attorney**

March 11, 2019

Maria Jackson

City Secretary

Missouri City, Texas

Dear Ms. Jackson,

I am forwarding a copy of the Draft contract you provided to me for review. My comments are included therein.

Some of my suggestions may require further explanation. I am available to provide said information.

I strongly urge the Mayor and City Council to consider adding provisions related to the Presiding Judge's duty to establish and maintain judicial administrative procedures. Failure to include said procedures will leave a gap in the construction of the judicial division. This will very likely result in a chaotic environment for everyone involved.

Again, I am available to speak with anyone regarding these suggested changes. Thank you for the opportunity to review the proposed contract.

Respectfully,

Debra Sinclair

**AGREEMENT BETWEEN  
THE CITY OF MISSOURI CITY AND DEBRA SINCLAIR  
FOR THE POSITION OF PRESIDING MUNICIPAL COURT JUDGE**

**STATE OF TEXAS**                   §  
  §  
**COUNTY OF FORT BEND**       §  
  §  
**CITY OF MISSOURI CITY**       §

**KNOW ALL PERSONS BY THESE PRESENTS**

THIS AGREEMENT made and entered into this \_\_\_\_\_, by and between the City of Missouri City Texas, a municipal corporation, hereinafter called "City," and \_\_\_\_\_, hereinafter called "Municipal Court Judge," both of whom understand as follows:

WITNESSETH:

WHEREAS, City desires to contract with \_\_\_\_\_ as one of several municipal court judges for the City of Missouri City Municipal Court (hereinafter "Municipal Court"), and, to the degree permitted pursuant to Section 4.03 and of the City Charter and other pertinent sections of the City Charter, ordinances and policies, desires to enter into this Agreement; and

WHEREAS, the governing body, hereinafter called "City Council" appointed \_\_\_\_\_ as presiding municipal court judge on \_\_\_\_\_, and hereby desires to establish certain conditions of work and payment of said Judge; and

WHEREAS, Municipal Court Judge desires to accept such conditions;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

**Section 1: Term**

- A. On \_\_\_\_\_, Municipal Court Judge was appointed for a two (2)-year term of office commencing on \_\_\_\_\_, and concluding on \_\_\_\_\_. This Contract is effective on \_\_\_\_\_, and shall terminate on \_\_\_\_\_. Pursuant to section 29.005 of the Texas Government Code, the Municipal Court Judge will continue to serve for another term of office beginning on the date a previous term of office expires if the City Council does not take any action by the 91st day following the expiration of such term of office.

- ~~B. Municipal Court Judge is an appointee of City Council from whom broad, general guidance is received, and such guidance shall be communicated through the City Council in annual meetings, which will be scheduled by the City Manager's office in collaboration with the City Secretary.~~
- € In accordance with the City Charter, Municipal Court Judge may be removed or replaced, for cause, at any time, at the discretion of the council, by vote of the majority of the entire council.

## **Section 2: Requirements and Standards**

- A. Municipal Court Judge shall be an attorney licensed and practicing in the State of Texas and must remain in good standing with the State Bar of Texas at all times during the term of this agreement. Municipal Court Judge is required to keep abreast of federal and state law and local ordinances, including State-mandated fees, as applicable to the City of Missouri City Municipal Court, as well as laws applicable to magistration duties, issuance of warrants and other judicial functions. Municipal Court Judge agrees to adjudicate consistently and within all applicable legal standards. Municipal Court Judge must maintain the minimum required continuing education requirements for municipal court judges.
- B. Municipal Court Judge shall comply with the Code of Judicial Conduct of the State of Texas.
- ~~C. Municipal Court Judge shall convey a sense of fairness and shall exhibit respect toward all persons.~~
- ~~D. For the duration of the Agreement, Municipal Court Judge shall provide his/her best efforts to respond physically, verbally or electronically to a request for service by the City within a reasonable time.~~

## **Section 3: Work and Benefits**

Municipal Court Judge will perform the duties of this Agreement. Municipal Court Judge will be free to contract to perform other municipal court services for other cities or entities while Municipal Court Judge is a part-time employee of the City. Within 30 days of the date on which the last party executes this Agreement, Municipal Court Judge shall notify the City in writing (by submission to the City Secretary) of all other employers and cities for which Municipal Court Judge provides services, including judicial and prosecutorial services, and will provide a revised notification within 30 days of any change to each submission. Municipal Court Judge is not entitled to participate in any leave accrual, pension plans, insurance programs or other similar benefits that City provides its full-time employees, except that Municipal Court Judge may participate in

retirement programs (457-type accounts) which are paid for or contributed to by Municipal Court Judge alone with no financial contribution by City. City shall deposit such amounts of Municipal Court Judge's gross income to any retirement accounts (457-type accounts) as Municipal Court Judge may direct.

#### **Section 4: Duties**

City Council has appointed Municipal Court Judge to perform the functions and duties specified in Section 4.03 of the City Charter and applicable provisions of the City Code and state laws and to perform such other legally permissible and proper duties and functions of Texas municipal court judges as City Council shall from time to time assign and as set forth in **Exhibit A, Description of Municipal Court Judge Duties**, to be maintained by the City, which in no way shall be inconsistent with state law. Likewise, Municipal Court Judge agrees to dutifully perform to the best of his or her ability, the functions and duties specified in Section 4.03 of the City Charter and applicable provisions of the City Code and state laws and to perform other legally permissible and proper duties and functions of Texas municipal court judges as directed from time to time by the City Council.

Municipal Court Judge acknowledges and agrees that Municipal Court Judge's duties do not include ~~court administration, including, but not limited to, management of Administrative court personnel outside of the courtroom.~~ Further, pursuant to Section 62-8 of the Missouri City Code, City staff shall facilitate the equitable scheduling of the court docket.

ADD: The Municipal Court Presiding Judge shall work with the Director to coordinate dockets and the assignment of Judges to facilitate said dockets.

~~The Presiding Judge shall coordinate and establish in collaboration and agreement with City staff and Each additional City Municipal Court Judge, if any, may establish and, if established, shall follow uniform and all established administrative processes or procedures.~~

Additionally, Municipal Court Judge shall, to the best of his or her ability:

- A. Attend Municipal Court Coordination Meetings, as scheduled, in order to foster communication and the efficient operation of Municipal Court.
- B. Work with the Divisional Director of the Municipal Court on matters relating to day-to-day court room operations to improve court room operations and/or to address concerns.
- C. Meet with City Council at City Council's ~~pleasure~~ discretion.

#### **Section 5: Court Hours**

It is recognized that City values the time of the defendants, witnesses and attorneys who attend Municipal Court proceedings. Municipal Court Judge recognizes that court dockets will be scheduled with such priority in mind, and that City has the prerogative to determine which days of the week and times of the day Court may be scheduled. Municipal Court Judge specifically recognizes that City may schedule evening dockets. Municipal Court Judge shall notify the Divisional Director of the Municipal Court if the Municipal Court Judge is unable to attend a scheduled court docket or has asked another judge to attend a scheduled court docket on behalf of the Municipal Court Judge. If the Municipal Court Judge has asked another judge to attend a scheduled court docket on behalf of the Municipal Court Judge, the Municipal Court Judge shall provide the Divisional Director of the Municipal Court with the name of the substitute judge.

### **Section 6: Outside Activities**

Municipal Court Judge's outside activities shall not interfere, conflict or curtail any obligations or responsibilities required under this Agreement. Municipal Court Judge shall not represent clients whose interests may be adverse to City. ~~Municipal Court Judge shall notify City in writing of outside employment activities as provided by Section 3.~~

### **Section 7: Compensation**

Except as provided herein, as compensation for all required services, City agrees to pay Municipal Court Judge ~~\$95~~\$100 per hour. As compensation for jail visits on days on which the Municipal Court Judge is not serving as a judge on a scheduled Municipal Court docket, City agrees to pay Municipal Court Judge \$100 per jail visit, provided that Municipal Court Judge shall review pending paperwork, if any, after a jail visit that does not last for the duration of one hour.

### **Section 8: Judicial Training Budget**

City shall reimburse Municipal Court Judge for the cost of registration, hotel, travel and reasonable meals upon presentation of documentation of such expense for judicial training. Such reimbursement shall not exceed ~~\$250~~\$350 per year.

### **Section 89: Assessment Review**

Municipal Court Judge shall meet in reference to ~~an assessment~~ review with City Council at City Council's ~~pleasure~~request, but at least once per calendar year. Such ~~assessment~~review may occur concurrently with the annual meeting to be held between the City Council and the Municipal Court Judge. ~~Assessment~~Review meetings will be scheduled by the City Manager's office in collaboration with the City Secretary. Written or verbal complaints related to such Municipal Court Judge may be addressed during such annual ~~assessment~~ meeting. Each municipal court judge shall be provided notice and copy of any complaints, written or verbal, on receipt of such complaint by the City or

any employee of the City, shall be copied on any request by City to complainant for additional information.

**Section 910: Resignation**

In the event Municipal Court Judge voluntarily resigns or City wishes to terminate Municipal Court Judge from his or her appointment during the term of the appointment, Municipal Court Judge shall give City at least 30 days' notice in advance, and City shall give Municipal Court Judge at least 30 days' notice in advance of any termination by City, unless the parties agree otherwise in writing.

**Section 101: Notices**

Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

City: Mayor  
City of Missouri City  
1522 Texas Parkway  
Missouri City, Texas 77489

Municipal Court Judge: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Either party must give the other 10 days advance notice of a change in address.

**Section 142: General Provisions**

- A. The text herein shall constitute the entire Agreement between the parties with respect to the subject matter hereof. Any previous agreements, whether such be written or verbal, are hereby rescinded.
- B. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.
- C. This Agreement may not be assigned in whole or in part without the other party's prior written approval.
- D. Any failure by either party to insist upon strict performance by the other party shall not be deemed a waiver thereof or of any other provision hereof, and such

party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

- E. To the extent not inconsistent with this Agreement, each party reserves all rights, privileges, and immunities under applicable laws.
- F. The construction and validity of this Agreement shall be governed by the laws of the State of Texas without regard to conflicts of law principles. Venue shall be in Fort Bend County, Texas.
- G. If Municipal Court Judge files or prosecutes a lawsuit relating to this Agreement, Municipal Court Judge will not be entitled to an award of attorney's fees.
- H. Pursuant to section 2270.002, Texas Government Code, by executing this Agreement, Municipal Court Judge hereby represents, warrants, and verifies that Municipal Court Judge: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.
- I. Pursuant to section 2252.152, Texas Government Code, Municipal Court Judge warrants, represents, and agrees that Municipal Court Judge is not identified on a list prepared and maintained by the Texas Comptroller of Public Accounts as a company that engages in business with Sudan, Iran or a foreign terrorist organization.

IN WITNESS WHEREOF, the City of Missouri City, Texas, has caused this Agreement to be signed and executed in its behalf by its Mayor, Yolanda Ford, and duly attested to by its City Secretary, and Municipal Court Judge has signed and executed this Agreement, both in duplicate, the day and year first written below.

CITY:

MUNCIPAL COURT JUDGE:

\_\_\_\_\_  
Yolanda Ford  
Mayor

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

ATTEST:

---

Maria Jackson  
City Secretary

---

Date

DRAFT

**AGREEMENT BETWEEN  
THE CITY OF MISSOURI CITY AND \_\_\_\_\_  
FOR THE POSITION OF ASSOCIATE MUNICIPAL COURT JUDGE**

**STATE OF TEXAS**                   §  
  §  
**COUNTY OF FORT BEND**       §  
  §  
**CITY OF MISSOURI CITY**      §

**KNOW ALL PERSONS BY THESE PRESENTS**

THIS AGREEMENT made and entered into this \_\_\_\_\_, by and between the City of Missouri City Texas, a municipal corporation, hereinafter called "City," and \_\_\_\_\_, hereinafter called "Municipal Court Judge," both of whom understand as follows:

WITNESSETH:

WHEREAS, City desires to contract with \_\_\_\_\_ as one of several municipal court judges for the City of Missouri City Municipal Court (hereinafter "Municipal Court"), and, to the degree permitted pursuant to Section 4.03 and of the City Charter and other pertinent sections of the City Charter, ordinances and policies, desires to enter into this Agreement; and

WHEREAS, the governing body, hereinafter called "City Council" appointed \_\_\_\_\_ as associate municipal court judge on \_\_\_\_\_, and hereby desires to establish certain conditions of work and payment of said Judge; and

WHEREAS, Municipal Court Judge desires to accept such conditions;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

**Section 1: Term**

- A. On \_\_\_\_\_, Municipal Court Judge was appointed for a two (2)-year term of office commencing on \_\_\_\_\_, and concluding on \_\_\_\_\_. This Contract is effective on \_\_\_\_\_, and shall terminate on \_\_\_\_\_. Pursuant to section 29.005 of the Texas Government Code, the Municipal Court Judge will continue to serve for another term of office beginning on the date a previous term of office expires if the City Council does not take any action by the 91st day following the expiration of such term of office.

- ~~B. Municipal Court Judge is an appointee of City Council from whom broad, general guidance is received, and such guidance shall be communicated through the City Council in annual meetings, which will be scheduled by the City Manager's office in collaboration with the City Secretary.~~
- € In accordance with the City Charter, Municipal Court Judge may be removed or replaced, for cause, at any time, at the discretion of the council, by vote of the majority of the entire council.

## **Section 2: Requirements and Standards**

- A. Municipal Court Judge shall be an attorney licensed and practicing in the State of Texas and must remain in good standing with the State Bar of Texas at all times during the term of this agreement. Municipal Court Judge is required to keep abreast of federal and state law and local ordinances, including State-mandated fees, as applicable to the City of Missouri City Municipal Court, as well as laws applicable to magistration duties, issuance of warrants and other judicial functions. Municipal Court Judge agrees to adjudicate consistently and within all applicable legal standards. Municipal Court Judge must maintain the minimum required continuing education requirements for municipal court judges.
- B. Municipal Court Judge shall comply with the Code of Judicial Conduct of the State of Texas.
- ~~C. Municipal Court Judge shall convey a sense of fairness and shall exhibit respect toward all persons.~~
- ~~D. For the duration of the Agreement, Municipal Court Judge shall provide his/her best efforts to respond physically, verbally or electronically to a request for service by the City within a reasonable time.~~

## **Section 3: Work and Benefits**

Municipal Court Judge will perform the duties of this Agreement. Municipal Court Judge will be free to contract to perform other municipal court services for other cities or entities while Municipal Court Judge is a part-time employee of the City. Within 30 days of the date on which the last party executes this Agreement, Municipal Court Judge shall notify the City in writing (by submission to the City Secretary) of all other employers and cities for which Municipal Court Judge provides services, including judicial and prosecutorial services, and will provide a revised notification within 30 days of any change to each submission. Municipal Court Judge is not entitled to participate in any leave accrual, pension plans, insurance programs or other similar benefits that City provides its full-time employees, except that Municipal Court Judge may participate in

retirement programs (457-type accounts) which are paid for or contributed to by Municipal Court Judge alone with no financial contribution by City. City shall deposit such amounts of Municipal Court Judge's gross income to any retirement accounts (457-type accounts) as Municipal Court Judge may direct.

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City Council has appointed Municipal Court Judge to perform the functions and duties specified in Section 4.03 of the City Charter and applicable provisions of the City Code and state laws and to perform such other legally permissible and proper duties and functions of Texas municipal court judges as City Council shall from time to time assign and as set forth in **Exhibit A, Description of Municipal Court Judge Duties**, to be maintained by the City, which in no way shall be inconsistent with state law. Likewise, Municipal Court Judge agrees to dutifully perform to the best of his or her ability, the functions and duties specified in Section 4.03 of the City Charter and applicable provisions of the City Code and state laws and to perform other legally permissible and proper duties and functions of Texas municipal court judges as directed from time to time by the City Council.

Municipal Court Judge acknowledges and agrees that Municipal Court Judge's duties do not include ~~court administration, including, but not limited to, management of Administrative court personnel outside of the courtroom.~~ Further, pursuant to Section 62-8 of the Missouri City Code, City staff shall facilitate the equitable scheduling of the court docket. The Municipal Court Presiding Judge shall work with the Director to coordinate dockets and the assignment of Judges to facilitate said dockets., in collaboration and agreement with City staff and Each additional City Municipal Court Judge, if any, may establish and, if established, shall follow uniform and all established administrative processes or procedures.

Additionally, Municipal Court Judge shall, to the best of his or her ability:

- A. Attend Municipal Court Coordination Meetings, as scheduled, in order to foster communication and the efficient operation of Municipal Court.
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- C. Meet with City Council at City Council's ~~pleasure~~discretion.

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Municipal Court Judge specifically recognizes that City may schedule evening dockets. Municipal Court Judge shall notify the Divisional Director of the Municipal Court if the Municipal Court Judge is unable to attend a scheduled court docket or has asked another judge to attend a scheduled court docket on behalf of the Municipal Court Judge. If the Municipal Court Judge has asked another judge to attend a scheduled court docket on behalf of the Municipal Court Judge, the Municipal Court Judge shall provide the Divisional Director of the Municipal Court with the name of the substitute judge.

### **Section 6: Outside Activities**

Municipal Court Judge's outside activities shall not interfere, conflict or curtail any obligations or responsibilities required under this Agreement. Municipal Court Judge shall not represent clients whose interests may be adverse to City. ~~Municipal Court Judge shall notify City in writing of outside employment activities as provided by Section 3.~~

### **Section 7: Compensation**

Except as provided herein, as compensation for all required services, City agrees to pay Municipal Court Judge ~~\$95~~100 per hour. As compensation for jail visits on days on which the Municipal Court Judge is not serving as a judge on a scheduled Municipal Court docket, City agrees to pay Municipal Court Judge \$100 per jail visit, provided that Municipal Court Judge shall review pending paperwork, if any, after a jail visit that does not last for the duration of one hour.

### **Section 8: Judicial Training Budget**

City shall reimburse Municipal Court Judge for the cost of registration, hotel, travel and reasonable meals upon presentation of documentation of such expense for judicial training. Such reimbursement shall not exceed ~~\$250~~350 per year.

### **Section 89: Assessment Review**

Municipal Court Judge shall meet in reference to ~~an assessment~~ review with City Council at City Council's ~~pleasure~~request, but at least once per calendar year. Such ~~assessment~~review may occur concurrently with the annual meeting to be held between the City Council and the Municipal Court Judge. ~~Assessment~~Review meetings will be scheduled by the City Manager's office in collaboration with the City Secretary. Written or verbal complaints related to such Municipal Court Judge may be addressed during such annual ~~assessment~~ meeting. Each municipal court judge shall be provided notice and copy of any complaints, written or verbal, on receipt of such complaint by the City or any employee of the City, shall be copied on any request by City to complainant for additional information.

### **Section 910: Resignation**

In the event Municipal Court Judge voluntarily resigns or City wishes to terminate Municipal Court Judge from his or her appointment during the term of the appointment, Municipal Court Judge shall give City at least 30 days' notice in advance, and City shall give Municipal Court Judge at least 30 days' notice in advance of any termination by City, unless the parties agree otherwise in writing.

**Section 101: Notices**

Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

City: Mayor  
City of Missouri City  
1522 Texas Parkway  
Missouri City, Texas 77489

Municipal Court Judge: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Either party must give the other 10 days advance notice of a change in address.

**Section 142: General Provisions**

- A. The text herein shall constitute the entire Agreement between the parties with respect to the subject matter hereof. Any previous agreements, whether such be written or verbal, are hereby rescinded.
- B. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.
- C. This Agreement may not be assigned in whole or in part without the other party's prior written approval.
- D. Any failure by either party to insist upon strict performance by the other party shall not be deemed a waiver thereof or of any other provision hereof, and such party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement.
- E. To the extent not inconsistent with this Agreement, each party reserves all rights, privileges, and immunities under applicable laws.

- F. The construction and validity of this Agreement shall be governed by the laws of the State of Texas without regard to conflicts of law principles. Venue shall be in Fort Bend County, Texas.
- G. If Municipal Court Judge files or prosecutes a lawsuit relating to this Agreement, Municipal Court Judge will not be entitled to an award of attorney's fees.
- H. Pursuant to section 2270.002, Texas Government Code, by executing this Agreement, Municipal Court Judge hereby represents, warrants, and verifies that Municipal Court Judge: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.
- I. Pursuant to section 2252.152, Texas Government Code, Municipal Court Judge warrants, represents, and agrees that Municipal Court Judge is not identified on a list prepared and maintained by the Texas Comptroller of Public Accounts as a company that engages in business with Sudan, Iran or a foreign terrorist organization.

IN WITNESS WHEREOF, the City of Missouri City, Texas, has caused this Agreement to be signed and executed in its behalf by its Mayor, Yolanda Ford, and duly attested to by its City Secretary, and Municipal Court Judge has signed and executed this Agreement, both in duplicate, the day and year first written below.

CITY:

MUNICIPAL COURT JUDGE:

\_\_\_\_\_  
 Yolanda Ford  
 Mayor

\_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Date

ATTEST:

\_\_\_\_\_  
 Maria Jackson  
 City Secretary

\_\_\_\_\_  
 Date

**AGREEMENT BETWEEN  
THE CITY OF MISSOURI CITY AND ROBERT V. ROSENBERG  
FOR THE POSITION OF ASSOCIATE MUNICIPAL COURT JUDGE**

**STATE OF TEXAS**                   §  
  §  
**COUNTY OF FORT BEND**       §  
  §  
**CITY OF MISSOURI CITY**      §

**KNOW ALL PERSONS BY THESE PRESENTS**

THIS AGREEMENT made and entered into this \_\_\_\_\_ by and between the City of Missouri City Texas, a municipal corporation, hereinafter called "City," and ROBERT V. ROSENBERG, hereinafter called "Municipal Court Judge," both of whom understand as follows:

WITNESSETH:

WHEREAS, City desires to contract with ROBERT V. ROSENBERG as one of several municipal court judges for the City of Missouri City Municipal Court (hereinafter "Municipal Court"), and, to the degree permitted pursuant to Section 4.03 and of the City Charter and other pertinent sections of the City Charter, ordinances and policies, desires to enter into this Agreement; and

WHEREAS, the governing body, hereinafter called "City Council" appointed ROBERT V. ROSENBERG as Alternate Municipal Court Judge on \_\_\_\_\_, and hereby desires to establish certain conditions of work and payment of said Judge; and

WHEREAS, Municipal Court Judge desires to accept such conditions;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

**Section 1: Term**

- A. On \_\_\_\_\_, Municipal Court Judge was appointed for a two (2)-year term of office commencing on \_\_\_\_\_, and concluding on \_\_\_\_\_. This Contract is effective on \_\_\_\_\_, and shall terminate on \_\_\_\_\_. Pursuant to section 29.005 of the Texas Government Code, the Municipal Court Judge will continue to serve for another term of office beginning on the date a previous term of office expires if the City Council does not take any action by the 91st day following the expiration of such term of office.

- ~~B. Municipal Court Judge is an appointee of City Council from whom broad, general guidance is received, and such guidance shall be communicated through the City Council in annual meetings, which will be scheduled by the City Manager's office in collaboration with the City Secretary.~~
- € In accordance with the City Charter, Municipal Court Judge may be removed or replaced, for cause, at any time, at the discretion of the council, by vote of the majority of the entire council.

## **Section 2: Requirements and Standards**

- A. Municipal Court Judge shall be an attorney licensed and practicing in the State of Texas and must remain in good standing with the State Bar of Texas at all times during the term of this agreement. Municipal Court Judge is required to keep abreast of federal and state law and local ordinances, including State-mandated fees, as applicable to the City of Missouri City Municipal Court, as well as laws applicable to magistration duties, issuance of warrants and other judicial functions. Municipal Court Judge agrees to adjudicate consistently and within all applicable legal standards. Municipal Court Judge must maintain the minimum required continuing education requirements for municipal court judges.
- B. Municipal Court Judge shall comply with the Code of Judicial Conduct of the State of Texas.
- ~~C. Municipal Court Judge shall convey a sense of fairness and shall exhibit respect toward all persons.~~
- ~~D. For the duration of the Agreement, Municipal Court Judge shall provide his/her best efforts to respond physically, verbally or electronically to a request for service by the City within a reasonable time.~~

## **Section 3: Work and Benefits**

Municipal Court Judge will perform the duties of this Agreement. Municipal Court Judge will be free to contract to perform other municipal court services for other cities or entities while Municipal Court Judge is a part-time employee of the City. Within 30 days of the date on which the last party executes this Agreement, Municipal Court Judge shall notify the City in writing (by submission to the City Secretary) of all other employers and cities for which Municipal Court Judge provides services, including judicial and prosecutorial services, and will provide a revised notification within 30 days of any change to each submission. Municipal Court Judge is not entitled to participate in any leave accrual, pension plans, insurance programs or other similar benefits that City provides its full-time employees, except that Municipal Court Judge may participate in

retirement programs (457-type accounts) which are paid for or contributed to by Municipal Court Judge alone with no financial contribution by City. City shall deposit such amounts of Municipal Court Judge's gross income to any retirement accounts (457-type accounts) as Municipal Court Judge may direct.

#### **Section 4: Duties**

City Council has appointed Municipal Court Judge to perform the functions and duties specified in Section 4.03 of the City Charter and applicable provisions of the City Code and state laws and to perform such other legally permissible and proper duties and functions of Texas municipal court judges as City Council shall from time to time assign and as set forth in **Exhibit A, Description of Municipal Court Judge Duties**, to be maintained by the City, which in no way shall be inconsistent with state law. Likewise, Municipal Court Judge agrees to dutifully perform to the best of his or her ability, the functions and duties specified in Section 4.03 of the City Charter and applicable provisions of the City Code and state laws and to perform other legally permissible and proper duties and functions of Texas municipal court judges as directed from time to time by the City Council.

Municipal Court Judge acknowledges and agrees that Municipal Court Judge's duties do not include ~~court administration, including, but not limited to,~~ management of court personnel outside of the courtroom. Further, pursuant to Section 62-8 of the Missouri City Code, City staff shall facilitate the equitable scheduling of the court docket with the presiding municipal court judge. The Municipal Court Judge, in collaboration and agreement with City staff and each additional City judge, if any, may establish and, if established, shall follow uniform administrative processes or procedures.

Additionally, Municipal Court Judge shall, to the best of his or her ability:

- A. Attend Municipal Court Coordination Meetings, as scheduled, in order to foster communication and the efficient operation of Municipal Court.
- B. Work with the Divisional Director of the Municipal Court on matters relating to day-to-day court room operations to improve court room operations and/or to address concerns.
- C. Meet with City Council at City Council's pleasure.

#### **Section 5: Court Hours**

It is recognized that City values the time of the defendants, witnesses and attorneys who attend Municipal Court proceedings. Municipal Court Judge recognizes that court dockets will be scheduled with such priority in mind, and that City has the prerogative to determine which days of the week and times of the day Court may be scheduled. Municipal Court Judge specifically recognizes that City may schedule evening dockets. Municipal Court Judge shall notify the Divisional Director of the Municipal Court if the

Municipal Court Judge is unable to attend a scheduled court docket or has asked another judge to attend a scheduled court docket on behalf of the Municipal Court Judge. If the Municipal Court Judge has asked another judge to attend a scheduled court docket on behalf of the Municipal Court Judge, the Municipal Court Judge shall provide the Divisional Director of the Municipal Court with the name of the substitute judge.

### **Section 6: Outside Activities**

Municipal Court Judge's outside activities shall not interfere, conflict or curtail any obligations or responsibilities required under this Agreement. Municipal Court Judge shall not represent clients whose interests may be adverse to City. ~~Municipal Court Judge shall notify City in writing of outside employment activities as provided by Section 3.~~

### **Section 7: Compensation**

Except as provided herein, as compensation for all required services, City agrees to pay Municipal Court Judge ~~\$95~~100 per hour. As compensation for jail visits on days on which the Municipal Court Judge is not serving as a judge on a scheduled Municipal Court docket, City agrees to pay Municipal Court Judge \$100 per jail visit, provided that Municipal Court Judge shall review pending paperwork, if any, after a jail visit that does not last for the duration of one hour. City shall reimburse Municipal Court Judge for the cost of registration, hotel, travel and reasonable meals upon presentation of documentation of such expense for judicial training. Such reimbursement shall not exceed ~~\$250~~350 per year.

### **Section 8: AssessmentReview**

Municipal Court Judge shall meet in reference to ~~an assessment~~ review with City Council at City Council's pleasure, but at least once per calendar year. Such assessment review may occur concurrently with the annual meeting to be held between the City Council and the Municipal Court Judge. AssessmentReview meetings will be scheduled by the City Manager's office in collaboration with the City Secretary. Written or verbal complaints related to such Municipal Court Judge may be addressed during such annual ~~assessment~~ meeting. Presiding municipal court judge shall be provided notice and copy of any complaints, written or verbal, on receipt of such complaint by the City or any employee of the City, shall be copied on any request by City to complainant for additional information.

### **Section 9: Resignation**

In the event Municipal Court Judge voluntarily resigns or City wishes to terminate Municipal Court Judge from his or her appointment during the term of the appointment, Municipal Court Judge shall give City at least 30 days' notice in advance, and City shall give Municipal Court Judge at least 30 days' notice in advance of any termination by City, unless the parties agree otherwise in writing.

**Section 10: Notices**

Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

City: Mayor  
City of Missouri City  
1522 Texas Parkway  
Missouri City, Texas 77489

Municipal Court Judge: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Either party must give the other 10 days advance notice of a change in address.

**Section 11: General Provisions**

- A. The text herein shall constitute the entire Agreement between the parties with respect to the subject matter hereof. Any previous agreements, whether such be written or verbal, are hereby rescinded.
- B. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.
- C. This Agreement may not be assigned in whole or in part without the other party's prior written approval.
- D. Any failure by either party to insist upon strict performance by the other party shall not be deemed a waiver thereof or of any other provision hereof, and such party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement.
- E. To the extent not inconsistent with this Agreement, each party reserves all rights, privileges, and immunities under applicable laws.
- F. The construction and validity of this Agreement shall be governed by the laws of the State of Texas without regard to conflicts of law principles. Venue shall be in Fort Bend County, Texas.

- G. If Municipal Court Judge files or prosecutes a lawsuit relating to this Agreement, Municipal Court Judge will not be entitled to an award of attorney’s fees.
- H. Pursuant to section 2270.002, Texas Government Code, by executing this Agreement, Municipal Court Judge hereby represents, warrants, and verifies that Municipal Court Judge: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.
- I. Pursuant to section 2252.152, Texas Government Code, Municipal Court Judge warrants, represents, and agrees that Municipal Court Judge is not identified on a list prepared and maintained by the Texas Comptroller of Public Accounts as a company that engages in business with Sudan, Iran or a foreign terrorist organization.

IN WITNESS WHEREOF, the City of Missouri City, Texas, has caused this Agreement to be signed and executed in its behalf by its Mayor, Yolanda Ford, and duly attested to by its City Secretary, and Municipal Court Judge has signed and executed this Agreement, both in duplicate, the day and year first written below.

CITY:

MUNICIPAL COURT JUDGE:

\_\_\_\_\_  
 Yolanda Ford  
 Mayor

\_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Date

ATTEST:

\_\_\_\_\_  
 Maria Jackson  
 City Secretary

\_\_\_\_\_  
 Date

**Exhibit A**  
**Description of Municipal Court Judge Duties**

A. Presides over judicial business of the court

1. Sets bonds and fine amounts other than those mandated by state law and City Ordinance.
2. Presides over arraignments:
  - a. Advises defendants of certain court procedures
  - b. Takes defendants' plea
3. Presides over bench trials:
  - a. Decides all questions of the law
  - b. Hears evidence
  - c. Renders appropriate judgment and sentences thereon
4. Presides over jury trials:
  - a. Rules on challenges to jurors for cause
  - b. Presides over the conduct of the trial
  - c. Decides all questions of the law
  - d. Charges the jury
  - e. Renders appropriate judgment and sentences thereon
5. Handles miscellaneous court proceedings:
  - a. Conducts pretrial hearings
  - b. Rules on pretrial motions as required
  - c. Holds contempt hearings as required
  - d. Holds indigent hearings as required
  - e. Reviews correspondence and court paperwork in a *timely* manner
  - f. Makes determinations on release of judicial records and court case records
  - g. Reviews and approves bond forfeitures proceedings as required
  - h. Conducts show cause hearings as required
  - i. Rules on continuances
  - j. Rules on motions for new trials
  - k. Rules on motions for directed verdicts
  - l. Conducts arraignments for jail and bond cases
  - m. Administers oaths and affirmations
  - n. Conducts stolen property hearings

B. Serves as magistrate of the State of Texas for Missouri City cases

1. Handles miscellaneous duties as magistrate
2. Administers magistrate warnings to defendants of Missouri City cases

3. Sets and forfeits bail
  4. Issues search and arrest warrants
  5. Reviews affidavit for sufficiency of facts and determination of probable cause
  6. Handles juvenile warnings and statements
- C. Provides input for efficient operations of Municipal Courtroom
  - D. Municipal Court Judge shall learn the organizational and operating details of the court system and shall be adept at utilizing a computer, software, electronic records and the court's case management system.
  - E. Supports, to the extent allowed by the Municipal Court Judge's role and judicial responsibilities, departmental and organizational initiatives
  - F. Exhibits respect towards all persons, including, but not limited to, residents, City employees, and elected officials.

**CITY OF ROSENBERG  
2018 PERFORMANCE REVIEW**

**MANAGEMENT/SUPERVISORY PERSONNEL**

<b>Employee Name:</b>	<b>Position:</b>	
<b>Department:</b>	<b>Division:</b>	<b>Hire Date:</b>

**Purpose:** The performance review is utilized by the City of Rosenberg to:

- Work toward the attainment of the City’s mission, goals and objectives
- Inform the employee of his/her strengths, weaknesses and progress
- Improve and develop employee skills, performance and productivity
- Strengthen working relationships and improve communication
- Recognize accomplishments and exceptional performance
- Determine merit advancement

**Instructions:**

- Review the agreed upon goals and objectives and record as follows:
  - Mark the “Completed” or “In Progress” box
  - Mark the appropriate measure – “Above Target”, “On Target”, or “Below Target”
  - Provide written comments to justify each rating
- Where the employee is rated as “Below Target”, it is mandatory that remarks be included on Performance Improvement Plan which indicates how the employee can reach an acceptable level of performance by the next evaluation.

**Rating Level Definitions:**

- *Above Target:* Employees are those quality contributors who make a significant difference to the organization by achieving challenging objectives. Their overall performance regularly exceeds performance standards. Others recognize them as being critical to the team’s success.
- *On Target:* Employees contribute to the organization and meet all performance standards. They are recognized as being essential to their job function. They are valued team members and individual contributors.
- *Below Target:* Employees are not satisfactorily contributing to the organization because they have not consistently met the performance standards required for their job function. They should be provided with a structured performance improvement plan.

GOALS/OBJECTIVES	STATUS	MEASURE	COMMENTS ON ACHIEVEMENT
1.	<input type="checkbox"/> Completed <input type="checkbox"/> In Progress	<input type="checkbox"/> Above Target <input type="checkbox"/> On Target <input type="checkbox"/> Below Target	

2.	<input type="checkbox"/> Completed <input type="checkbox"/> In Progress	<input type="checkbox"/> Above Target <input type="checkbox"/> On Target <input type="checkbox"/> Below Target	
3.	<input type="checkbox"/> Completed <input type="checkbox"/> In Progress	<input type="checkbox"/> Above Target <input type="checkbox"/> On Target <input type="checkbox"/> Below Target	

### **DIMENSIONS**

**Instructions:**

- Review the defined dimensions and record the appropriate rating.
- Provide written comments to justify each rating.
- Where the employee is rated as "Unsatisfactory", it is mandatory that remarks be included on the Performance Improvement Plan which indicates how the employee can reach an acceptable level of performance by the next evaluation.

**Rating Level Definitions:**

- **Exceptional:** Performance greatly surpasses the job requirements. Job performance is extraordinary and goes well beyond what is expected of an employee in this job. Little or no day-to-day supervision required.
- **Commendable:** Performance exceeds the job requirements. Job performance is excellent and above what is expected of an employee in this job. The employee requires less than usual supervision.
- **Meets Expectations:** Performance satisfies the job requirements. The employee is doing the job at the level expected for employees in this position. Usual levels of supervision are needed.
- **Unsatisfactory:** Performance generally fails to meet job requirements. Employee requires high levels of supervision.

<b>DIMENSIONS</b>	<b>COMMENTS</b>
<b><i>Customer Service:</i></b> Makes internal and external customers and their needs a primary focus of his/her actions. Develops and sustains productive customer relationships. <b>(15)</b>	
<b><i>Communication:</i></b> Effective in expressing ideas orally and in writing, providing relevant and timely information to superiors, co-workers, subordinates and outside business contacts. Listens to and understands others. <b>(5)</b>	

<b>Quantity/Quality of Work:</b> Generates the amount of work expected on schedule with accuracy, neatness and thoroughness. <b>(30)</b>	
<b>Teamwork:</b> Cooperation, tact and effectiveness in handling situations with superiors, co-workers, subordinates and citizens. Awareness of, and ability to cope with, conflicting points of view; utilizes tolerance, patience and understanding. <b>(10)</b>	
<b>Initiative/Motivation:</b> Useful thinking, innovation and capacity for appropriate independent action. Ability to encourage others to perform at their maximum ability and handle new tasks. <b>(10)</b>	
<b>Planning/Organizing:</b> Establishes a course of action and priorities for self and others to accomplish goals; structures or arranges resources to accomplish objectives. Ability to plan ahead, schedule work, set realistic goals; anticipate and prepare for future assignments, set logical priorities and use time wisely. <b>(25)</b>	
<b>Dependability/Attendance:</b> Reliable on the job including absenteeism, tardiness and breaks. Normally completes an assignment before the deadline. <b>(5)</b>	

<b>ADDITIONAL COMMENTS:</b>

<b>EMPLOYEE'S COMMENTS:</b>

\_\_\_\_\_  
Employee's Signature/Date

\_\_\_\_\_  
Supervisor's Signature/Date

\_\_\_\_\_  
Department Head Signature/Date

## FY18 MUNICIPAL JUDGE PERFORMANCE PLAN & EVALUATION FORM

The Council Compensation Committee (Committee) will work with the Municipal Court Judge (Judge) each year to set a Performance Plan that incorporates measures, goals and expectations for the evaluation period. Then, the Committee will meet mid-year with the Judge to discuss.

The Municipal Court Administrator and the Director of Finance (or designee) will collect and analyze data regarding each factor to provide to the Committee for the evaluation process or as requested.

The Director of Human Resources will send evaluation forms to the Judge's Peer Group for individual comments and feedback. The Peer Group includes, but may not be limited to, the Associate Judges, Municipal Court Administrator, City Attorney and/or Prosecutor, Chief of Police, Director of Environmental and Neighborhood Services (Code & Animal Services), and the Assistant City Manager over Municipal Court. Peer Group data will be collected and summarized by Human Resources for the Committee to use in the evaluation document.

### SECTION I: C H A M P S

#### CHAMPION EMPLOYEES

*Viewing employees as stakeholders; recognizing and encouraging valued behaviors; providing opportunities to develop competencies; competitively compensating; celebrating successes; encouraging initiative; providing fair and equal treatment; sustaining a reputation of strong character and a high level of performance.*

#### HONEST AND OPEN COMMUNICATIONS

*Open honest and with respect; talk straight even when it is hard; tell the whole story; we encourage feedback at all levels; really listen and hear what the other person is saying; communicate up, down, and sideways.*

#### ACCOUNTABILITY

*Owning our jobs; being responsible for our actions and behavior; holding others accountable; cost conscious; looking for innovative ways to save public funds; avoiding wastefulness; delivering results not excuses; keeping commitments.*

#### MULTICULTURAL

*Being open and respectful of racial, generational, and cultural backgrounds of others; pursuing an understanding of other cultures in our community and organization; taking steps to increase communication with all segments of our community.*

#### PEOPLE FIRST

*Building relationships with fellow employees; thinking in the best interest of others even when difficult; taking time to know fellow employees; putting ourselves in the other person's shoes; keeping a sense of humor; creating a family feel with our team and other employees; appropriate recognition.*

#### SUPERIOR SERVICE:

*Being responsive, honest, accurate; planning well; following through on what we say we will do; being accommodating, considerate, courteous, transparent; being realistic; managing expectations when necessary – telling customers no in the right way; being supportive yet consistent; going the extra mile; treating others as you want to be treated and as they want to be treated.*

#### GOALS

The Municipal Judge shall exemplify the City's CHAMPS values and shall comply with 1) the Texas Code of Judicial Conduct, 2) Federal, State and Local laws and ordinances, and 3) City policy and procedures as he carries out the duties and responsibilities of his position and in the execution of his daily tasks.

**SELF EVALUATION:**

**PEER RATING:**

**SECTION II: DUTIES AND RESPONSIBILITIES**

The following three factors identify the Judge's primary duties and responsibilities in regards to presiding over the business of the Court, serving as magistrate for the State of Texas and performing administrative functions. The Judge is expected to identify, recommend, and implement, where possible, opportunities for improvement. It is expected that services levels will be sustained or improved year after year.

**FACTOR 1 – PRESIDES OVER THE BUSINESS OF THE COURT**

1. *Presides over daily arraignments (in accordance with the goals set forth below):*
  - a) Advises defendants of their rights
  - b) Enters their plea before the court
  - c) Conducts arraignments in a reasonable amount of time
2. *Presides over non-jury trials (in accordance with the goals set forth below):*
  - a) Decides all questions of the law
  - b) Hears evidence
  - c) Renders appropriate judgment
3. *Presides over jury trials (in accordance with the goals set forth below):*
  - a) Rule on challenges to jurors for cause
  - b) Presides over the conduct of the trial
  - c) Rule on questions of the law
  - d) Charges the jury
  - e) Enters jury verdict on judge's docket
  - f) Renders proper judgment and sentences thereon
4. *Handles miscellaneous court proceedings (in accordance with the goals set forth below):*
  - a) Conducts pretrial hearings
  - b) Rules on pretrial motions as required
  - c) Holds contempt hearings as required
  - d) Holds indigent hearings as required
  - e) Reviews correspondence and court paperwork on a daily basis
  - f) Reviews and approves bond forfeitures proceedings as required
  - g) Approves expunctions as required
  - h) Conducts show cause hearings as required
  - i) Grants continuances in cases where sufficient cause is demonstrated
  - j) Rules on motions for new trials
  - k) Conducts arraignments for jail and bond cases
  - l) Sees public on Class "C" misdemeanors
  - m) Administers oaths and affirmations

**GOALS**

Backup documentation (See Appendix A which will be added when FY18 data is compiled) has been provided for the court performance measures. The Judge is expected to conduct arraignments, trials and other court proceedings in a reasonable amount of time and meet the following metrics:

	Goals	Results
<b>Trial Date Certainty</b>	The court's goal is to have 90% of its cases that were set for trial to be disposed by trial no later than the second scheduled trial date.	
<b>Time to Disposition</b>	Per the National Center for State Courts, the model time standards for criminal misdemeanor, traffic, and local ordinance state trial courts is as follows: <ul style="list-style-type: none"> <li>• 75% within 60 days</li> <li>• 90% within 90 days</li> <li>• 98% within 180 days</li> </ul>	
<b>Clearance Rates (quarterly)</b>	Per the National Center for State Courts, all courts should aspire to clear (i.e. dispose of) at least as many cases as have been filed/reopened/reactivated in a period by having a clearance rate of 100% or higher.	
<b>Age of Active Pending Caseload</b>	Cumulative percentage of 75% for cases that are 60 days old, but less than 90 days old.	
<b>If Judge's decision appealed to County Court, how many reversed on appeal?</b>	0%	
<b>Fairness Survey Questions</b>	<b>Goals (scale of 1-5, 5 best score)</b>	<b>Results</b>
<b>The way my case was handled was fair.</b>	4/5	
<b>The Judge listened to my side of the story before he or she made a decision.</b>	4/5	
<b>The Judge had the information necessary to make good decisions about my case.</b>	4/5	
<b>As I leave the court, I know what to do next about my case.</b>	4/5	
<b>The Judge was respectful to my court representative.</b>	4/5	

The Goals listed above have been established by the Compensation Committee as a starting point for which to strive towards. They are not intended to be the expectation by which performance is measured. Goals are established with the understanding that certain factors are beyond the Judge’s control, which includes length of each court session which can be impacted by variables such as the number of cases filed and the length of the prosecutor or defense attorney arguments before the Court. In the self-evaluation section, the Judge should include a detailed explanation of outliers, including:

- 1) Clearance rates below 100% in a given period
- 2) Number of active cases or trials over 180 days
- 3) Deviation from goal achievement

The Fairness Survey comes from the National Center for State Courts as part of recommended performance measures and collects data directly from defendants leaving the courtroom. Please recognize that personal outcomes may affect the scoring.

**SELF-EVALUATION:**

**PEER RATING:**

**FACTOR 2 – SERVES AS MAGISTRATE OF THE STATE OF TEXAS**

Handles miscellaneous duties as magistrate (*in accordance with the goals set forth below*):

- a) Administers magistrate warnings to defendants
- b) Sets and forfeits bail
- c) Issues search and arrest warrants
- d) Accepts misdemeanor complaints
- e) Handles juvenile warnings and statements
- f) Conducts emergency involuntary hospitalization hearings
- g) Issues protective orders for family violence

Other work performed by the Judge when he is not on the bench (i.e., reviewing case files and signing orders on cases for defendants who either took care of their cases at the window, by mail, by drop box, online or by phone, or defendants who failed to appear). Orders that are signed by the Judge outside of the courtroom include, but are not limited to, final judgments of convictions, extension of time to pay, community service orders, interim judgments on driver safety course and deferred disposition, dismissals, summons to appear, etc.

Type of Order, Warrant or Warning issued by the Judge	How orders are processed	Goals	Results
All Orders (approx.)	Tracked-signed by Judge	Depends on caseload; completed daily	
Warrants Issued (Class C-MC fines and fees)	Tracked-speed to process depends on type of warrant; clerk and officer verification and	% of warrants issued after the case becomes delinquent: 61-90 days – 50% 91-120 – 60%	

	processing; corrections by Judge; fees applied etc.	121-180 – 70%	
<b>Protective Orders</b>	Tracked-immediately executed	Meets agency guidelines	
<b>Juvenile Warnings and Statements</b>	Tracked-immediately executed	Meets agency guidelines	
<b>Search Warrants</b>	Reported to State; tracked- immediately executed	Meets agency guidelines	

**GOALS**

The Goals listed above have been established by the Compensation Committee as a starting point for which to strive towards. They are not intended to be the expectation by which performance is measured. These measures should be reviewed as informational. Once the Judge signs these documents they are immediately executed. The Judge is expected to sign protective orders, juvenile warnings and statements and search warrants as needed by each requesting agency without undue delay. Judge signs all orders on a daily basis; delays would only occur if all records are not included and the order would need to be returned to the Clerk. Class C Warrants have multiple variables, not all under the Judge’s control.

**SELF-EVALUATION:**

**PEER RATING:**

<b>FACTOR 3 – ADMINISTRATIVE</b>
----------------------------------

1. Interfaces and cooperates with the Municipal Court Administrator and staff to assure the orderly, efficient and effective conduct of the court.
2. Coordinate and schedule the work of the Associate Judges as needed and required, but not to exceed the amount budgeted for the Associate Judges.
3. Sets bonds and fine amounts in accordance with State Law and City Ordinance.
4. Coordinates official duties and activities with appropriate individual department and agencies to ensure harmonious relationships, conducts correspondence with defendants
5. Plan and organize work schedules to ensure that all judicial functions are covered within:
  - a) Arraignments, including evening, weekend, and holidays as required
  - b) Trials including jury, non-jury, and pre-trials
  - c) Hearings, as required
  - d) Juvenile night court
  - e) Vacation time, training, and on call during weekends within dollars budgeted
6. Identifies and recommends opportunities for improvement.

**UTILIZATION OF RESOURCES**

The Judge should utilize all resources, including but not limited to the Associate Judges, 2<sup>nd</sup> Court Room and Municipal Court staff, in an appropriate and effective manner, ensuring the timely disposition of cases before him. Associate Judges should be utilized when the Judge is unavailable because of fulfilling other court responsibilities, training, or personal leave.

Background data on Arraignment Dockets, Jury Trials, Bench Trials, Juvenile Dockets, Pretrial Dockets and Hearing Dockets are provided in the Municipal Court statistics that will be provided prior to the evaluation. This information incorporates information such as number of cases handled by the Judge or Associate Judge, failure to appears, resets, number of defendants that appeared before the sitting judge during a docket.

Following is a summary of the number of dockets that appeared before the Judge as a percentage of total number of dockets. The goals are based on FY2017 metrics. Actual metrics will reflect FY2018 results.

Type of Docket	Goals - % of FY17 Dockets seen by Judge instead of Associate Judges	FY18 Results
Arraignment	85%	
Jury Trials	75%	
Bench Trials	95%	
Juvenile	85%	
Pretrial	90%	
Hearing (includes Animal, Property and Red Light Camera)	80% (avg of all 3)	

**GOALS**

The Goals listed above have been established by the Compensation Committee as a starting point for which to strive towards. They are not intended to be the expectation by which performance is measured. As the judicial “face” of the City of Sugar Land, the Judge shall be expected to preside over the majority of public-facing arraignments, trials, hearing and other court proceedings. Please see goals and results in the above table.

**SELF-EVALUATION:**

**PEER RATING:**

## **APPENDIX A**

To be added when FY18 metrics are compiled.

	Judge Monthly	Judge Per Docket	Judge Hourly	Judge Annualized	Notes
Alvin	\$1,800.00				part time only; 10 hrs per month
Angelton				\$47,601.00	part time only
Bayou Vista	1,000.00				part time only
Baytown - FT				\$129,985.44	FT judge rate
Baytown - PT		\$200.00			The Associate judge rate is \$200 per 1/2 day docket; \$65 per jail docket when court is not scheduled
Bellaire					
Belton					
Bridgeport			\$19.57		80 hours per month; part time only
Bryan					
Burleson					
Cedar Park					
Clear Lake Shores	\$1,350.00				part time only
Cleburne					
Conroe	\$4,160.00				Monthly rate is broken out as: Car Allowance =1175; Salary=2900; Phone Allow=85; not a FTE
Deer Park					
Dickinson		\$350.00			part time only
Friendswood			\$23.56		44 hrs per month; part time only
Fulshear					
Grapevine					
Hitchcock	\$1,500.00				part time only
Houston	\$9,025.34				19 municipal court judges @ biweekly average of 4512.67
Humble					
Huntsville				\$45,000.00	full time
Jersey Village					
Katy		350.00			
Kemah	\$1,200.00				
Lake Jackson				\$47,840.00	part time only
La Marque	\$1,498.00				full time; 53 hrs per month
La Porte					Has PT associate judges @ \$350 flat fee for 4 hours or less; \$700 flat fee for more than 4 hours.
League City					
Lewisville					
Manvel			\$125.00		13 hrs. per month; part time only
Missouri City			\$95.00		\$100 per jail visit-flat fee. \$250 for training.
Nassau Bay	\$1,000.00				part time only
Oakridge North	\$1,400.00				part time only
Pasadena					
Pearland - FT				\$124,000.00	1 FTE Presiding Judge. Only annual TMCEC training provided.
Pearland -PT			\$103.84		2 PT Assocaite Judges earn 103.84 per hour
Pearland -PT			\$96.90		2 PT Assocaite Judges earn 96.90 per hour
Ralls		\$250.00			part time only
Richardson					
Richmond			\$110.00		Contract & max hrs per month = 50
Rosenberg			\$100.00		Part Time only
San Marcos					
Santa Fe				\$21,420.00	part time only
Seabrook			\$150.00		24 hours per month, part time only
Sealy					
Stafford					
Sugarland - FT				\$125,000.00	FTE with full benefits
Sugar Land - PT			\$75.00		4 associate judges on contract
Texas City		\$160.00			part time only
Tomball				31,269.00	part time only; approx. 24 hrs per month
Victoria					
Webster	\$1,575.00	\$315.00			Averages \$18,900 annually; part time only. Webster shares cost of training (\$500-1,000) with other cities. Most training is local.
West University					
Woodlands Township					
Wylie					
<b>Avg</b>	\$2,319	\$271	\$90	\$71,514	
<b>Max</b>	\$9,025	\$350	\$150	\$129,985	
<b>Min</b>	\$1,000	\$160	\$20	\$21,420	
<b>Median</b>	\$1,498	\$283	\$98	\$47,721	



## CITY COUNCIL AGENDA ITEM COVER MEMO

March 18, 2019

**To:** Mayor and City Council  
**Agenda Item:** 2(d) Municipal Court Judge Duties  
**Submitted by:** E. Joyce Iyamu, City Attorney

### SYNOPSIS

The City Council previously discussed the duties of its municipal court judges on May 1, 2017, January 28, 2019, and February 18, 2019. On March 12, 2019, City Manager Anthony Snipes, Assistant City Manager Bill Atkinson, Municipal Court Division Director Brittany Rychlick and the Legal Division met with Judge Sinclair at her request. Judge Sinclair requested additional consideration of the duties of the presiding judge of the City of Missouri City Municipal Court.

### BACKGROUND

Section 29.004 of the Texas Government Code provides that the judge and alternate judges of the municipal court in a home-rule city are selected under the city's charter provisions relating to the election or appointment of judges.

The Charter of the City of Missouri City has provided for a municipal court since the first charter in 1974. Before 1986, the Charter provided for a single judge and court. The Charter was amended in 1986 to allow the City Council, by ordinance, to divide the court into two or more panels or divisions. The Missouri City Municipal Court has consisted of three panels or divisions since 1988. See Ordinance No. O-88-1. In addition to creating divisions of the court, Ordinance No. O-88-1 established duties and responsibilities of the presiding judge and specifically allowed the presiding judge to "direct the arrangement and trial of cases and order any judge to exchange benches and preside in any municipal court." Both state law and the City Charter provide **that if a city divides its municipal court into two or more panels or divisions, one panel shall be presided over by a presiding judge and each additional panel or division shall be presided over by an associate judge who has the same powers as the presiding judge.** On May 3, 2010, the City adopted an ordinance to remove the specific authority granted to the presiding judge, making the City's ordinances consistent with the Charter and state law. See Ordinance No. O-10-18. The 2010 ordinance also allowed the City court administrator to facilitate the equitable scheduling of dockets.

Presiding Judge Debra Sinclair has requested that the City Council consider providing the presiding judge with additional authority to set certain judicial administrative procedures. Such authority can be granted by ordinance. As previously advised to the Council on May 1, 2017, if such a change is desired, for consistency with state law and the Charter, Council may consider an ordinance that eliminates the additional panels of the municipal court.

### BUDGET ANALYSIS

Funds are not being requested at this time.

### SUPPORTING MATERIALS

1. Judge Debra Sinclair's memorandum

**STAFF'S RECOMMENDATION**

This matter is fully in the discretion of the City Council. Consider whether to direct staff to prepare an ordinance establishing a single panel of the municipal court to provide the presiding judge with authority over City judicial administrative matters.

**Director Approval:** **E. Joyce Iyamu, City Attorney**

March 13, 2019

**REVISED PRESIDING JUDGE PAPER**

Anthony Snipes, City Manager

Bill Atkinson, Assistant City Manager

E. Joyce Iyamu, City Attorney

Brittany Rhyhlic, Court Director

I offer the following legal interpretations of State Law, our City Charter and the Code of Ordinances as they relate to the duties of Presiding Judge. I have researched these issues and have concluded the following.

The City of Missouri City is a Home Rule City created under the provisions of Section 29 of the Texas Government code.

**APPLICABLE STATE LAW**

Chapter 29, of the Texas Government Code allows that a Home Rule City may establish a Court. It also provides that if there is more than one Judge one of them must be designated as the Presiding Judge. See Section 29.007

**APPLICABLE CITY LAW/PROVISIONS**

**CITY CHARTER**

Section 4.03 B. of the city charter tracks the language from Section 29.007.

**CODE OF ORDINANCES**

Section 62-4 establishes three offices of Judge.

Section 62-5 (a) establishes the municipal court.

Section 62-5 (b) of the Code of Ordinances speaks to the powers and duties of the Presiding Judges and the Associate Judges, it also repeats the language found in Section 29.007 of the Government Code.

**After meeting with aforementioned persons, I can agree with the City Attorney that the City Charter and subsequent ordinance does not delineate specific duties for the Presiding Judge. I also agree with the conclusion that there is nothing in any of these laws that makes it illegal for the City to establish such an Ordinance in the future.**

**For your consideration**

It is my understanding that there was once an Ordinance that established the duties of the office of Presiding Judge. It is also my understanding that, there was a conflict that arose between the then Presiding Judge and the City Manager thus, that Ordinance was repealed. The only justification I have

ever heard to support the repeal of the ordinance, was that it was considered illegal. The provision that I have been referred to as support for this position is Section 4.03 of the City Charter and Section 62-5 of the Code of Ordinances.

**However, I disagree with that conclusion. I don't find anything in state law, the city charter nor the code of ordinances that make it illegal for the City to establish an ordinance designating specific duties as it relates to the position of Presiding Judge.**

There are Administrative Judicial duties that are typically relegated to the office of Presiding Judge.

### **Scheduling of Dockets**

Section 62-8 provides that the divisional director of the municipal court shall facilitate the equitable scheduling of dockets.

Nothing in this section states that the divisional director shall have unilateral or sole authority to decide which judge will handle said dockets. To allow the divisional director to act unilaterally or with sole authority in the scheduling of judges violates the separation of powers mandated in our constitution as well as state laws. The divisional director then becomes a manager of sorts in that that office will dictate the work schedule of Judges.

I would submit to you that this create an atmosphere that could lend itself to an abuse of power on both sides.

### **Advantages of having an active Presiding Judge**

Promotes consistency and efficiency for judges and clerks.

Provides guidance and direction to the Court Director as where to go when there is a need to have judicial guidance on matters.

Promotes uniformity in how administrative judicial matters are handled.

Allows for the coordination and/ or dissemination of information to the Associate Judges.

Protects the separation of powers and preserves an independent judiciary.

It will also generally provide for the ability of all parties, administrative and judicial to anticipate the outcomes of tasks because the decisions would be made by the Presiding Judge.

### **DISADVANTAGES OF NOT HAVING A PRESIDING JUDGE**

Creates chaos and disfunction.

You have a different judicial administrative procedure depending on the judge handling the matter.

Creates an inefficient judicial staff because if there is abuse of the system, no one can speak to it.

It has been and will continue to be unnecessarily chaotic and promote discord.

### **What having an active Presiding Judge does NOT mean**

It does not mean that the Presiding Judge manages the Court Director or his/or her staff.

**The Presiding Judge may NOT dictate to a judge as to how to decide cases or perform magistrate duties. To do so, would be a violation of the Code of Judicial Conduct and state law.**

#### **WHAT I HAVE DONE AS A NAMED PRESIDING JUDGE**

I have often coordinated meetings with the Associate Judges to make sure they are informed.

Most recently, I coordinated a conference call with the judges to discuss a pressing matter as it related to the Judges.

I have developed standing orders in an attempt to bring consistency to the judicial administrative process as it affects the clerks.

I have also spent countless hours developing written policies and procedures that related to judicial matters.

I was then able to secure the written agreement from each Judge that we would make a commitment to adhere to the same.

However, when those policies and procedures are not honored or followed, there is no method in place to address the matter.

#### **CONCLUSION:**

I would ask that you, the Mayor and City Council give the information I have provided herein your sincerest consideration. I'm certain that we all share the same goals. That goal is to have a highly functioning and efficient court department.

I am persuaded that the best way for that to occur is for you to establish specific duties for the office of Presiding Judge that will effectuate that end. I would also submit that the best way for this to be established is by city ordinance. **I don't agree that to do so would necessarily require an amendment to the City's Charter.**

I believe the Mayor and Council have the authority they need with the existing law to establish such an Ordinance.

Respectfully submitted,

Debra Sinclair



**CITY COUNCIL  
AGENDA ITEM COVER MEMO**

**March 18, 2019**

**To:** Mayor and City Council  
**Agenda Item:** 2(e) Consider and discuss appointing directors for the Missouri City Parks Foundation.  
**Submitted by:** Maria Jackson, City Secretary

**SYNOPSIS**

Consider and discuss appointing directors for the Missouri City Parks Foundation.

**BACKGROUND**

Pursuant to Article 5, Board of Directors, Section 5.1, Number, of the Missouri City Parks Foundation ("Foundation") bylaws states the Board will have no less than five, but no more than fifteen directors.

Pursuant to Article 5, Section 5.3, Appointment, Vacancies and Removal, the Foundation bylaws states the City Council appoints the persons to serve as directors on the Board, will fill vacancies on the Board, and may remove a director at any time.

The Missouri City Parks Foundation has recommended Harry E. Johnson, Sr., Tom Nichols, and Alice L. Aanstoos. This is an opportunity for City Council to consider them as directors for the Missouri City Parks Foundation, in addition to receive other recommendations or appointments from the Council for the foundation.

**BUDGET/FISCAL ANALYSIS**

Not applicable.

**SUPPORTING MATERIALS**

1. Harry E. Johnson, Sr. Biography
2. Harry E. Johnson, Sr.: *The Man behind the King Monument* article from the Los Angeles Sentinel newspaper
3. Tom Nichols: *Missouri City couple to have green impact for generations* article from the Houston Chronicle newspaper

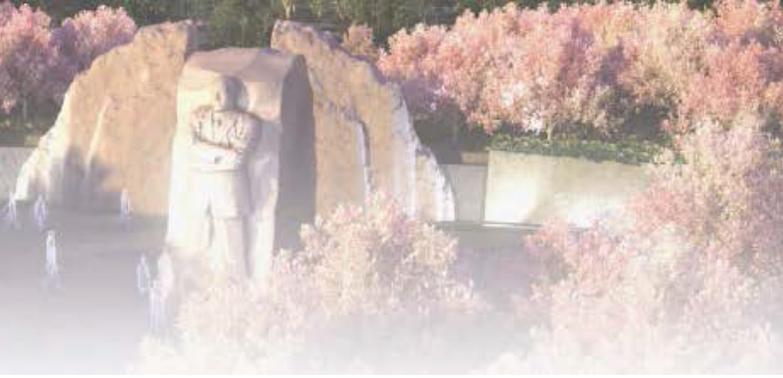
**STAFF'S RECOMMENDATION**

Consider appointing directors for the Missouri City Parks Foundation.

**Assistant City Manager/  
City Manager Approval:** **Anthony Snipes, City Manager**



DEDICATION AUGUST 2011  
**CELEBRATE**  
THE LIFE | DREAM | LEGACY



**Harry E. Johnson, Sr.**  
**President and CEO**  
**The Memorial Foundation, Inc.**

Harry E. Johnson, Sr. heads The Memorial Foundation; this foundation continues to promote awareness of the Martin Luther King, Jr. Memorial and its tenets of Democracy, Justice, Hope and Love as well as support the general upkeep of the Memorial into future years.

Johnson led the Washington, D.C. Martin Luther King Memorial Foundation as President and CEO from 2002 until 2013. The President of the United States and the U.S. Congress charged the MLK Foundation with erecting a memorial on the National Mall in Washington, D.C. to honor the life and legacy of Dr. Martin Luther King, Jr. Under Johnson's leadership, the MLK Memorial Foundation raised \$127 million to complete the memorial. Johnson positioned three boards (Executive Leadership Cabinet, Governing Board and Honorary Board) for the foundation; garnered support from all living U.S. Presidents, Congress, members of the corporate and nonprofit communities, and celebrities. The memorial dedication was held on October 16, 2011, with the President, Vice President, members of the cabinet, congressional members and others in attendance.

Johnson is a career lawyer, entrepreneur and public servant. From 2001 to 2004, he served as National President of Alpha Phi Alpha Fraternity, Incorporated, the fraternity to which Dr. King belonged. While serving in this role, Johnson oversaw over 700 chapters located throughout the United States and abroad enhanced the national image of the organization with fraternity members, business leaders and political officials.

Johnson is also the President of Creative Concourse Concessions, LLC an airport concessionaire business that partners with various entities to provide such services as Retail, Food & Beverage and Duty Free offerings.

Johnson has served as City Attorney for Kendelton, Texas, taught at Texas Southern University in the Thurgood Marshall School of Law and School of Public Affairs. Johnson has dedicated his time to community groups and issues, such as voter registration, blood donations, HIV/AIDS, Boy Scouts of America and Big Brothers. He serves on the AARP Foundation Board, The National Urban League Board and The March of Dimes Board.

Johnson received his Doctor of Jurisprudence from Texas Southern University where he was a member of the Thurgood Marshall Student Bar Association. He completed Post Baccalaureate work in Public Administration at St. Louis University and received his Bachelor of Arts from Xavier University of Louisiana. Johnson has received a number of recognitions for his public service and was named in *Ebony Magazine's* "100 Most Influential Black Americans" 2001 through 2004.

Johnson is married to Karen Gorrell Johnson. They are the proud parents of Jennifer, Harry, Jr. and Nicholas.

# HARRY E. JOHNSON, SR.

10700 Richmond Ave., Houston, TX 77042  
1301 M Street, NW #829 • Washington, DC 20005

## SUMMARY OF QUALIFICATIONS

Proven record of engaging board and staff to generate new ideas and increase overall performance. Adept at planning and directing initiatives to increase fundraising and meet organization's goals. A resourceful problem solver and catalyst for positive change and has an outstanding ability to build and strengthen strategic alliances in business, non-profit, and government communities. Analytical, organized, and articulate.

## Business Ventures

Proven record of business ownership, Johnson has owned/managed Rojo, LLC, which is a J/V with Nuance Duty Free with stores located in Houston Bush Airport.

Johnson is also a JV partner via Creative Concourse Concessions, LLC with SSP at the Houston Bush IAH Airport with ownership of 11 Food and beverage concepts. Additionally, Johnson is a JV Partner with Paradis Lagardere with Retail Operation's at Houston Hobby Airport.

## BOARD CERTIFICATION AND BOARDS

Harry Johnson holds a Professional Director Certification from the American College of Corporate Directors, a Public Company Director Education and Credentialing Organization.

### AARP Foundation Board Member

Chair of Finance Committee  
Member of Strategy and Governance

### National Urban League

Chair, Marketing and Membership Committee  
Member, Executive Board and Compensation Committee  
Member, Executive Committee

### March of Dimes Board Member

Vice Chair of Finance Committee  
Member of Executive Committee

## PROFESSIONAL EXPERIENCE

**MARTIN LUTHER KING, JR. MEMORIAL FOUNDATION**, Washington, DC (2002 – Present)

*President and CEO of Foundation charged by U. S. Congress and President of the United States to raise funds for a National Memorial to honor the life and legacy of Dr. Martin Luther King, Jr. on the National Mall in Washington, DC.*

Raised \$127 million required to complete memorial; positioned and formed 3 boards (Executive Leadership Cabinet, Governing Board, and Honorary Board).

- Garnered support from President Obama, all living former U.S. Presidents, and both houses of Congress, including unprecedented \$10 million appropriation.
- Solicited monetary contributions, in-kind gifts, and support from members of corporate and non-profit communities.
- Interacted with many civic and political leaders in Washington, DC. and other cities, worldwide.

- Recruited executive staff consisting of president, chief financial officer, and executive architect; staff has 50 years of cumulative experience in areas of fundraising development, non-profit fund accounting, architecture, and contract negotiations.
- Overcame challenges of federal approvals, accountability, and non-profit administrative cost ratios.
- Directed consultants to handle marketing and public relations initiatives, including direct mail campaign that generated \$2 million annually and email campaigns that generated an average of \$45,000 monthly.
- Instituted several grassroots campaigns including faith-based initiatives, institutions of higher learning, and civic organizations as stakeholders in building of memorial.
- Implemented and managed a ceremonial groundbreaking event held November 13, 2006 on National Mall; ceremony was attended by President of the United States, Former President Clinton, 8 cabinet members, senators, congressional members, and A-list celebrity talent for the event. The ceremony was covered by C-Span, CNN, and several local stations.
- Raised an additional \$7 million at our National Dream Dinner held at The Kennedy Center following the groundbreaking ceremony; developed Dream Dinner concept and engaged board and executive leadership cabinet in fundraising efforts.
- Generated \$3 million for each Dream Dinner over a five-year period.
- Completed a world class dedication ceremony at the MLK Memorial. In attendance was President Obama, all of the Cabinet Secretaries and Members of Congress along with over 200,000 individuals.

#### **CREATIVE CONCOUSE CONCSSIONS, LLC, Houston, TX (2013- Present)**

A corporation that provides duty free, food and beverage and parking services at Airports.

- Currently a ACDBE partner with SSP to provide Food and Beverages at Intercontinental Airport in Houston
- Currently a ACDBE partner with Paradise Retail group at Houston's Hobby Airport

#### **LAW OFFICE OF HARRY E. JOHNSON, Houston, TX (1993 – Present)**

*Private law practice covering multiple areas, including: corporate law, federal criminal defense, and personal injury.*

- Attract clients and manage client relationships; oversee firm operations and handle client cases.

Settled a multi-million-dollar awards including \$8.1 million dollar personal injury lawsuit.

#### **ALPHA PHI ALPHA FRATERNITY, INCORPORATED (2001 – 2004)**

*National President overseeing 700+ chapters spanning United States and abroad; distinguished as youngest National President in 40 years and elected with highest margin of any president in 20 years.*

- Boosted number of subscribing life members from 10,058 to over 11,034 members; increased number of chapters in good standing.
- Enhanced national image of fraternity with members and business leaders.
- Redesigned fraternity's website, [www.alphaphialpha.net](http://www.alphaphialpha.net) adding state-of-the-art interactive tools and online membership database, "Alphabet".
- Published annual calendar, annual pictorial issue highlighting organization's events and programs.
- Created and developed value-added services program, providing dozens of discounts and incentives for active members, including complimentary subscriptions to *Black Enterprise* and *Savoy* magazines and discounts on various goods and services.
- Increased number of college members participating in College Chapter Leadership Academy that provided training and development for future and new leaders.
- Developed economic development program to facilitate members' economic independence.
- Improved quality of Fraternity's national magazine, *The Sphinx*.
- Reorganized corporate office resulting in enhanced customer service.
- Raised members' satisfaction with national conventions by bringing highly-prominent speakers.
- Created Higher Education Commission of College Presidents to mentor and train prospective members desirous of becoming College Presidents.
- Increased prestige and efficacy of World Policy Council by recruiting Cornell West and Ron Dellums.
- Raised awareness of organization's issues by creating political action committee.

**CITY OF KENDELTON, Kendelton, TX (1996 – 1999)**

***City Attorney***

- Advised Mayor and City Council on legal matters relating to city.

**TEXAS SOUTHERN UNIVERSITY, THURGOOD MARSHALL SCHOOL OF LAW, Houston, TX (1992 – 1999)**

***Adjunct Professor***

- Lectured and led seminars on topic of law office management.

**TEXAS SOUTHERN UNIVERSITY, SCHOOL OF PUBLIC AFFAIRS, Houston, TX (1994 – 1997)**

***Adjunct Professor***

- Conducted lectures and seminars on topic of criminal justice.

**CARVER HENRY AND ASSOCIATES, Houston, TX (1987 – 1993)**

***Law Clerk/Attorney***

- Practiced in areas of tort and workers compensation.

### **MILITARY SERVICE**

Commissioned United States Army, 1977, Air Defense Artillery, Honorable Discharge

### **EDUCATION**

**TEXAS SOUTHERN UNIVERSITY, Houston, TX**

***Doctor of Jurisprudence*, 1986**

- Thurgood Marshall Student Bar Association
- President, Senior Class
- President, Phi Alpha Delta

**ST. LOUIS UNIVERSITY, St. Louis, MO**

***Post Baccalaureate*: Public Administration, 1982**

**XAVIER UNIVERSITY OF LOUISIANA, New Orleans, LA**

***Bachelor of Arts*: Political Science, 1977**

- Class President and Student Council Member
- Alpha Phi Alpha, Vice President
- Member, ROTC and Political Science Club

### **Honorary Degrees**

- Texas Southern University, 2012
- University of The District of Columbia, 2018

### **ECONOMIC DEVELOPMENT**

- Developed and negotiated unprecedented deal with Church's Chicken (AFC) worth \$30 million to develop 50 franchises in urban areas nationwide for economic empowerment and job creation; developed similar deal with Dominos Pizza.

### **COMMUNITY LEADERSHIP**

- Created National Political Action Commission and Economic Development Foundations to help implement and oversee particular goals of Alpha Phi Alpha Fraternity, Inc.
- Developed national partnership with University of Alabama at Birmingham to train and implement HIV/AIDS task force to address growing health concerns in urban communities with emphasis on black males.

- Broadened Alpha Phi Alpha's agreement with Scouts of America to include more national engagement of Boy Scout officials at fraternity events; arranged for Alpha Phi Alpha Fraternity marketing materials to be disseminated by Boy Scouts organization.
- Partnered with local and national March of Dimes in effort to eradicate birth defects and teenage pregnancy; established plan for series of visits to local high schools under name of Project Alpha; during tenure at Alpha Phi Alpha Fraternity. Alpha Phi Alpha ranked #1 in donations to March of Dimes Walk-A-Thon.
- Served as national spokesman and national board member for Big Brothers Program, providing Big Brothers with record number of African-American role models in its 100-year history.
- Renewed and expanded partnership program resulting in dramatic increase in number of African-American men enrolled in national marrow donor registry.
- Arranged National Blood Drive in response to the 9/11 Terrorist Attack during "Random Acts of Kindness Week" September 23-30, 2001.
- Increased amount of scholarships provided to undergraduate and graduate school Alpha-men through fraternity's education foundation.
- Secured \$100,000 planning grant for national Alpha Phi Alpha-Head Start fatherhood initiative.

### **PUBLIC RELATIONS & GOVERNMENT AFFAIRS**

- Increased public appearances on television and print media awareness of Alpha Phi Alpha Fraternity's efforts through public appearances and marketing campaigns.
- Served as panelist and key participant in various Congressional Black Caucus forums, Defense Department briefings and initiatives of mutual concern sponsored by United States Senate and House leaders, including Speaker of the House and leaders of both major parties.
- Participated in United Nations Day at its headquarters in New York City, as guest of U.N. Secretary General, the Honorable Kofi Annan.

### **AWARDS & HONORS**

- Honorary Doctorate Degree of Humane Letters, Texas Southern University, May 2012
- President's Award, Trumpet Foundation, Atlanta, GA, 2011
- Alumnus of the Year, Texas Southern University, Houston, TX, 2011
- National Service Award, Diplomatic Core, Washington, DC, 2007
- Trailblazer Award, NAACP, Missouri City Branch, TX, 2004
- 100 Black Men of America, Inc., Community Service Award, Atlanta, GA, 2004
- Ebony Magazine, 100 Most Influential Black Americans, Chicago, IL, 2001-2004
- Fraser Power Networking Panelist, Cleveland, OH, 2003
- National Leadership Award, Delta Sigma Theta, Washington, DC, 2002
- Ensemble Theater, Father of the Year, Houston, TX, 2002
- Congressional Black Caucus Panelist, Washington, DC, 2002
- Alumnus of the Year, Thurgood Marshall School of Law, Houston, TX, 1995

### **HIGHLIGHTS OF PUBLISHED ARTICLES**

- Houston Chronicle, January 2003, 2011
- Jet Magazine, December 2000, 2011
- *The Washington Post*, August 2011
- *The Washington Post*, January 2007
- St. Louis Post Dispatch, January 2002

- Black Enterprise, May 2002
- Baltimore Sun, September 11, 2002
- Minorities in Business, Winter 2002
- Houston Chronicle, February 11, 2001

### **TELEVISION & RADIO APPEARANCES**

- Black Enterprise Television (BET)
- Tavis Smiley Show
- Cable News Network (CNN)
- Tony Brown's Journal
- CBS News
- Fox's "Power Player of the Week"
- MSNBC

### **COLLEGIATE SPEECHES**

- University of The District of Columbia, Commencement, 2018
- Texas Southern University, Commencement, 2012
- Xavier University of Louisiana, Black History Month Convocation, 2012
- Strayer University, Commencement, 2012
- Texas Southern University, Commencement, 2011
- Texas Southern University, Spring Convocation, 2003
- Xavier University of Louisiana, Fall Convocation, 2002

### **AFFILIATIONS**

- Chairman Houston African-American Museum Board, Appointed by Mayor Bill White, 2006 – 2009
- Board Member, Texas Southern University, 2004 – 2007
- Past National President of Alpha Phi Alpha Fraternity, Inc.
- National Board Member of Alpha Phi Alpha, Fraternity, Inc.
- National Board Member of March of Dimes
- National Board Member National Urban League
- National Board Member, AARP Foundation
  
- State Bar of Texas
- American Bar Association
- National Bar Association
- NAACP, Missouri City, Texas Branch
- National Volunteer, Boy Scouts of America
- Texas Trial Lawyers Association and Houston Trial Lawyers Association
- 100 Black Men of America, Inc.
- Sigma Pi Phi Fraternity



**Harry E. Johnson, Sr.**  
**President and CEO**  
**Creative Concourse Concessions, LLC**

### **Airport Concession Experience**

Harry E. Johnson, Sr., is the President/CEO of Creative Concourse Concessions, LLC. Creative is currently an ACDBE with Nuance Duty Free at IAH. As an owner/partner of the JV he oversees marketing, operations and warehousing. The Nuance Duty Free prides itself with increasing the sales at IAH by 60% and winning many awards from the IAH Bush Airport. Johnson is also a ACDBE partner with SSP one of the largest Food and Beverage operators in the world. Johnson and SSP currently control 10 food and beverages concepts at IAH airport in Houston.

Johnson has been in the Airport Duty Free Business for well over 15 years. Additionally, he has owned and operated a Domino's franchise in the City of Houston.

### **ACDBE Certifications**

Creative Concourse Concession's is currently ACDBE Certified in the following States:

*Texas, Louisiana, Georgia, Florida, New York, New Jersey, DC, Maryland, Virginia, Michigan, Illinois Massachusetts and California.*

### **National and Community Leadership**

Johnson also heads The Memorial Foundation; this foundation will continue to promote awareness of the Martin Luther King, Jr. Memorial and its tenets of Democracy, Justice, Hope and Love as well as to support the general upkeep of the Memorial in future years.

Johnson led the Washington, D.C. Martin Luther King Memorial Foundation as President and CEO from 2002 until 2013. The President of the United States and the U.S. Congress charged the MLK Foundation with erecting a memorial on the National Mall in Washington, D.C. to honor the life and legacy of Dr. Martin Luther King, Jr. Under Johnson's leadership, the MLK Memorial Foundation has raised \$120 million to complete the memorial; positioned three boards (Executive Leadership Cabinet, Governing Board and Honorary Board) for the foundation; and garnered support from all living U.S. Presidents, Congress, members of the corporate and nonprofit communities, and celebrities. The memorial dedication was held on October 16, 2011, with the President, Vice President, members of the cabinet, congressional members and others in attendance.

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Johnson is married to Karen Gorrell Johnson. They are the proud parents of Jennifer, Harry, Jr. and Nicholas.

*Apply for one of twenty Taste of Soul \$500 Scholarships! >>*

## **The Man behind the King Monument: HARRY E. JOHNSON, SR.**

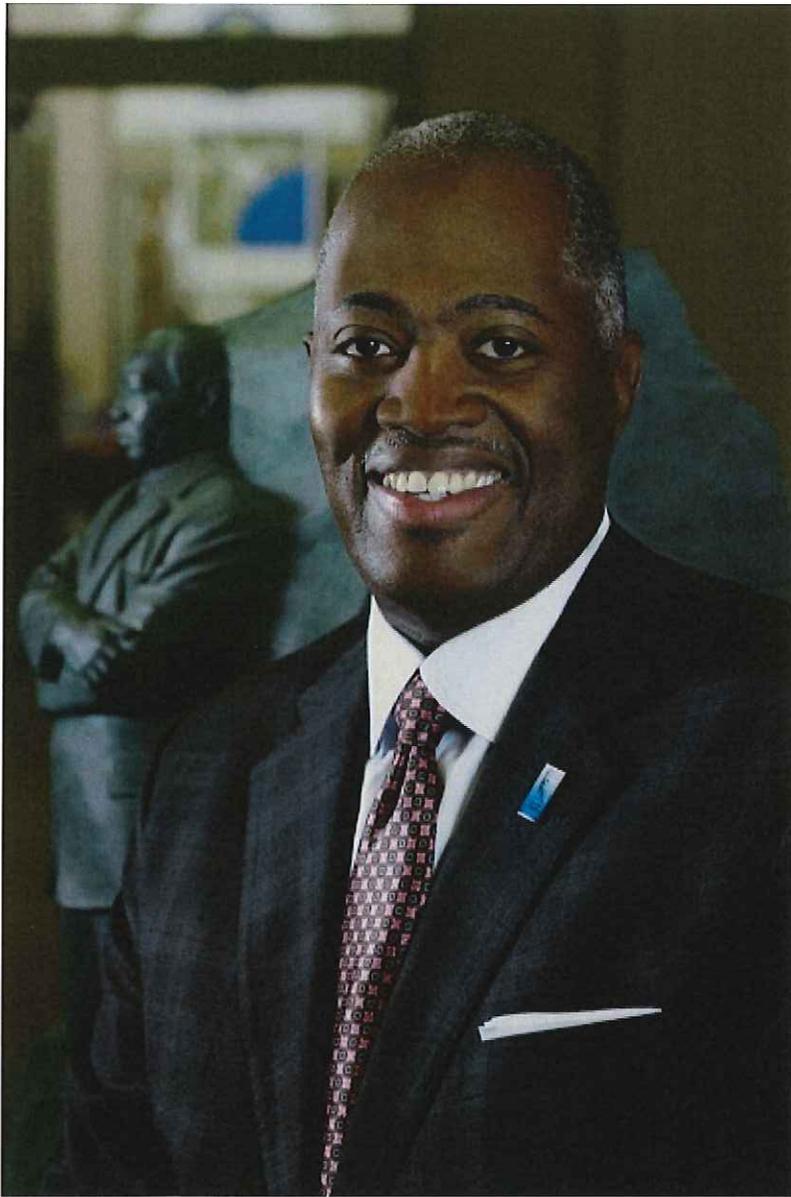
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By Brandon I. Brooks (Assistant Managing Editor)

Published August 4, 2011

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Harry E. Johnson, Sr. the man behind the monument.

**Dr. Martin Luther King, Jr. played a significant role in moving America, and indeed the world, towards the equality of all men, and in memorializing the man and his work, Harry Johnson has played an equally significant role in producing the King monument in Washington, D.C.**

Dr. Martin Luther King, Jr. had a dream for America and we are living it today. No greater demonstration of this "Dream" is that today we have a Black President in the White House. We still have a long way to go as far as social justice in this country but make no mistake America walks with a certain level of consciousness that was influenced by Dr. King's prophetic words and sacrificial life.

On Sunday, August 28, 2011 at 11 a.m., there will be a historic unveiling of Dr. Martin Luther King, Jr.'s memorial in Washington D.C. at the National Mall.

The MLK unveiling will mark the 48th anniversary of the March on Washington where Dr. King gave his famous "I Have a Dream" speech. The event will be televised nationally on networks such as CNN, TV One and B.E.T., and other major networks will cut, in and out, throughout the day.

Harry E. Johnson, Sr., president and CEO of the Martin Luther King, Jr. National Memorial Project Foundation, Inc. has led this historic mission since 2002, and he will lead the unveiling, of what is arguably, the most famous and talked about memorial America and the world has ever seen.

"Here we are 48 years after the March on Washington, Dr. King's magnificent words and others, we now dedicate for the first time in our history a memorial to a man of peace, a non-president, and a person of color," said Johnson.

The President of the United States and the U.S. Congress charged the MLK Foundation with the challenge of erecting a memorial on the National Mall in Washington, D.C. to honor the life and legacy of Dr. Martin Luther King, Jr.

Under Johnson's leadership, the MLK Memorial Foundation has raised \$112 million of the \$120 million needed to complete the memorial.

Alpha Phi Alpha Fraternity played a pivotal role in the idea and origin of Dr. King's legacy being honored through a Washington memorial. From 2001 to 2004, Johnson served as National President of Alpha Phi Alpha, Incorporated, the fraternity to which Dr. King belonged. While serving in this position, Johnson oversaw over 700 chapters located throughout the United States and abroad.

"Alpha Phi Alpha got involved because of five visionaries, Harold Navy, Al Bailey, George Sealy, Oscar Little and Eddie Madison, who sat around a table and thought that people of color were not visiting the mall in great numbers and how do you get them to understand our great history?" said Johnson. "They obviously said, 'hey, well what if there were some memorials or statues of people of color, then people of color would come'. And they came up and said for whom should this memorial be, and who would do one? And they threw all the names, and that they came up with, and ended up with Dr. King's name."

Johnson is a career lawyer and also a Partner at the Law Office of Glenn and Johnson. He served as City Attorney for Kendelton, Texas, from 1996 – 1999, and taught at Texas Southern University in the Thurgood Marshall School of Law and School of Public Affairs.

Johnson is a small business owner who has dedicated his life and time to community groups, and issues such as voter registration, blood donations, HIV/AIDS, Boy Scouts of America and Big Brothers. He received his Doctor of Jurisprudence from Texas Southern University where he was a member of the Thurgood Marshall Student Bar Association.

He completed Post Baccalaureate work in Public Administration at St. Louis University and received his Bachelor of Arts degree from Xavier University in Louisiana.

The MLK Memorial Foundation anticipates 4,000,000 will visit, learn and pay tribute to Dr. King and others in the struggle for a better America annually. This is supposed to be the most-visited memorial in the near future for people to come and visit.

The President of the United States has been invited but there is no confirmation on whether he will speak or actually attend. "We know that the Secretary of Interior (Ken Salazar) will be there", said Johnson. "Several past icons of the civil rights movement will be there. We also know that Aretha Franklin will be on program, BeBe Winans, Stevie Wonder, Jamie Foxx, Maya Angelou, Herbie Hancock, Mary Mary, Naturally 7, and a few others. We are expecting 250,000 people."

"One of the things we want people worldwide, and especially young children in this country, is for them to see that with this memorial on the mall, for the first time in our history, the mall will be diversified," said Johnson.

"Never before has there been a memorial to a person of color of this magnitude. There may be a statue of Mary McCleod Bethune Cookman somewhere, but there is certainly not anything of this magnitude. And to say that Dr. King is situated between the Lincoln and the Jefferson memorials, and to their left is the Washington memorial. It's a great piece of real estate to be associated with."

It's important to note that for a memorial of this magnitude to be built and completed, in just 25 years of conception, is remarkable, and illustrates the dynamic job done by the MLK Memorial Foundation and its leader, Harry E. Johnson, Sr.

Franklin D. Roosevelt's memorial took 45 years from concept to completion and they had a staff of 44 and a budget of \$170 million. With a staff of only 11 people, Johnson is proud to say that the MLK memorial is one of the only memorials to raise funds from private resources.

Many people speculate about what Dr. King might say about the memorial if he were alive today, so the Sentinel asked Johnson to weigh in on the debate, considering he understands King's legacy, as well as any other person in the world.

"Well from what I've been told, Dr. King would want to know what is all the fuss about. But in my honest opinion, we don't build memorials to men, we build them from ideals of which they have," said Johnson. "That being said, we built this memorial because of the ideals Dr. King stood for."

Just as the Lincoln or the Jefferson memorial was not built to men, but were built to celebrate the ideals of the men they honor. The ideals of democracy, or Lincoln's ideals of having this as one country, as opposed to north versus south, is what these memorials celebrate. Dr. King had the same ideals. That this country was not Black

versus White, not rich versus poor, but this is one country, which is the United States of America. Ultimately, he died because he felt this world should be a world of peace, and he was willing to risk, and give his life for this unprecedented faith. That we should not have senseless wars, people should not be starving, people deserved to be clothed, so he died for a much greater cause. And that's why we built this memorial for Dr. King."

"What visitors will encounter when they walk into the memorial site from Independence Avenue is, they will walk into a plaza area that's very open and inviting," said Johnson. "And then they will walk towards what is called the "Mountain of Despair," a huge bolder of granite that looks like a mountain that has been cut in two."

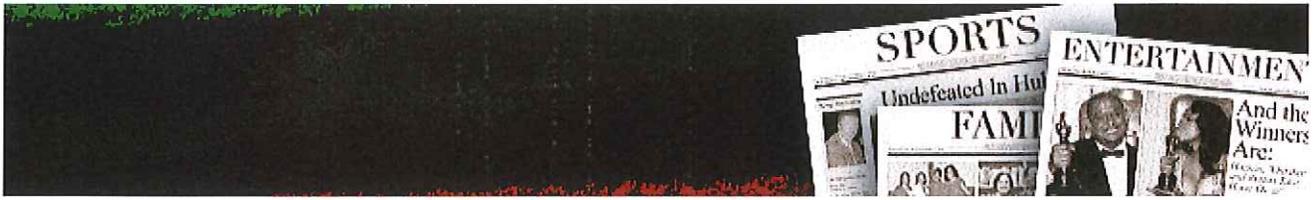
As you walk through the "Mountain of Despair," you go from the huge open plaza to a narrower 12-foot wide opening between the two mountains. This will not only signify the struggle going through the civil rights movement, but it will also signify the "Stone of Hope" that was carved out of the "Mountain of Despair." And so from his speech it says, 'Out of a Mountain of despair, hew a stone of hope.' So once on the other side of the "Mountain of Despair," there is a 700-foot wall of quotations from Dr. King's speeches on that wall. But you still haven't seen Dr. King until you walked out towards the water looking at Jefferson, and there on another 30 foot stone, it looks like it was carved directly out of the mountain, there is Dr. King sculpted on the other side, looking at Jefferson."

Johnson talked in depth with the Sentinel about his experience through the rigorous process and how he managed to deal with the memorial project on a day-to-day basis.

"With God on your side, you can make the impossible possible, number 1," shared Johnson. "Number 2, God is not going to put more on you than what you can beareth. So even though you have some sleepless nights, some restless nights and some headaches, you know that God is going to see you through it, if you are doing the right thing. So me personally, I thank those that prayed for me, and the foundation and kept a hedge of protection around us so we could get to the end goal. And so now I am proud to say that I have had a part in this because as I always like to say, you don't ever know where God is going to place, put, or send you. I am thankful He placed put and sent me here."

For more information on the MLK Memorial Foundation, and to experience a virtual tour, please visit [www.mlkmemorial.org](http://www.mlkmemorial.org).

For more information on the actual dedication ceremony, please visit [www.dedicatethedream.org](http://www.dedicatethedream.org).



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Categories: **National**

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# Missouri City couple to have green impact for generations

By Scheffie Lindquist

Updated 5:53 pm CDT, Wednesday, September 23, 2015



From their home, Tom and Reggie Nichols can see a Missouri City park where trees they have donated are planted. They started a program in which they match trees with those donated to the city. The Nicholse also provide scholarships to local youths.

Deciding to invest in children and trees was an easy decision for Tom and Reggie Nichols of Missouri City.

"We like things that grow - kids and trees," Reggie Nichols said.

This year, they sponsored five \$1,000 scholarships for graduating high school seniors who participated in the Mayor's Youth Commission, a Missouri City program for students in grades 7-12 that participates in civic and service activities.

And for the last few years, the Nicholsons have participated in Missouri City's Challenge Tree Program, giving up to 50 trees a year to match those donated by others.

The Nicholsons, who are both 59, own Market Petroleum, Inc, a business that markets wholesale petroleum products, and have lived in Missouri City for 25 years.

When asked about their civic involvement, the couple said they like to keep their efforts low-key.

"That's something we like to do on a quiet basis," Tom Nichols said.

Their tree donations started in 2012 when the couple donated a tree in memory of Tom Nichols' mother as part of the city's memorial tree program. They wound up donating 12 memorial trees, each 6 foot 10 inches tall.

The following year, the Nicholsons came up with the idea of the Missouri City Tree Challenge, matching donated trees with their own donations, Missouri City Forester Paul Wierzbicki said.

So far, the Nicholsons are responsible for planting 140 trees throughout the city and leveraging another 140 through the challenge, Wierzbicki said.

At \$100 a tree, it's a bargain, Tom Nichols said.

The Nicholsons rely on Wierzbicki's expertise to pick what types of trees to get and where they should be planted.

They like the idea of making a positive difference in the city they've called home for 25 years.

"We like the parks. We like the trees. It's something that lasts forever," Reggie Nichols said. "These trees will last 100 years. It's like a forest in the city."

Most of the trees the Nicholsees have sponsored are planted at MacNaughton Park, but their contributions have touched nine other parks and trails as well, Wierzbicki said.

"I try to pick the best trees for each site and lean toward longer-lived trees, such as oaks for memorial trees," Wierzbicki said. "I also try to diversify the tree population to offer a variety of smells, colors and shapes to the parks."

The remainder of the Nicholsees' tree contributions this year will go toward replanting the 25 trees lost to May flooding along the city's Edible Arbot Trail, which features trees that bear fruit and nuts.

It was through a tree planting on the trail that the Nicholsees got involved in donating the scholarships for the Mayor's Youth Commission.

They saw youths shoveling mulch and doing most of the grunt work.

"We saw how hard these kids were working," Reggie Nichols said. "It was a happy group of kids, happy and talking and laughing and having fun."

Don Johnson, president of the Missouri City Green organization, was also at the planting that day. He mentioned to the Nicholsees that he wanted to do something special for the kids who were graduating.

On the spot, the Nicholsees agreed to contribute the scholarships.

"It didn't take long for them to agree on what they were going to do," Johnson said. "They're wonderful people."

In addition to this year's scholarships, they contributed five or six last year.

Johnson applied to the state for a Keep Texas Beautiful award for the Nicholsees.

"If I can honor them in some way, it's worth my effort," he said.

"Education has always been super important to us," Tom Nichols said. "Anything we can do to help give kids a start in education is wonderful."

The Nicholoses are regular volunteers for city cleanup and park events, Wierzbicki said.

"The things that they choose to contribute toward - trees and youth - are things that take time to develop into their full potential; so not only are they making an immediate impact, they are supporting efforts that will benefit many generations of Missouri City residents," he said.

To donate a tree, contact Wierzbicki at [forester@missouricitytx.gov](mailto:forester@missouricitytx.gov) or 281-403-8645.



**CITY COUNCIL  
AGENDA ITEM COVER MEMO**

**March 18, 2019**

**To:** Mayor and City Council  
**Agenda Item:** 2(f) Receive an update regarding the hiring of a third party audit firm to review test of controls.  
**Submitted by:** Anthony Snipes, City Manager

**SYNOPSIS**

Receive an update regarding the hiring of a third party audit firm to review test of controls and direct city staff accordingly.

**BACKGROUND**

On March 4<sup>th</sup>, the City Council moved for staff to bring back information on hiring an external auditor in relation to financial transactions. Since that time, city staff has developed an appropriate scope and received a range of pricing for this service.

**BUDGET/FISCAL ANALYSIS**

The range of costs is \$7,500 to \$10,000. Presently, this is not a budgeted expense in the current budget.

**SUPPORTING MATERIALS**

1. Test of Controls and Details

**STAFF'S RECOMMENDATION**

Receive an update regarding the hiring of a third party audit firm to review test of controls and direct staff accordingly.

**Assistant City Manager/  
City Manager Approval:**

**Anthony Snipes, City Manager**

### **Test of Controls**

- A** Purchase order, manual check request, or invoice approved by purchasing manager.

*Purchases over \$50,000 require Board approval/Council Approval*

*No purchase order required if purchase is less than \$1,000 AND made on the employee's purchasing card.*

- B** Appropriate purchasing procedures were followed (quotes/bids appropriately obtained based on requirements of purchasing policy).

*Purchases less than \$3,000 - Do not require competitive bidding, quotation forms, or purchase orders.*

*Purchases between \$3,000 and \$49,999 must obtain at least three bid prices or quotes, including HUB quote. Unless exempted from the competitive process.*

*Purchases greater than \$50,000 must go through the bid process and approved by the City Council – including non-competitive bids Items.*

### **Test of Details**

- C** Noted that client personnel properly recorded transaction as to account, amount, and period and traced posting to G/L. (Review acct description against description of item purchased and the fund recorded to)

### **Test of Details & Test of Controls**

- D** There is adequate supporting documentation and documentations agrees. Invoices are compared to purchase orders and receiving reports are reviewed for correctness of:
- a. Quantities received
  - b. Brand name and product ordered
  - c. Pricing
  - d. Clerical accuracy