



City Council Agenda 05/01/2018

Notice is hereby given of a regular meeting of the City Council of City of San Angelo to be held on May 1, 2018 at 8:30 AM at the McNease Convention Center – South Meeting Room, 501 Rio Concho Drive, San Angelo, Texas, for the purpose of considering the following agenda items.

1. Call to Order

2. Prayer and Pledge

3. Proclamations/Recognitions

- a. Recognition of Central High School speech and debate team for placing fifth in the state at the Texas Forensics Association state tournament, and for qualifying 13 students for the national tournament in June
- b. Recognition of the Concho Valley Transit District for winning the Outstanding Small Urban Transit System Award from the Texas Transit Association
- c. Proclamation of May 6-12, 2018 as National Travel & Tourism Week
- d. Proclamation of May as National Historic Preservation Month
- e. Proclamation of May as National Motorcycle Safety Awareness Month

4. Public Comment

Issues or items that are not on the agenda may be raised by the public at this time. Citizens should speak from the podium, begin by stating their name and limit remarks to less than three minutes. Council members may request that a discussed item be placed on a future agenda. The Council takes public comment on all Regular Agenda items during the discussion of those items.

5. Consent Agenda

- a. Consider approving the April 17, 2018 City Council regular meeting minutes (Kendrick)
- b. Consider approving a Recognition, Proclamation, and Honor Policy setting out definitions, requirements, procedures and exclusions for requests (Kendrick)
- c. Consider a resolution authorizing a tax resale deed (Quitclaim) to be executed by the Mayor on behalf of the City and all taxing units in the Tax Foreclosure Judgment or Tax Warrant to the following property: 2817 Pecan; Will H. Green (\$2,000) (Preas)
- d. Consider a resolution authorizing the City Manager or his designee to negotiate and execute a lease agreement and all related documents with the Humane Society of Tom Green County, d/b/a Concho Valley Paws on vacant land adjacent to the City of San Angelo Animal Shelter facility, for use as an animal resource center for the performance of related animal rescue, shelter, veterinarian and adoption services (Preas)

- e. Consider authorizing an agreement between the Fire Department and the Texas Forestry Service related to Texas Intrastate Fire Mutual Aid System (TIFMAS) and allowing the City Manager to execute any documents (Dunn)
- f. Consider authorizing an interlocal agreement between the Fire Department and the Concho Valley Council of Governments (CVCOG) to have access to all land lines in Tom Green County for new Warning System and authorizing the City Manager to execute all related documents (Dunn)
- g. Consider approving Buyboard contract #539-17 from Wenger Corporation for the purchase of staging for the Foster Communications Coliseum in the amount of \$85,992 using HOT funds budgeted for facility improvements and authorizing the City Manager to execute any related documents (Walker)
- h. Consider approving Buyboard contract #512-16 from WeBuildFun, Inc. for the purchase of playground equipment for the renovation of Brentwood Park in the amount of \$57,305 using half-cent sales tax funds budgeted for this project and authorizing the City Manager to execute any related documents (Havlak)
- i. Consider awarding RFWQ FS-10-18 Police Motorcycles to Longhorn Harley-Davidson (Grand Prairie, TX) in the amount of \$49,828.14 budgeted in FY18 for the purchase of two units, and authorizing the City Manager to execute any related documents (Kramer)
- j. Second reading of an ordinance approving Case Z18-05, a rezoning from the General Commercial/Heavy Commercial (CG/CH) and General Commercial (CG) Zoning Districts to the General Commercial (CG) Zoning District; located at 4102, 4106, and 4110 Sunset Drive (J. James)
- k. Second reading of an ordinance approving Case PD18-01, a rezoning from the Ranch and Estate (R&E) Zoning District to a Planned Development (PD) Zoning District to allow for Light Manufacturing and Production, and Retail Sales and Service; located at 3409 and 3415 South Chadbourne Street (J. James)
- l. Second reading and adoption of an ordinance amending the budget for the fiscal year beginning October 1, 2017, and ending September 30, 2018, for capital projects, reimbursements, and grants (Dierschke)

6. Regular Agenda

- a. Consider accepting the City's Fiscal Year 2017 Comprehensive Annual Financial Report (CAFR) and Single Audit - (Presentation made by Armstrong, Backus & Company, LLC Partner Gayla Thornton)
- b. Consider authorizing the San Angelo Fire Department to be allowed to set up a Restricted Funds Account. This account would be used to cover the expenses in the cost of developing and hosting training classes held by the San Angelo Fire Department Training Academy and to build funds to purchase new props to provide more training opportunities for public safety personnel - (Presentation made by Fire Chief Brian Dunn)

- c. Consider a resolution authorizing the City Manager to enter into an Advance Funding Agreement with the Texas Department of Transportation for Project CSJ#: 0069-07-06 - US 87 at West Concho Ave. consisting of various intersection improvements including installation of a traffic signal, sidewalk, drainage, pavement markings, and curb and gutter at the intersection of US 87 North Bound (S. Koenigheim St.) and W. Concho Ave. with State and Federal Funding limited to the improvements within the State right-of-way of US 87 - (Presentation made by City Engineer Russell Pehl)
- d. Second reading of an ordinance approving an amendment to Case SU17-01, modifying condition of approval #4 and eliminating condition of approval #5, for an approved Special Use which allows an Automotive and Light Truck Dealership in the Neighborhood Commercial (CN) Zoning District, located at 508 West 17th Street - (Presentation by Planning & Development Services Director Jon James)
- e. Consider ratifying a resolution by COSADC approving the acceptance of an Economic Development Administration (EDA) grant to the City of San Angelo Development Corporation and the City of San Angelo as Co-Recipients in the amount of \$1,250,000 for infrastructure improvements to Phase 2 of the San Angelo Business & Industrial Park - (Presentation made by Business, Retention & Expansion Coordinator Robert Schneeman)
- f. Consider a resolution approving an amended funding plan for the Chadbourne Street Pedestrian Corridor Project; authorizing that the project proceed in phases; and authorizing a request for qualifications for professional services necessary to the project - (Presentation made by Assistant City Manager Rick Weise)

7. Closed Session

Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be Open under the following sections:

- a. Section 551.071(1)(A) Consult with attorney when the governmental body seeks the advice of its attorney about pending or contemplated litigation regarding Templeton Construction, Inc.

8. Follow Up and Administrative Issues

- a. Consider items discussed in Executive Session, if needed
- b. Consider approving various board nominations:
Civic Events Advisory Board: Noemi Vasquez (SMD4) to a first term ending December 2021
Tax Increment Reinvestment Zone: Greg Gayler (SMD2/TIRZ North) to an unexpired term ending July 2018
Water Advisory Board: Kendall Hirschfeld (Former Government Official) to a second term ending April 2020, Jonathon Jennings (Meteorologist) to a second term ending April 2020, Casey Barrett (Banker) to a first term ending April 2020, and Ben Wiese (Rural Water) to a second term ending April 2020
- c. Announcements and consideration of Future Agenda Items

9. Adjournment

CERTIFICATION

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of the City of San Angelo, Texas, on the 26th day of April 2018, at 9:00 a.m.

Bryan Kendrick, City Clerk

All agenda items are subject to action. All contracts/agreements may be subject to further negotiation prior to execution. The City Council reserves the right to consider business out of posted order and/or 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.

In compliance with the Americans with Disabilities Act, the City of San Angelo will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the City Clerk's Office at 325-657-4405.

City Council meetings are broadcast on Channel 17-Government Access at 10:30 A.M. and 7:00 P.M. every day for two weeks beginning on the Thursday after each meeting.

Recognition

You do not want to get into an argument with this crew. Central High School's speech and debate team has again proven to be one of the state's most prolific programs.

Mentored by Julie Schniers and Tim Haynes, the CHS speech and debate team qualified 48 competitors for the Texas Forensics Association's state tournament. Central placed fifth out of the 225 public and private schools that competed. The mighty Bobcats racked up nine quarterfinalists, five semi-finalists and five state finalists. The duet acting team of Mikayla Eubanks and Adyson Bass were state runners-up. Eubanks also placed fourth in humorous interpretation. Also placing fourth were the duet of Dakota Myers and Alfredo Antu, and Antu in program oral interpretation. Sienna Soto placed sixth in informative speaking.

In June, 13 of the students will travel to Florida, to compete at the National Speech and Debate Association's national tournament. At last year's competition, the Bobcats had two national finalists last year. Antu was the national champion in prose and Gracie Wilson placed fourth in the nation in poetry.

In UIL competition, the Bobcats won its 11th straight district championship and have advanced six students to the state tournament, where only the top 12 in Texas compete in each event. Among them, James Mayville placed fourth at UIL State Congress.

Therefore, I, Brenda Gunter, Mayor of the City of San Angelo, on behalf of the City Council, do hereby recognize and applaud

The Central High School Speech & Debate Team

for its achievement and positive determination to make a difference in our community.

In Witness Whereof, I have hereunto set my hand and have caused the Official Seal of the City of San Angelo to be affixed this
1st day of May, 2018.

Brenda Gunter
Mayor of the City of San Angelo

Recognition

San Angelo's mass transit system has earned well-deserved statewide recognition for the exceptional manner in which it delivers passengers to the places they need to go.

The Concho Valley Transit District won the Outstanding Small Urban Transit System Award in March during the Texas Transit Association's annual conference. Over the past two years, the CVTD has improved its safety record through hands-on training and safety blitzes that have engaged employees in meaningful and fun ways. As a result, the number of accidents was cut by one-third last year. After seeking and instituting operating efficiencies, the Concho Valley Transit District was also able to increase staff salaries and drivers' wages. Lastly, the CVTD has worked with Angelo State University, Goodfellow Air Force Base, wellness homes and local businesses to increase ridership.

There's no doubt the CVTD is on an upswing. This year's award as the Outstanding Small Urban Transit System follows a 2017 honor as the Outstanding Rural Transit System. On behalf of the community, we wish to thank the drivers, staff and administrators who provide superior, safe, reliable and friendly services to San Angelo and beyond.

Therefore, I, Brenda Gunter, Mayor of the City of San Angelo, on behalf of the City Council, do hereby recognize and applaud

The Concho Valley Transit District

for its achievement and positive determination to make a difference in our community.

In Witness Whereof, I have hereunto set my hand and have caused the Official Seal of the City of San Angelo to be affixed this 1st day of May, 2018.

Brenda Gunter
Mayor of the City of San Angelo

Proclamation

Travel has a positive effect on Texas and the nation's economic prosperity and image abroad, it also impacts business productivity and individual travelers' well-being. Travel to and within the United States provides significant economic benefits for the nation, generating more than \$2.3 trillion in economic output in 2016, with nearly \$1 trillion spent directly by travelers.

Travel is among the largest private-sector employers in the United States, supporting 15.3 million jobs in 2016, including 8.6 million directly in the travel industry and 6.7 million in other industries.

Travelers' spending directly generated tax revenues of \$158 billion for federal, state and local governments, funds used to support essential services and programs. International travel to the United States is the nation's No. 1 services export. In 2016, travel generated \$245 billion in exports, creating a \$84 billion trade surplus for the United States.

Meetings, events and incentive travel are core business functions that help companies strengthen business performance, educate employees and customers and reward business accomplishments—which in turn boosts the U.S. economy. In 2016, domestic and international business travelers spent \$307.2 billion.

Leisure travel, which accounts for more than three-quarters of all trips taken in the United States, spurs countless benefits to travelers' health and wellness, creativity, cultural awareness, education, happiness, productivity and relationships.

Visitors spend more than \$178 million in direct spending, \$12.7 million in local and state tax receipts, provide 3,100 jobs, and \$67 million in payroll dollars in San Angelo.

Travel is a pillar of economic growth, creating jobs at a faster rate than other sectors.

Therefore, I, Brenda Gunter, Mayor of the City of San Angelo, Texas, on behalf of the City Council, do hereby proclaim May 6-12, 2018, as

National Travel and Tourism Week

in San Angelo, Texas, and urge the citizens of San Angelo to join me in this special observance with appropriate events and commemorations.

In Witness Whereof, I have hereunto set my hand and have caused the Official Seal of the City of San Angelo to be affixed this 1st day of May, 2018.

Brenda Gunter
Mayor of the City of San Angelo

Proclamation

The month of May is National Historic Preservation Month. The National Trust for Historic Preservation established this year's theme "See! Save! Celebrate!".

Downtown San Angelo, Inc. has been a vital organization promoting the preservation of history, culture and significant structures in Historic Downtown San Angelo, Texas, and has partnered with Fort Concho, one of the oldest preservation projects of its kind in the nation.

The City of San Angelo has supported the efforts of Downtown San Angelo, Inc. in its endeavors which have fostered economic development, preserved its history through promotional activities and preserved the integrity of its historic structures and architectural integrity.

Downtown San Angelo, Inc. has been an integral partner with the City of San Angelo in advocating tourism in the central business district.

Downtown San Angelo, Inc. has received 2018 National Main Street accreditation for the tenth year in a row, a mark of the success of this community's commitment to preservation.

Therefore, I, Brenda Gunter, Mayor of the City of San Angelo, Texas, on behalf of the City Council, do hereby proclaim May 2018, as

"National Historic Preservation Month"

in San Angelo, Texas, and call upon all in the City of San Angelo to support the continued efforts of preservation in our community.

In Witness Whereof, I have hereunto set my hand and have caused the Official Seal of the City of San Angelo to be affixed this 1st day of May, 2018.

Brenda Gunter
Mayor of the City of San Angelo

Proclamation

Poderosas MC, as members of the Region 5 Texas Confederation of Clubs and Independents in connection with the support of the National Safety Council, TXDOT, and local Motorcycle enthusiasts, would like to remind all road users that the month of May marks a National recognition of Motorcycle Safety Awareness Month.

Motorists are reminded of the frequency in seasonal return of motorcycle enthusiasts to Texas' roadways during this month.

Due to their smaller size, motorcycles may easily be overlooked in regular traffic flow, and motorists are encouraged to always be aware of motorcycles at intersections, when performing lane changes, and whenever near or passing other vehicles, including motorcycles.

Motorcyclists should always operate their motorcycles in a defensive manner and within the rules of the road. Motorcyclists ask that motorists Look Twice for Motorcycles as they drive, both during Motorcycle Safety Awareness Month and throughout the year.

Therefore, I, Brenda Gunter, Mayor of the City of San Angelo, Texas, on behalf of the City Council, do hereby proclaim May as

Motorcycle Safety Awareness Month

in San Angelo, Texas, and encourage everyone to share the road safely.

In Witness Whereof, I have hereunto set my hand and have caused the Official Seal of the City of San Angelo to be affixed this 1st day of May, 2018.

Brenda Gunter
Mayor of the City of San Angelo

City of San Angelo, Texas
Regular City Council Meeting
Tuesday, April 17, 2018

Present:

Mayor Pro Tem Lane Carter, SMD 5
Council Member Tommy Hiebert, SMD 1
Council Member Tom Thompson, SMD 2
Council Member Harry Thomas, SMD 3
Council Member Lucy Gonzales, SMD 4
Council Member Billie F. DeWitt, SMD 6

1. Call to Order

With a quorum of the City Council Members present, Mayor Pro Tem Carter called the regular session of the San Angelo City Council to order at 8:31 a.m. on Tuesday, April 17, 2018, in the San Angelo McNease Convention Center, 501 Rio Concho Drive, San Angelo, Texas 76903.

2. Prayer and Pledge

An invocation was provided by COSA Training & Development Specialist Joe Hodges; and the pledges were led by the Sassy Shooters & Lady Bulldogs basketball teams.

3. Proclamations/Recognitions

The 8U D2 girls basketball team (Sassy Shooters) coached by Michael Adams and 12U D2 girls basketball team (Lady Bulldogs) coached by Walter Bryant were recognized for winning the Texas Amateur Athletic Federation Girls State Basketball Tournament for their respective divisions in March 2018
April 29 - May 5, 2018 was proclaimed as "National Small Business Week"

4. Public Comment

Citizen Lyleann McClellan spoke about affordable housing and sidewalk considerations.

5. Consent Agenda

- a. Approval of the April 3, 2018 City Council regular meeting minutes
- b. Approval of authorizing the sale of the following Lake Nasworthy property to current residential lot leaseholder for the appraised value for 2610 Sleepy Hollow Rd; Lot 37, Block 1, Section 1, Group Fishermans Rd, Lake Nasworthy Addition (\$97,903)
- c. Approval of an agreement with the American Red Cross, Texas Big Country Chapter, for the use of City-owned buildings for emergency sheltering and authorizing the City Manager to execute all related documents
- d. Adoption of a resolution authorizing applicant to hold a special event downtown, "Simply Texas Blues Festival," permitting specified activities; imposing requirements on applicant; and granting variances relating to rules and regulations of ordinances (Pg. 171, 2018-052)
- e. Approval of ratifying a resolution of COSADC, authorizing the use of sales and use tax funds in an amount not to exceed \$25,000, to provide an economic development incentive to U.S. Customs & Border Protection Air and Marine Operations, with participation by the City
- f. Approval of authorizing the Parks & Recreation-Nutrition program to apply for, and accept, subcontractor status of congregate meal sites for Area Agency of Aging of the Concho Valley and authorizing the City Manager to execute all related documents
- g. Approval of authorizing the City Manager to sign the award acceptance letter for sub-grant award DR-4272-006 multi jurisdictional Hazard Mitigation Plan
- h. Adoption of a resolution finding that AEP Texas Inc.'s application to amend its distribution cost recovery factors to increase distribution rates within the City should be denied and that

the City's reasonable rate case expenses shall be reimbursed by AEP Texas, Inc. (Pg. 172, 2018-053)

- i. Second reading and adoption of an ordinance amending Chapter 12, Exhibit "A" Zoning Ordinance, Article 3, Section 310.E and Section 315.H.3.c, and Article 4, Section 411, removing the use of "Game Hall" as an individual use category and reclassifying it under "Indoor Entertainment, Retail Sales and Services" (Pg. 174, 2018-054)
- j. Second reading and adoption of an ordinance amending the Land Development and Subdivision Ordinance, Chapter 1, Section II & Section IV, Subsection C, regarding appeals; Chapter 5, Section III, Subsection A & Subsection C, amending submittal requirements and meeting time for the Plat Review Committee; and Chapter 7, Section I, amending submittal requirements (Pg. 176, 2018-055)
- k. Second reading and adoption of an ordinance amending Appendix A, Article A 8.000 "Utility Related Fees", A 8.007 "Water Billing Charges" by amending the late fee (Pg. 181, 2018-056)
- l. Second reading and adoption of an ordinance amending Chapter 11 "Utilities", Article 11.02 "Water and Sewer Systems", Section 11.02.036 "Billing" by amending the payment due date (Pg. 182, 2018-057)
- m. Second reading and adoption of an ordinance amending Appendix A, Article A 8.000 "Utility Related Fees", A 8.020 "Rebates" by amending the discussion of bi-annual rebates (Pg. 185, 2018-058)

Motion: Council Member DeWitt made a motion, seconded by Council Member Hiebert, to approve the consent agenda with the exception of item 5h. The motion carried unanimously (6) ayes to (0) nays.

Motion: Council Member Hiebert made a motion, seconded by Council Member DeWitt, to approve item 5h, as presented, adopting the resolution. The motion carried unanimously (6) ayes to (0) nays.

6. Regular Agenda

- a. Approval of authorizing the Fire Department to apply for a Staffing for Adequate Fire and Emergency Response (SAFER) grant and authorizing the City Manager to execute all related documents - (Presentation made by Assistant Fire Chief Todd Sanford)

Motion: Council Member DeWitt made a motion, seconded by Council Member Hiebert, to approve item 6a, as presented. The motion carried unanimously (6) ayes to (0) nays.

- b. Public hearing and first reading of an ordinance approving Case Z18-05, a rezoning from the General Commercial/Heavy Commercial (CG/CH) and General Commercial (CG) Zoning Districts to the General Commercial (CG) Zoning District; located at 4102, 4106, and 4110 Sunset Drive - (Presentation made by Planning & Development Services Director Jon James)

Motion: Council Member Thomas made a motion, seconded by Council Member Thompson, to approve item 6b, as presented. The motion carried unanimously (6) ayes to (0) nays.

- c. Public hearing and first reading of an ordinance approving Case PD18-01, a rezoning from the Ranch and Estate (R&E) Zoning District to a Planned Development (PD) Zoning District to allow for Light Manufacturing and Production, and Retail Sales and Service; located at 3409 and 3415 South Chadbourne Street - (Presentation made by Planning & Development Services Director Jon James)

Motion: Council Member Hiebert made a motion, seconded by Council Member Thomas, to approve item 6c, as presented. The motion carried unanimously (6) ayes to (0) nays.

- d. Public hearing and first reading of an ordinance approving an amendment to Case SU17-01, modifying condition of approval #4 and eliminating condition of approval #5, for an approved Special Use which allows an Automotive and Light Truck Dealership in the Neighborhood Commercial (CN) Zoning District, located at 508 West 17th Street - (Presentation made by Planning & Development Services Director Jon James)

Motion: Council Member Gonzales made a motion, seconded by Council Member Hiebert, to approve item 6d, as presented. The motion carried (5) ayes to (1) nays, with Council Member DeWitt casting the dissenting vote.

- e. Public hearing and first reading of an ordinance amending the budget for the fiscal year beginning October 1, 2017, and ending September 30, 2018, for capital projects, reimbursements, and grants (Presentation made by Finance Director Tina Dierschke)
Citizen Steve Hampton expressed concern.

Motion: Council Member Hiebert made a motion, seconded by Council Member Gonzales, to approve item 6e, as presented. The motion carried unanimously (6) ayes to (0) nays.

- f. Update on Sales Tax revenue performance - (Presentation made by Finance Director Tina Dierschke)

No action taken on this item.

- g. Discussion and denial of authorizing staff to place a speed hump in the 1200/1300 block of South Madison Street - (Presentation made by Operations Director Shane Kelton)

Citizens Randy Gardner, Lyndon Roberts, in support of the need for a speed hump. Carl White spoke in support of some improvement to the area's traffic plan. Citizen Steve Hampton expressed concern.

Motion: Mayor Pro Tem Carter made a motion to authorize staff to place the speed hump. The Motion failed due to not receiving a second.

Motion: Council Member Thompson made a motion, seconded by Council Member Gonzales, to deny the speed hump request and pursue a study related to an all-way stop sign placement. The motion carried unanimously (6) ayes to (0) nays.

7. Closed Session

Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be Open under the following sections:

- a. Section 551.071(1)(A) Consult with attorney when the governmental body seeks the advice of its attorney about pending or contemplated litigation regarding Templeton Construction, Inc.
- b. Section 551.071(2) consult with attorney when the governmental body seeks the advice of its attorney regarding Korby Kennedy
- c. Section 551.072 Deliberation about Real Property regarding the Ford Ranch
- d. Section 551.087(2) Deliberation regarding Economic Development Negotiations related to financial or other incentive to a business prospect

8. Follow Up and Administrative Issues

- a. Consider items discussed in Executive Session, if needed

Motion: Mayor Pro Tem Carter made a motion, seconded by Council Member Hiebert, to waive the subrogation rights for the family of Korby Kennedy. The motion carried unanimously (6) ayes to (0) nays.

b. Approval of the following Board nominations:

Airport Advisory Board: Patrick Nuytten (SMD4) to a third term ending October 2021 and Robert Frank (SMD5) to a second term ending October 2021

Animal Shelter Advisory Committee: Jenie Wilson (SMD2) to a second term ending January 2020

Civic Events Advisory Board: Billy Najera (SMD3) to a second term ending December 2020

Construction Board of Adjustments and Appeals: Roger Julien (At-Large) to a first term ending February 2020

Design and Historic Review Commission: Eric Eggemeyer (SMD2/Historian) to a first term ending September 2019

Fort Concho Museum Board: Jason Pierce (SMD1) to a first full term ending January 2021 and Sarah Howell (SMD2) to a second term ending January 2021

Public Art Commission: Teri Covert (SMD1) to a second term ending April 2019, Lori Francks (SMD4) to a third term ending April 2019, and Heidi Meyer-Brooks (SMD5) to a second term ending April 2019

Zoning Board of Adjustment: Louis Rork (SMD5) to a third term ending January 2020

Motion: Council Member Hiebert made a motion, seconded by Council Member Gonzales, to approve all the nominations, as presented (the nomination to the Design and Historic Review Commission was withdrawn). The motion carried unanimously (6) ayes to (0) nays.

c. Announcements and consideration of Future Agenda Items

No action taken on this item.

9. **Adjournment**

Motion: Council Member Hiebert made a motion, seconded by Council Member Thomas, to adjourn the meeting. The motion carried unanimously (6) ayes to (0) nays.

There being no further business, the meeting was adjourned at 11:25 a.m.

THE CITY OF SAN ANGELO

Brenda Gunter, Mayor

ATTEST:

Bryan Kendrick, City Clerk

In accordance with Chapter 2, Article 2.300, of the Official Code of the City of San Angelo, the minutes of this meeting consist of the preceding Minute Record and the Supplemental Minute Record. Details on Council meetings may be obtained from the City Clerk's Office or a video of the entire meeting may be purchased from the Public Information Officer at 481-2727. (Portions of the Supplemental Minute Record video tape recording may be distorted due to equipment malfunction or other uncontrollable factors.)

CITY OF SAN ANGELO RECOGNITION, PROCLAMATION, AND HONOR POLICY

Purpose: To define parameters and qualifications on recipients of Certificates of Recognition, Mayoral Letters, and Proclamations.

Section 1. Definitions

- A. Mayoral Recognitions:** A recognition of a citizen or organization for outstanding achievement or service to the community. They are typically read at City Council Meetings.
- B. Certificates of Recognition:** A certificate typically recognizing a sports team, band or academic team. They will be made available for pick up in the City Clerk's Office.
- C. Mayoral Letter:** Letters of welcome, recognition and or congratulations/celebrations.
- D. Proclamations:** Document proclaiming a public or official announcement in honor of significant events, organizations and persons who have made a significant contribution to the community.

Section 3. Requirements

- A.** Mayoral Recognition will be issued to commemorate events such as:
 - 1. Retiring City Employees or Military Service Men and Women with more than 20 years of service.
 - 2. Outstanding meritorious achievement (e.g. Heroic Life Saving Actions).
 - 3. Service to the community (e.g. Service across multiple boards and commissions over several years).
- B.** Certificates of Recognition will be issued to teams from Educational Organizations (Public and Private Schools, for athletic or academic achievement).
- C.** Mayoral Letters will be issued to welcome conferences, conventions, seminars, etc.; significant birthdays (age 80 and above), wedding anniversaries (50th and above); organization anniversaries (25th and above).
- D.** Proclamations will be issued for:
 - 1. Significant Events (e.g. Local version of Federal or State Proclamations)
 - 2. Proclaiming named day for outstanding meritorious achievement (e.g. Heroic Life Saving Actions).
 - 3. Raising Public Awareness (e.g. Alcohol Awareness)

Section 4. Procedure

- A.** Mayoral Recognitions, Certificates of Recognition, and Proclamations are requested by filling out the form on the City Clerk's website and are subject to approval by the Mayor.
- B.** Mayoral Letters should be requested through the City Manager's office and are subject to approval by the Mayor.
- C.** Requests must be completely filled out (including sample draft information) two weeks in advance.
- D.** Staff will review proclamation draft included in request and make any edits necessary to finalize the document.
- E.** Requests
- F.** Recognition documents shall be signed by the Mayor or the Mayor Pro Tem.

Section 5. Exclusions

- A.** The following events will not be recognized in any form:
 - 1. Matters of political controversy, ideological or religious beliefs, or individual conviction
 - 2. Recognitions contrary to City policy or ordinances
 - 3. Attempts to influence government policy
 - 4. Personal, political or business endorsement
 - 5. Commercial purposes
 - 6. Common events (e.g. engagements, children's birthdays)

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Cynthia Preas, Real Estate Manager, Real Estate, 325-657-4407

Meeting Date: May 1, 2018

Item type: Consent Item

Caption:

Consider a resolution authorizing a tax resale deed (Quitclaim) to be executed by the Mayor on behalf of the City and all taxing units in the Tax Foreclosure Judgment or Tax Warrant to the following property: 2817 Pecan; Will H. Green (\$2,000) (Preas)

Summary/History:

The subject property was auctioned at Sheriff's Sale on October 3, 2017. No offers were received causing the subject property to be struck-off to the City, as Trustee for itself and other taxing entities.

Financial Impact:

Upon approval: (1) The City will retain a \$500 administration fee; (2) The balance will be distributed according to the judgment or tax warrant on the Sheriff's Return; (3) Property will be reinstated back onto tax roll. Savings to the City includes a minimum \$90 per year maintenance charges.

Other Information/Recommendation:

Staff recommends approval.

Attachments:

- | | |
|--------------------------------------|--|
| 1. Property Analysis Perez Addtn | Property Analysis Perez Addtn.pdf |
| 2. Map 2817 Pecan St | Map 2817 Pecan St.pdf |
| 3. Tax Resale Resolution Perez Addtn | Tax Resale Resolution Perez Addtn.docx |

Presentation:

Approvals/Reviews:

Cynthia Preas	Created/Initiated
Theresa James	Approved
Anthony Wilson	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

PROPERTY ANALYSIS

For Tax Resale Property

Legal Description: Lot 2, Perez Addition, City of San Angelo, Tom Green County, Texas, as described in deed recorded in Volume 800, Page 786, Official Public Records of Real Property, Tom Green County, Texas.

Improved/Unimproved Unimproved

Tax Suit Number: C-15-0093-TAX

Location: 2817 Pecan

City of San Angelo, et al. Dulces Salazar, et al.
vs.

Tax ID Number: Acct #21-38650-0000-002-00

Judgment Date: June 23, 2017

Date of Sheriff's Sale: September 5, 2017

Sheriff's Deed Recorded: October 11, 2017

Years Held in Trust 6 months

Adjudge Value: \$ 5,360.00 **Urban Redevelopment Program?** No

Amount of Offer: \$ 2,000.00

Purchaser: Will H. Green

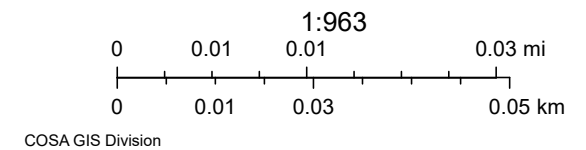
	Amounts Due		Priority	% of	Pro Rata	Amounts
	Fees	Judgment				
Administration Fee	\$500.00		\$500.00	0.00%		\$500.00
Maintenance Fee	\$231.30		\$231.30	100.00%		\$231.30
District Clerk	\$647.00		\$647.00	50.00%		\$323.50
Sheriff's Fee	\$100.00		\$100.00	50.00%		\$50.00
Attorney Fee	\$485.00		\$485.00	50.00%		\$242.50
Municipal Liens (DM)		\$ 9,108.60		4.53%		\$412.44
Municipal Liens (CE)		\$1,068.19		4.53%		\$48.37
Taxes		\$4,240.24		4.53%		\$191.90
Total	\$1,963.30	\$5,308.43	\$1,963.30		\$0.00	\$2,000.00
Actual Total Amt Due		\$7,271.73				
Amount Remaining		\$ (5,271.73)				

Offer will satisfy a portion of court costs, liens and taxes, according to the Judgment.

2817 Pecan St



April 17, 2018



**A RESOLUTION OF THE CITY OF SAN ANGELO AUTHORIZING THE
MAYOR TO EXECUTE A TAX-RESALE (QUITCLAIM) DEED
CONVEYING ALL RIGHT, TITLE AND INTEREST OF THE CITY OF
SAN ANGELO, AND ALL OTHER TAXING UNITS INTERESTED IN THE
TAX FORECLOSURE JUDGMENT**

WHEREAS, by Sheriff's Sale, the property described below was struck-off to the City of San Angelo, Trustee, pursuant to a delinquent tax foreclosure decree of the 340th Judicial District, Tom Green County, Texas; and

WHEREAS, an offer has been made for the purchase of said property pursuant to Section 34.05, Texas Tax Code Ann.(Vernon, 1982); and

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANGELO that its Mayor, Brenda Gunter, is hereby authorized to execute a Tax-Resale (quitclaim) Deed conveying all of the right, title, and interest of the City of San Angelo, and all other taxing units interested in the below described real property to the named individual or entity:

Conveying to:

Will H. Green (\$2,000)

Lot 2, Perez Addition, City of San Angelo, Tom Green County, Texas, as described in deed recorded in Volume 800, Page 786, Official Public Records of Real Property, Tom Green County, Texas, described in Judgment foreclosing tax lien entered June 23, 2017, 340th District Court, Tom Green County, Cause No. C-15-0093TAX, and conveyed by Sheriff's Deed dated October 11, 2017, recorded as Instrument No. 201713904. Acct. #21-38650-0000-002-00.

APPROVED AND ADOPTED ON THE _____ DAY OF _____, 2018.

THE CITY OF SAN ANGELO

Attest:

Brenda Gunter, Mayor

Bryan Kendrick, City Clerk

Approved As to Content:

Approved As to Form:

Cynthia S. Preas, Real Estate Manager

Theresa James, City Attorney

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Morgan Chegwidden, Assistant Director of Neighborhood Services, Real Estate, 325-657-4224

Meeting Date: May 1, 2018

Item type: Consent Item

Caption:

Consider a resolution authorizing the City Manager or his designee to negotiate and execute a lease agreement and all related documents with the Humane Society of Tom Green County, d/b/a Concho Valley Paws on vacant land adjacent to the City of San Angelo Animal Shelter facility, for use as an animal resource center for the performance of related animal rescue, shelter, veterinarian and adoption services (Preas)

Summary/History:

The Humane Society of Tom Green County, d/b/a Concho Valley Paws ("PAWS") entered into a Professional Services Agreement with the city effective January 23, 2018, for the provision of animal adoption services at the City of San Angelo Animal Shelter.

PAWS proposes to acquire, install and construct on the Leased Premises a manufactured building and related facilities and equipment to facilitate its animal rescue, shelter, veterinarian and adoption services.

City staff believes it is in the best interest of the city to lease approximately 3.6 acres ± of vacant land adjacent to the current Animal Shelter and being out of Lot 1, City Business Park North Addition, City of San Angelo to PAWS for animal adoption services.

Financial Impact:

None

Other Information/Recommendation:

Staff recommends approval.

Attachments:

- | | | |
|----|-----------------------|----------------------------|
| 1. | Map PAWS Lease Area | Map PAWS Lease Area.pdf |
| 2. | PAWS Lease Resolution | PAWS Lease Resolution.docx |

Presentation:

Approvals/Reviews:

Morgan Chegwidden	Created/Initiated
Anthony Wilson	Approved
Theresa James	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

**A RESOLUTION OF THE CITY OF SAN ANGELO CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A
LEASE AGREEMENT AND ALL RELATED DOCUMENTS WITH THE
HUMANE SOCIETY OF TOM GREEN COUNTY, DBA CONCHO VALLEY
PAWS, FOR THE LEASE OF THE SURFACE ESTATE ONLY OF
APPROXIMATELY 3.6 ACRES AT THE SAN ANGELO ANIMAL SHELTER
FOR USE AS AN ANIMAL ADOPTION CENTER FOR THE PERFORMANCE OF
RELATED ANIMAL RESCUE, SHELTER, VETERINARIAN AND ADOPTION
SERVICES.**

WHEREAS, the Humane Society of Tom Green County, d/b/a Concho Valley Paws (PAWS), entered into a Professional Services Agreement with the city effective January 23, 2018, for the provision of animal adoption services at the City of San Angelo Animal Shelter; and,

WHEREAS, PAWS proposes to provide more comprehensive animal adoption related services such as an animal resource center, rescue and adoption shelter, and related veterinarian services on City property adjacent to the current Animal Shelter described as approximately 3.6 acres $\pm$ of vacant land out of Lot 1, City Business Park North (Leased Premises) as depicted on **Exhibit "A"**, attached hereto; and,

WHEREAS PAWS proposes to acquire, install and construct on the Leased Premises a manufactured building and related facilities and equipment to facilitate its animal rescue, shelter, veterinarian and adoption services;

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANGELO, TEXAS THAT:

Section 1. The City Manager or his designee is hereby authorized to negotiate and execute a lease agreement and related documents with the Humane Society of Tom Green County, d/b/a Concho Valley PAWS, (PAWS) approved as to form by the City Attorney, for the lease of the surface estate only of approximately 3.6 acres $\pm$ of vacant land out of Lot 1, City Business Park North as depicted on **Exhibit "A"**, for use as an animal adoption center and the performance of related animal rescue and adoption services.

PASSED and APPROVED THIS 1st DAY OF May, 2018.

ATTEST:

CITY OF SAN ANGELO, TEXAS

Brenda Gunter, Mayor

Bryan Kendrick, City Clerk

APPROVED AS TO CONTENT

APPROVED AS TO FORM

Robert Salas, Director of Neighborhood
and Family Services

Theresa James, City Attorney

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Stephanie Collins, Office Manager, Fire Department, 325-657-4355

Meeting Date: May 1, 2018

Item type: Consent Item

Caption:

Consider authorizing an agreement between the Fire Department and the Texas Forestry Service related to Texas Intrastate Fire Mutual Aid System (TIFMAS) and allowing the City Manager to execute any documents (Dunn)

Summary/History:

The Texas Forestry Service would like to place a fire truck here for wildland firefighting. The City of San Angelo could use the vehicle for wildland fires in and around San Angelo. This vehicle would be a part of TIFMAS (Texas Intrastate Fire Mutual Aid System). What that means is if there is a state wide emergency. TIFMAS may be activated and if available San Angelo would send the truck and a crew to the afflicted area. TIFMAS would reimburse the City of San Angelo for any expenses incurred during the deployment. This includes paying the personnel and reimbursing the City of San Angelo for any overtime incurred to maintain minimum manning for the fire department.

The city has the responsibility to check the vehicle out and make sure it is ready to respond. The city would have use of the vehicle for wildland and grass fire in and around San Angelo. This would give the San Angelo Fire Department access to a second wildland fire truck.

Financial Impact:

There is no cost to the City of San Angelo.

Other Information/Recommendation:

Attachments:

- | | | |
|----|---|---|
| 1. | PDF TIFMAS APPLICATION | PDF TIFMAS APPLICATION.pdf |
| 2. | TIFMAS-FEPP Coop Agreement 8-28-2013 - San Angelo FD 2-2-18 | TIFMAS-FEPP Coop Agreement 8-28-2013 - San Angelo FD 2-2-18.pdf |

Presentation:

Approvals/Reviews:

Stephanie Collins	Created/Initiated
Brian Dunn	Approved
Theresa James	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved

Bryan Kendrick

Final Approval



For Internal Use Only:

Record ID #

APPARATUS REQUEST

TIFMAS GRANT ASSISTANCE PROGRAM

Name of Fire Department: **SAN ANGELO FIRE DEPARTMENT**Physical Address: **306 W. 1ST** **SAN ANGELO** **76903**
street address city zip codeMailing Address:
if different mailing address city zip codeCounty: **Tom Green** E-Mail Address: **FIRECHIEF@SAFIREDEPT.COM**Department Phone Number: **325-657-4355** Fax Number: **325-655-1644**

Fire Department Officers:

Name	Title	Phone:	Cell:
BRIAN DUNN	Fire Chief	325-657-4355	325-227-9736
TODD SAN FORD	Assistant Chief	325-657-4355	325-656-3546

State of Texas Charter Number: **UNDER CITY**
If operating under a local government entity, please type "Under City, County, BSD"Federal Tax Identification Number: **75-6000659***A signed and dated copy of IRS Form W-9 is required to be submitted with this application.*Membership: Number of Volunteers: **0**
Number of Paid Full-Time: **171**
Number of Paid Part-Time*: **0****Paid Positions include:**
Firefighters, EMS,
Administrative Personnel,
Fire Marshals, etc.***Do not include part time members used in a pool to backfill other paid positions.**

Department Eligibility Details:

Number of Current Carded TIFMAS Personnel: **158**Does the Department Report to TXFIRS*: **Yes**
Y/NDoes the Department Report to TFS Fire Department Reporting System*: **No**
Y/N**As an audit step, TFS will verify that reports have been submitted within the past 12 months.*Is the Department Listed as Having Adopted NIMS with the TDEM: **Yes**
Y/N*As an audit step, TFS will verify accuracy through analysis of the NIMS compliance listing as maintained by TDEM. To confirm or update your department's status on the NIMS list, please contact TDEM at 512-124-2450.*Time Required for TIFMAS Apparatus to Mobilize: **More Than 6.1 Hours***Please Select: Less Than 2 Hours, 2-4, 4.1-6, or More Than 6 Hours*

Department Eligability Details: *(continued)*

Number of Past Statewide Deployments, verifiable by Resource Order:

Please Select: More than 5, 3-5 deployments, 1-2 deployments, or None

Please List Previous Deployments by Resource Order, Incident Name, and Year:

If None, Write N/A

N/A

(This section must be signed by authorized Fire Chief, Assistant Fire Chief or President.)

APPLICANT CERTIFICATION: I certify that the information contained in this revision request is true and accurate to the best of my knowledge and that I am duly authorized to sign this application on behalf of the fire department. I understand that knowingly making false or fraudulent statements or representations may result in program sanctions and/or criminal penalties.

Name: (print)

Title:

Fire Chief, Assistant Chief, or President

Signature:

Digitally signed by BRIAN DUNN
Date: 2018.01.08 10:25:48 -06'00'

Date:

To submit electronically:

Press the **Submit Form** button. Your email client will open and you will have the opportunity to attach your supporting documents before sending.

To submit by mail or fax: Press the **Print Form** button. Be sure to attach your supporting documents before sending.

*For questions, please contact us at:
tifmasgrants@tfs.tamu.edu or by phone:
(979) 458-6505*

Mail or Fax to:
TIFMAS Grant Assistance Program
Texas A&M Forest Service
Capacity Building Department
200 Technology Way, Suite 1162
College Station, Texas 77845
Fax: (979) 845-6160



**FEDERAL EXCESS PERSONAL PROPERTY PROGRAM (FEPP) /
TEXAS INTRASTATE FIRE MUTUAL AID SYSTEM (TIFMAS)
FEPP/TIFMAS VEHICLE ASSIGNMENT PROGRAM**

AGREEMENT

Through the FEPP/TIFMAS Vehicle Assignment Program, the Texas A&M Forest Service (TFS) considers applications for participation and will provide certain response apparatus ("FEPP/TIFMAS Vehicle(s)") to cooperators in the FEPP/TIFMAS Vehicle Assignment Program.

In consideration for the provision of FEPP/TIFMAS Vehicle(s), SAN ANGELO FIRE DEPARTMENT of TOM GREEN County, Texas, ("COOPERATOR"), agrees to the terms and conditions set forth herein.

This document describes the TFS's administration and the terms and responsibilities of the Cooperator related to FEPP/TIFMAS Vehicle Assignments under the FEPP/TIFMAS Vehicle Assignment Program. Upon execution of this document, the following shall apply:

I. TFS Responsibilities:

1. Make available a certain FEPP/TIFMAS Vehicle and tools to be used in the suppression of natural cover and structural fires and for other emergencies which threaten the loss of life and property.
 - FEPP/TIFMAS Vehicle will be acquired on behalf of the Cooperator from the USDA Forest Service through its Federal Excess Personal Property Program.
 - Specifications for FEPP/TIFMAS Vehicle will be developed by TFS.
 - FEPP/TIFMAS Vehicle will be refurbished at the expense of TFS and will include loose equipment per TFS specifications.
2. TFS will perform an inspection after the refurbished FEPP/TIFMAS Vehicle has been delivered to COOPERATOR and will document the vehicle on an RFD Equipment Listing, signed by both parties. TFS will perform occasional inspections of the FEPP/TIFMAS Vehicle throughout the term of this Agreement to insure the COOPERATOR is fulfilling its obligations in accordance with this agreement.
3. License federal excess motor equipment provided under this Agreement.
4. Provide repair parts for FEPP/TIFMAS Vehicle maintenance purposes when available.

5. Permit removal of any accessories which the COOPERATOR has added to the FEPP/TIFMAS Vehicle prior to its return to TFS.
6. Provide technical assistance in operational fire planning, use of equipment, and training in fire prevention and wildland fire suppression.
7. Transport FEPP/TIFMAS Vehicle at the discretion of TFS when and where the means to do so is available. The COOPERATOR may expedite transportation of their own accord.

II. Cooperator Responsibilities:

1. COOPERATOR will take possession of FEPP/TIFMAS Vehicle at a time and location mutually decided on by TFS and COOPERATOR.
2. COOPERATOR will facilitate an initial inspection of the FEPP/TIFMAS Vehicle and sign the RFD Equipment Listing provided by TFS.
3. COOPERATOR may add additional loose equipment to the FEPP/TIFMAS Vehicle, but cannot alter or change the original specification of the FEPP/TIFMAS Vehicle. All additional loose equipment added by COOPERATOR shall remain the property and responsibility of the COOPERATOR.
4. COOPERATOR will use the FEPP/TIFMAS Vehicle only for the following:
 - a. Local and Regional Mutual Aid Incidents.
 - b. Local/Regional Multiple Alarm Incidents.
 - c. Emergency events threatening properties vital to National Defense, Critical Infrastructure or Important Military Installations.
 - d. Local community events (parades, displays).
 - e. Training of firefighters.
 - f. Temporary standby for COOPERATOR's regular apparatus while out of service for repairs. COOPERATOR agrees to notify the Service if the standby period will exceed 90 days.
5. COOPERATOR will house, maintain, operate, and repair the assigned FEPP/TIFMAS Vehicle in order to ensure a high state of readiness at all times.
 - a. FEPP/TIFMAS Vehicle shall be housed on the property of the COOPERATOR and COOPERATOR will provide reasonable protection against weather, vandalism, theft, or damage.
 - b. All costs for operating, maintaining, and repairing the FEPP/TIFMAS Vehicle in a roadworthy and legal condition, with a

current state inspection decal, and within the posted Gross Vehicle Weight Rating (GVWR) of the chassis as stated by the manufacturer, shall be the responsibility of the COOPERATOR.

6. COOPERATOR will staff FEPP/TIFMAS Vehicle with trained and qualified personnel when dispatched by TIFMAS or other Texas State Agency with proper authority, to any regional or statewide assignment, and will provide for personnel rotation or replacement when the FEPP/TIFMAS Vehicle is needed on assignments of extended duration.
7. COOPERATOR shall notify the Service if the FEPP/TIFMAS Vehicle is not available and cannot respond to a TIFMAS authorized deployment.
8. FEPP/TIFMAS Vehicle must be returned to TFS for final disposition.
9. COOPERATOR shall maintain current liability and property damage insurance for each FEPP/TIFMAS Vehicle; to assume full liability for injury to the operator or others injured by FEPP/TIFMAS Vehicle and for damages resulting from movement or use; and to indemnify and hold TFS harmless from any and all claims, damages, costs and charges whatsoever.
10. Have FEPP/TIFMAS Vehicle inspected annually by an approved vehicle inspection station, and to submit a copy of the certificate of inspection to TFS.
11. Provide systematic training to members in fire prevention and suppression, safety and first aid.
12. Ensure that the Federal and State identification tag is not defaced or removed from the FEPP/TIFMAS Vehicle.
13. Report to TFS if any FEPP/TIFMAS Vehicle is lost, stolen, damaged or missing within five business days of the occurrence and provide law enforcement reports and other documentation as required to substantiate the claim.
14. Provide access to, and the right to examine all records, books, papers, or documents relating to this property to TFS, the USDA Forest Service, and the Comptroller General of the United States or their authorized representatives.

III. General Provisions:

1. Title to the FEPP/TIFMAS Vehicle shall remain with the USDA Forest Service.

2. When FEPP/TIFMAS Vehicle on loan to a COOPERATOR is lost, damaged, or stolen, the SERVICE will determine whether there was negligence or gross negligence on the part of a legitimate operator or custodian. Incidents of negligence or gross negligence will be resolved in accordance with the USDA Forest Service FEPP Desk Guide Chapter 20.
3. TFS shall have the right to inspect the FEPP/TIFMAS Vehicle at any time.
4. TFS shall have the right to recall the FEPP/TIFMAS Vehicle when the vehicle is not being maintained and/or operated in such a manner as to be of mutual advantage and assign the FEPP/TIFMAS Vehicle to another department of TFS's choice.
5. Violation of any section of this Agreement could result in its termination and further participation in and use of available funds in TFS's Rural Fire Protection Program.
6. This Agreement is not assignable.
7. This Agreement shall be governed by the laws of the state of Texas. Pursuant to Section 85.18 (b), *Texas Education Code*, venue for a state court suit filed against The Texas A&M University System, any member of The Texas A&M University System, or any officer or employee of The Texas A&M University System is in the county in which the primary office of the chief executive officer of the system or component, as applicable, is located. At execution of this Agreement, such county is Brazos County, Texas.
8. This is the entire agreement and any subsequent amendments shall be in writing and signed by both parties.
9. This Agreement supersedes and replaces all previous verbal and written agreements.
10. This Agreement covers all FEPP/TIFMAS Vehicles still in possession by the COOPERATOR that was assigned on previous verbal or written agreements.
11. Deployment and reimbursement for use of FEPP/TIFMAS Vehicle under a TIFMAS deployment shall be in accordance with the TIFMAS Business Manual. There are no provisions for reimbursement from the TFS to the COOPERATOR on any mutual aid assignment. COOPERATOR shall not bill for reimbursement of equipment expenses on federal responses.

12. If the COOPERATOR chooses to end its participation in the FEPP/TIFMAS Vehicle Assignment Program, COOPERATOR shall give Service 14-days prior written notice. Upon termination of its participation, all FEPP/TIFMAS Vehicles and equipment will be transferred to another fire department of the TFS's choice. COOPERATOR shall not alter the FEPP/TIFMAS Vehicle in any way prior to transferring the FEPP/TIFMAS Vehicle. Damage shall be limited to normal wear and tear.
13. Performance by TFS under this agreement may be dependent upon the appropriation and allotment of funds by the Texas State Legislature (the "Legislature"). If the Legislature fails to appropriate or allot the necessary funds, TFS will issue written notice to COOPERATOR and TFS may terminate this Agreement without further duty or obligation hereunder. COOPERATOR acknowledges that appropriation of funds is beyond the control of TFS.
14. COOPERATOR understands that pursuant to Section 51.9335(c) of the *Texas Education Code*, the state auditor may audit purchases of goods or services by an institution of higher education or by a component thereof that purchases goods and services. COOPERATOR agrees to cooperate with the state auditor in the conduct of an audit or investigation, including without limitation, providing all records requested.
15. COOPERATOR expressly acknowledges that TFS is an agency of the State of Texas and nothing in this Agreement will be construed as a waiver or relinquishment by the Service of its right to claim such exemptions, privileges, and immunities as may be provided by law.
16. The dispute resolution process provided in Chapter 2260, *Texas Government Code*, and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260, shall be used by the Service and COOPERATOR to attempt to resolve any claim for breach of contract made by COOPERATOR that cannot be resolved in the ordinary course of business. COOPERATOR shall submit written notice of a claim of breach of contract under this Chapter to the Associate Director for Finance and Administration of the Service, who shall examine COOPERATOR's claim and any counterclaim and negotiate with COOPERATOR in an effort to resolve the claim.
17. The primary points of contact for each party shall be as follows:

COOPERATOR

SAN ANGELO FIRE DEPARTMENT
306 W 1ST
SAN ANGELO TX 76903
Attn: Fire Chief Brian Dunn
Tel: (325) 657-4355

TFS

Texas A&M Forest Service
P.O. Box 310
Lufkin, TX 75901
Attn: Emergency Services Grants Unit
Tel: (936) 639-8130
Fax: (936) 639-8138

Contracting parties agree to notify the other of any changes in the above. Any notices regarding violations or termination shall be made in writing to the point of contact.

IV. Acceptance of Terms and Responsibilities

The COOPERATOR agrees to abide by the terms and responsibilities described herein for a period of five years, effective upon final signature.

COOPERATOR**TFS**

Signature

Signature

Title (Please Print)

Director and State Forester
Title

Date

Date

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Stephanie Collins, Office Manager, Fire Department, 325-657-4355

Meeting Date: May 1, 2018

Item type: Consent Item

Caption:

Consider authorizing an interlocal agreement between the Fire Department and the Concho Valley Council of Governments (CVCOG) to have access to all land lines in Tom Green County for new Warning System and authorizing the City Manager to execute all related documents (Dunn)

Summary/History:

The San Angelo Fire Department is submitting an Inter-local Agreement with the Concho Valley Council of Governments. The agreement will allow us to have access to all land lines in Tom Green County for the purpose of warning the citizens of impending weather or emergencies. These will be used with the IPAWS (Integrated Public Awareness Warning System). The Council of Governments controls this phone list through the 911 system. We need this agreement to have access to the numbers for our new warning system.

Financial Impact:

There is no cost to this agreement.

Other Information/Recommendation:

Attachments:

1. 18-387_SAFD_CVCOG_911_INTERLOCAL_AGREE 18-387_SAFD_CVCOG_911_INTERLOCAL_AGREE.pdf

Presentation:

Approvals/Reviews:

Stephanie Collins	Created/Initiated
Brian Dunn	Approved
Theresa James	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

Emergency Notification System Interlocal Agreement

This Agreement is entered into between the Concho Valley Council of Governments Regional 9-1-1 Program (CVCOG 9-1-1), and the City of San Angelo (COSA) to participate in the Integrated Public Alert and Warning System (IPAWS) for Tom Green County, TX.

WHEREAS, COSA has established an emergency alerting system, and;

WHEREAS, COSA has contracted with IPAWS to provide Emergency Notification Services for Tom Green County, TX, and;

WHEREAS, the purpose of this system is to alert large numbers of citizens within a specific geographic area of important information for public safety purposes, and;

WHEREAS, in the event of a large-scale emergency or incident, the alerting system would benefit the citizens of COSA and Tom Green County by providing critical information in a timely fashion, and;

WHEREAS, COSA has agreed to act as the single point of contact with West Intrado for access to the 9-1-1 Database for emergency alerting purposes, and;

WHEREAS, the Concho Valley Council of Governments Regional 9-1-1 Program agrees to this arrangement regarding the use of the 9-1-1 Database for this purpose;

NOW, THEREFORE, BE IT HEREBY RESOLVED:

That CVCOG 9-1-1 and COSA hereby agree to the following terms of use of the IPAWS Public Alert and Warning System and the 9-1-1 Database. COSA agrees to use the 9-1-1 West Intrado database only for the purpose of emergency notification purposes. COSA understands that the data contained in the 9-1-1 Database is to be used for the purpose of warning or alerting citizens

to an emergency situation as defined by the Federal Communications Commission (FCC) as a “situation posing an extraordinary threat to the safety of life and property” and that this data is to be maintained as confidential and not subject to public inspection in accordance with Texas Health and Safety Code, Section 771.061(a) In general, factors to be considered in determining whether an emergency situation is warranted are:

1. Severity-will aid in reducing loss of life or reducing substantial loss of property
2. Timing-requires immediate public knowledge to avoid adverse impacts
3. Other means of disseminating information are inadequate to ensure rapid delivery.

Due to the confidential nature of the 9-1-1 Database information and privacy of citizens with unlisted and unpublished numbers, CVCOG 9-1-1 retains the right to withdraw their assistance if COSA does not maintain the confidentiality of the information or for misuse of the emergency alerting system. CVCOG 9-1-1 will not be liable for any costs associated with the emergency alerting system including costs associated with the extract of data from the 9-1-1 Database. Charges for the activation and features specified in the IPAWS contract shall be the responsibility of COSA.

The contract/service agreement between COSA and IPAWS may be renewed indefinitely and this Interlocal Agreement between COSA and CVCOG 9-1-1 shall remain in full effect for the duration of the contract/service agreement with IPAWS unless CVCOG 9-1-1 or COSA cancels this Interlocal Agreement in in writing.

INDEMNIFICATION BY City of San Angelo, Texas:

COSA agrees, only to the extent allowed by applicable law, to at all times indemnify, hold harmless and defend the CVCOG 9-1-1 against any and all claims, causes of action, liabilities or

losses, directly or indirectly arising as a result of COSA's use of the 9-1-1 Database pursuant to the terms of this Agreement. Nothing herein will be deemed a waiver of governmental immunity other than per Texas Local Government Code Chapter 271. This Agreement supersedes any and all other agreements, either oral or in writing between the parties hereto with respect to the subject matter hereof, and no other agreement, statement or promises relating to the subject matter of this Agreement which is not contained herein shall be valid or binding. Notwithstanding the foregoing, the limitation on liability pursuant to Texas Health and Safety Code, sec. 771.053 shall apply.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed as of the last date signed below.

John Austin Stokes, Executive Director
Concho Valley Council of Governments

Date

Daniel Valenzuela, City Manager
City of San Angelo

Date

APPROVED AS TO CONTENT

APPROVED AS TO FORM

Brian Dunn, Fire Chief

Dan T. Saluri, Deputy City Attorney

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Sidney Walker, Civic Events Manager, Civic Events, 3256539577

Meeting Date: May 1, 2018

Item type: Consent Item

Caption:

Consider approving Buyboard contract #539-17 from Wenger Corporation for the purchase of staging for the Foster Communications Coliseum in the amount of \$85,992 using HOT funds budgeted for facility improvements and authorizing the City Manager to execute any related documents (Walker)

Summary/History:

We are seeking City Council approval for the purchase of new staging for the Foster Communications Coliseum. \$374,000 was allocated at the March 6 City Council meeting for facility improvements which included the budgeted amount of \$86,000 for the stage. The stage cost from Wenger Corporation is \$85,992.

Our current stage is over 60 years old and has been a safety issue. With the purchase of the new stage, Civic Events will save on the amount of manpower needed and hours of building and breaking the stage down for events as well as reduce our risk of injury.

Financial Impact:

Funding for the purchase of a new stage was allocated at the March 6, 2018, City Council meeting from Hotel Occupancy Tax funds. The total amount allocated was \$374,000 of which \$86,000 was approved for the purchase of the new stage. The cost of the stage is \$85,992.

Other Information/Recommendation:

Attachments:

- | | | |
|----|-------|-----------|
| 1. | Stage | Stage.pdf |
|----|-------|-----------|

Presentation:

Sidney Walker

Approvals/Reviews:

Sidney Walker	Created/Initiated
Carl White	Approved
Theresa James	Approved
Candice Blake	Approved
Tina Dierschke	Approved
Anthony Wilson	Approved
Theresa James	Approved
Becky Dunn	Approved

Bryan Kendrick

Final Approval

Customer Quotation



Quote: 3095732
Prepared For: Steve Kalnbach
McNease Convention Center
500 Rio Concho Dr
San Angelo TX 76903

Page: 1
Date: 4/23/2018
Effective: For 60 days only
Ship Within: 10-12 weeks aro
Delivery Within:
Tax: Not Included
Terms: PENDING CREDIT APPROVAL
F.O.B. Point: Destination

Regarding: Showmaster Stage- Rev C

Item	Description	Quantity	Unit Price	Price
	Proposal is prepared for, Steve Kalnbach for McNease Convention Center:			
011E984	SHOWMSTR,1/2"ZP,4-30-56",BLACK	4	1,687.00	6,748.00
011E985	SHOWMSTR,1/2"ZP,2-30-56",BLACK	44	1,198.00	52,712.00
011C985	UNIT-TO-UNIT CLAMP ASSY 30"	120	89.00	10,680.00
011C552	HD.MOVE & STORE.CART.NON-STACK	6	1,583.00	9,498.00
	Total Product Charge			79,638.00
	Freight/Handling Charge			6,354.00
	Total Charge			85,992.00
	Wenger is an approved vendor for Music Equipment for BuyBoard. Items on this quotation are available on BuyBoard Bid #539-17. This contract is in effect from 09/01/2017 to 08/31/2018.			
	***** Freight reflected in this quotation is for common carrier shipment with tailgate delivery. Tailgate delivery will require staff at your location to be available for unloading, moving the product to your desired location and completing any assembly or installation.			
	Contact your Wenger representative if you want to look into delivery and installation by Wenger truck and technician.			
	If you are a tax exempt organization and see tax included on this quotation, please send us a copy of your tax exempt certificate and we will waive the sales tax. Thank you.			

Submitted By: Vanessa Jensen
Sales Representative

Phone: 800-733-0393 Ext 8298 **Fax:** 507-455-4258
Email: vanessa.jensen@wengercorp.com

WENGER CORPORATION
555 Park Drive, PO Box 448
Owatonna, MN 55060-0448
Phone 800.4WENGER (493-6437)
Fax 507.455.4258
Parts & Service 800.887.7145

WENGER CORPORATION
CANADA OFFICE
Phone 800.268.0148

WORLDWIDE
Phone 1.507.455.4100
Fax 1.507.774.8576

WEB SITE
www.wengercorp.com



Wenger
Your Performance Partner

Quote: 3095732
Prepared For: Steve Kalnbach
McNease Convention Center
500 Rio Concho Dr
San Angelo TX 76903

F.O.B. Point: Destination

Wenger®

Item	Description	Quantity	Unit Price	Price

Email: vanessa.jensen@wengercorp.com

WENGER CORPORATION
CANADA OFFICE
Phone 800.268.0148

WORLDWIDE
Phone 1.507.455.4100
Fax 1.507.774.8576

WEB SITE
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Wenger®
Your Performance Partner

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Roger Havlak, Senior Parks Manager, Parks and Recreation, 325-659-8563

Meeting Date: May 1, 2018

Item type: Consent Item

Caption:

Consider approving Buyboard contract #512-16 from WeBuildFun, Inc. for the purchase of playground equipment for the renovation of Brentwood Park in the amount of \$57,305 using half-cent sales tax funds budgeted for this project and authorizing the City Manager to execute any related documents (Havlak)

Summary/History:

Brentwood Park is currently undergoing a scheduled renovation using half-cent sales tax funds (\$250,000). Approximately 50 percent of the new walking trail has been installed with additional improvements being completed in the near future, including: small pavilion, new playground equipment, basketball goals/backstop, picnic tables, benches, trash receptacles, and landscaping.

Additional equipment items will be purchased from four other playground vendors: LSI (\$1,815.25), American Swing (\$350.00), GameTime (\$11,257.86), and Playwell (\$2,598.95).

Financial Impact:

The renovation of Brentwood Park is budgeted through half-cent sales tax funds. Total renovation costs are estimated at \$250,000.00. The playground equipment, as well as other amenities for this project, will be purchased with these budgeted funds.

Other Information/Recommendation:

Parks and Recreation staff recommend approval of this item.

Attachments:

1.	San Angelo Brentwood Park Updated 4-5-18 Trii	San Angelo Brentwood Park Updated 4-5-18 Trii.pdf
2.	Playshre toddler	Playshre toddler.pdf
3.	Trii 2 - illustration	Trii 2 - illustration.pdf
4.	UPC rocks	UPC rocks.pdf
5.	Brentwood Park - Site plan overall	Brentwood Park - Site plan overall.pdf
6.	Brentwood Park - Plan Sect A 02-23-18	Brentwood Park - Plan Sect A 02-23-18.pdf

Presentation:

Roger Havlak

Approvals/Reviews:

Roger Havlak
Carl White
Theresa James

Created/Initiated
Approved
Approved

Anthony Wilson
Candice Blake
Tina Dierschke
Theresa James
Becky Dunn
Bryan Kendrick

Approved
Approved
Approved
Approved
Approved
Final Approval



PO BOX 29
Allen, TX 75013
Phone: 972-727-0653
Fax: 972-396-4994

Customer Information:

Mike Hitchcock
City of San Angelo Parks Manager
702 S. Chadbourne
San Angelo, Texas 76903

Date: 4/5/2018

Est. Delivery: Consultant:
Josh Bailey

[Buy Board Contract # 512-16 / Buy Board Vendor ID - 2904](#)

ITEM	QTY	DESCRIPTION	EACH	TOTAL
San Angelo Brentwood Park - Updated 4-5-2018				
235700	1	Berliner Trii.2 per drawing USP.02357 -4/5/2018 with HPL floor , sliding pole, access climbing net and 6 ft. tube slide with transparent window panels. Quote #3240	\$35,222.00	\$35,222.00
Discount	1	Buy Board discount for Berliner	-\$1,408.00	-\$1,408.00
Freight	1	Berliner Freight	\$1,585.00	\$1,585.00
494511	1	UPC Parks - Bumble Bridge, Stump Rock and Fish Tail Rock combo	\$11,042.00	\$11,042.00
494120	1	UPC Parks Forked Log	\$2,960.00	\$2,960.00
494125	1	UPC Parks Medium Hop Rock	\$485.00	\$485.00
494111	1	UPC Parks Iguana Rock	\$5,835.00	\$5,835.00
Discount	1	Buy Board discount on UPC	-\$1,016.00	-\$1,016.00
Freight	1	UPC Freight	\$2,600.00	\$2,600.00
Total				\$57,305.00

****Notes****

- * Materials only - City Staff To Install
- * Safety Surface By Owner
- * Berliner lead time is approx. 12 -14 weeks after receipt of the order
- * Price assumes all site work done by "other" unless noted above
- * Price assumes all drainage away from the play area by "other" unless noted above
- * Price assumes border by "other" unless noted above

Thank you for the opportunity to provide this quote!

If tax exempt, please provide tax exemption certificate

In addition to manufacturer's warranty on materials, labor is warranted by webuildfun, inc. for 12 months from job completion if webuildfun, inc. provides the original installation

Josh Bailey

Prepared By:

Approved by:

- * In the event rock is encountered, charges may be assessed.
- * It is the responsibility of the owner to obtain permits (unless specified above).
- * It is the responsibility of the owner to locate all underground utility lines. Webuidlufn will assist with this by requesting a line locate from Dig Test, at the owner's request.
- * webuildfun, inc. Will make every reasonable effort to respect all marked utility lines, and will repair damage webuildfun, inc. causes to

- * webuildfun, inc. will not be responsible for damage to unmarked utilities
- * Re-establishment of disturbed grass areas is not included in this quote and if necessary, is to be provided by owner
- * Prices are guaranteed for 30 days from date listed on quote.



PLAYSHARE TOTTER

FREESTANDING

PC 1925

Designed for: **Children and Adults**
Size: **46" x 21"** (1.2m x .5m)
Use Zone: **16' x 14'** (4.9m x 4.3m)



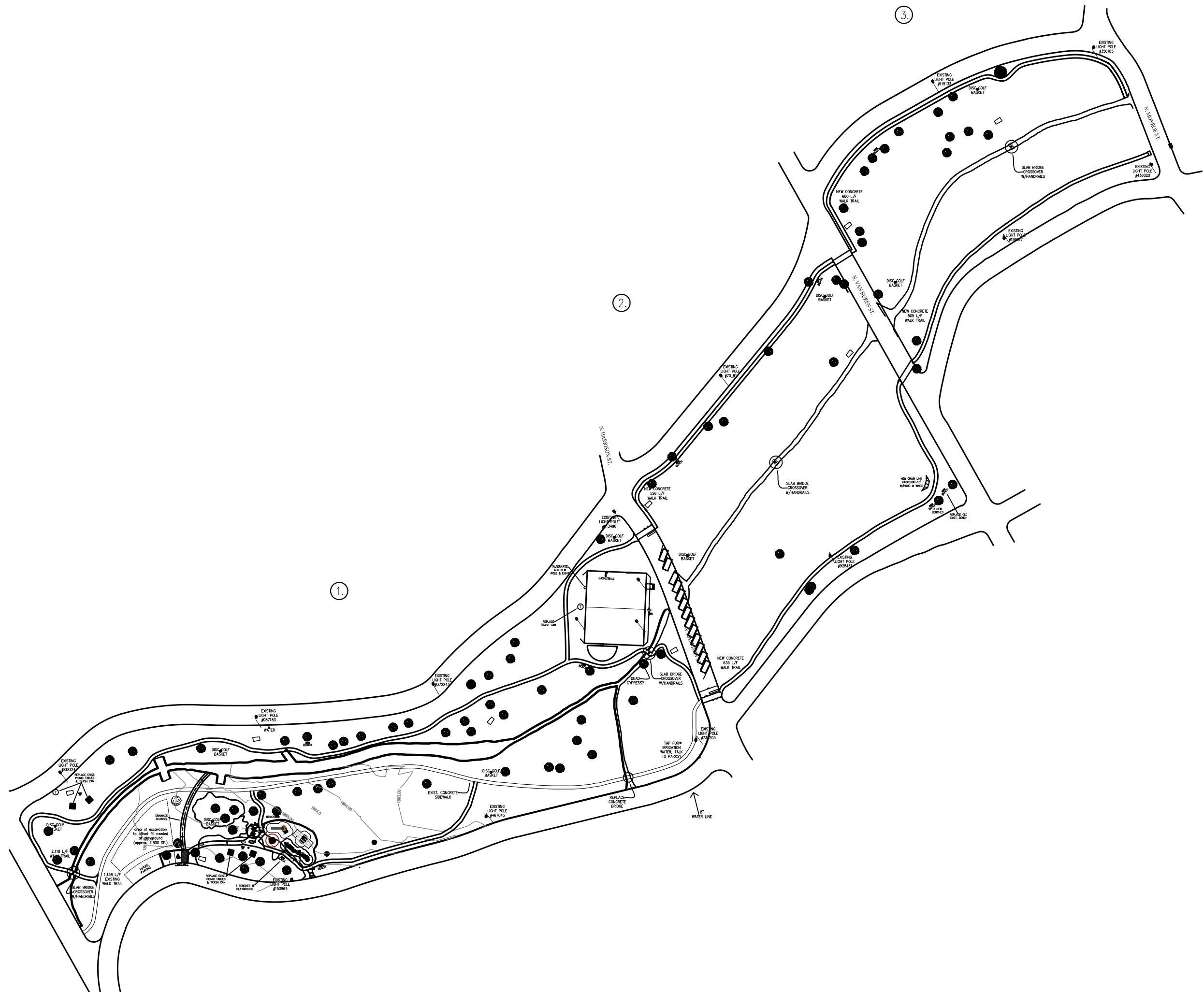


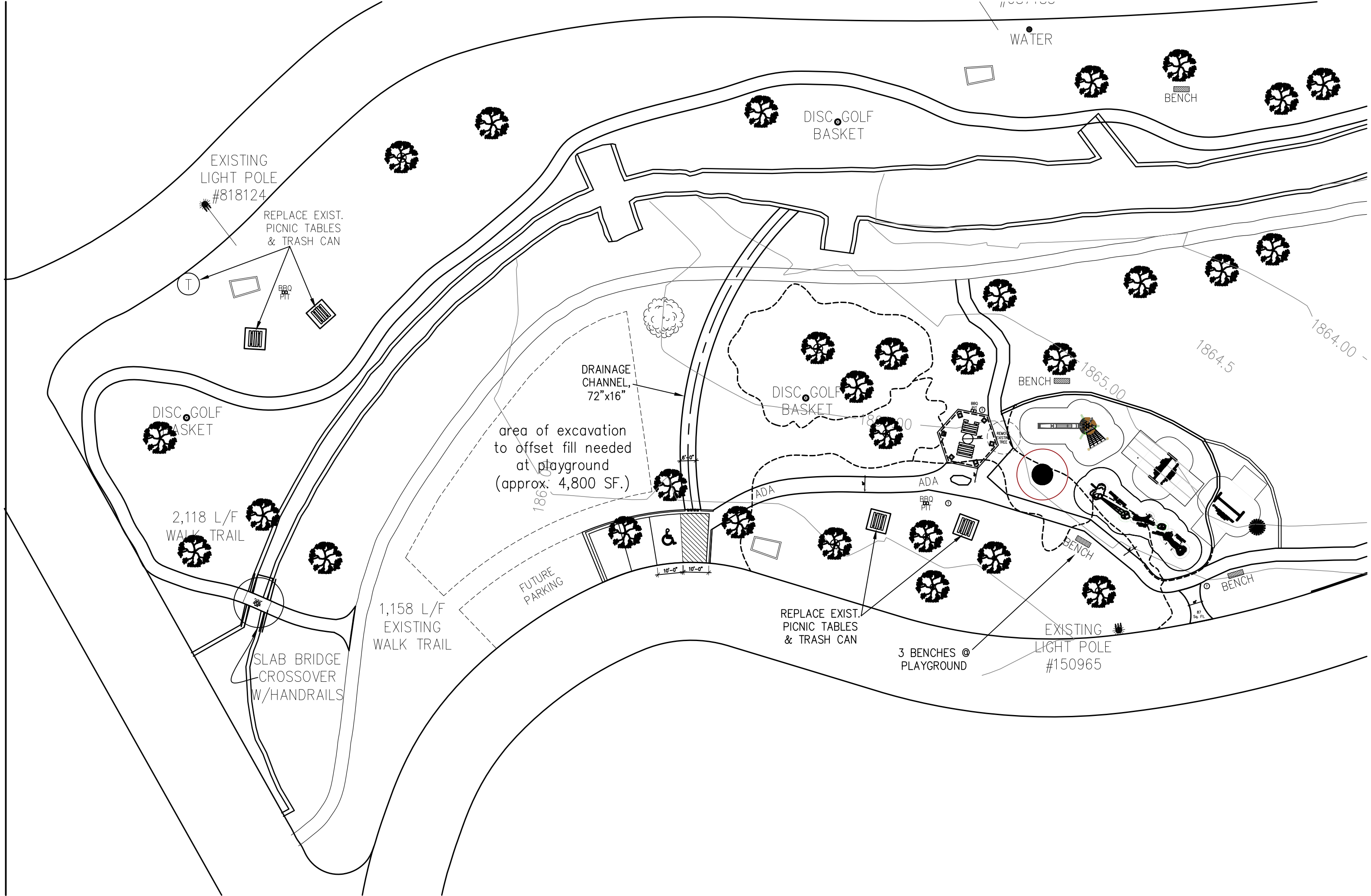
Brentwood Park
San Angelo, TX
61_42720382725



Miracle[®] by
of North and
Central Texas

WE BUILD FORTS





EXISTING
LIGHT POLE
#818124

REPLACE EXIST.
PICNIC TABLES
& TRASH CAN

DISC GOLF
BASKET

2,118 L/F
WALK TRAIL

SLAB BRIDGE
CROSSOVER
W/HANDRAILS

1,158 L/F
EXISTING
WALK TRAIL

FUTURE
PARKING

DRAINAGE
CHANNEL,
72"x16"

area of excavation
to offset fill needed
at playground
(approx. 4,800 SF.)

DISC GOLF
BASKET

DISC GOLF
BASKET

REPLACE EXIST.
PICNIC TABLES
& TRASH CAN

3 BENCHES @
PLAYGROUND

WATER

BENCH

BENCH

EXISTING
LIGHT POLE
#150965

BENCH

1864.00 -

1864.5

1865.00

1864.00

ADA

ADA

REMOVE
EXISTING
TREE

87
Sq. Ft.

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Ryan Kramer, Fleet Services Superintendent, Fleet Services, (325) 657-4329

Meeting Date: May 1, 2018

Item type: Consent Item

Caption:

Consider awarding RFWQ FS-10-18 Police Motorcycles to Longhorn Harley-Davidson (Grand Prairie, TX) in the amount of \$49,828.14 budgeted in FY18 for the purchase of two units, and authorizing the City Manager to execute any related documents (Kramer)

Summary/History:

Quotes were requested for two police motorcycles to replace two aged units in the Traffic Division within the Police Department. Both units have been budgeted for in FY18 within the General Equipment Replacement Fund for traffic control and patrolling purposes as needed. Quotes were received from 2 out-of-town vendors. There are no vendors in the San Angelo area that offer police use motorcycles. The quotes were compared and evaluated to determine the best value offered to the City through this request.

Financial Impact:

Staff recommends award of RFWQ FS-10-18 Police Motorcycles to Longhorn Harley-Davidson (Grand Prairie, TX) in the amount of \$49,828.14., budgeted in FY18, for the purchase of two units.

Other Information/Recommendation:

Staff recommends award of RFWQ FS-10-18 Police Motorcycles to Longhorn Harley-Davidson (Grand Prairie, TX) in the amount of \$49,828.14.

Attachments:

- | | | |
|----|-------------------------------------|---|
| 1. | FS-10-18 Police Motorcycles Bid Tab | FS-10-18 Police Motorcycles Bid Tab.pdf |
|----|-------------------------------------|---|

Presentation:

None

Approvals/Reviews:

Ryan Kramer	Created/Initiated
Patrick Frerich	Approved
Frank Carter	Approved
Shane Kelton	Approved
Theresa James	Approved
Anthony Wilson	Approved
Candice Blake	Approved

Tina Dierschke
Theresa James
Becky Dunn
Bryan Kendrick

Approved
Approved
Approved
Final Approval



CITY OF SAN ANGELO

RFWQ Bid Tabulation * FS-10-18/ Police Motorcycles

4/5/2018 at 2:00 p.m.

Longhorn Harley-Davidson

Item	Description	Unit Price	Estimated Quantity	Extended Price
	Current Year Model Motorcycle Price	17589.96	2	\$ 35,179.92
	Make and Model Quoted	Halrey Davidson Police FLHTP Electra Glide		
Total Base Bid				\$ 35,179.92
OPTIONS:				
1.	Emergency response components	953.95	1	\$ 953.95
2.	Tour pack and components	1322.91	1	\$ 1,322.91
3.	One Tour Pack light head	215.95	1	\$ 215.95
4.	Auxiliary battery	119.95	1	\$ 119.95
5.	Two front emergency lamps	416.95	1	\$ 416.95
6.	Two front passing lamp kits with lights	314.66	1	\$ 314.66
7.	Windshield light array	678.95	1	\$ 678.95
8.	Extended warranty – 5 year	1729	1	\$ 1,729.00
	Mileage: _____ Unlimited _____ ; Deductible: _____ \$50 _____			\$ -
9.	License Plate Bracket with two lights	315.2	1	\$ 315.20
10.	Rear Crash Bar mounting kits and lights (both sides)	478.4	1	\$ 478.40
11.	Stealth mode	0	1	\$ -
12.	Horn switch	0	1	\$ -
13.	Security system disabled	0	1	\$ -
14.	Service, maintenance, and parts manuals	61.65	1	\$ 61.65
15.	Delivery to 1727 St. Ann, San Angelo, TX	0	1	\$ -
16.	Labor to install above items	2133.5	1	\$ 2,133.50

Notes: Unit price includes outfitted motorcycle and shipping

Warranty Terms: 2yr factory harley davidson, 5yr extended \$50 harley davidson on all harley items; warranty 5yrs whelen manufacture warranty

Piggy Back Yes
 Cooperative No
 Payment Terms Net 30 after delivery
 Payment Discount _____

Wild West Harley-Davidson

Unit Price	Estimated Quantity	Extended Price
19282	2	\$ 38,564.00
2018 Harley-Davidson FLHTP Burch White		
Total Base Bid		\$ 38,564.00
1059.95	1	\$ 1,059.95
1409.9	1	\$ 1,409.90
300.65	1	\$ 300.65
129.95	1	\$ 129.95
1199.9	1	\$ 1,199.90
925.23	1	\$ 925.23
712.22	1	\$ 712.22
Mileage: Unlimited; Deductible: \$50	1	\$ 2,449.00
2449		
371	1	\$ 371.00
678.45	1	\$ 678.45
included	1	\$ -
included	1	\$ -
included	1	\$ -
157	1	\$ 157.00
250	1	\$ 250.00
960	1	\$ 960.00

April 30th, 2018 is the cut off to place an order for a model year 2018 motorcycle

2yr unlimited milage

No
 No
 Due prior to placing vehicle order

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Rebeca Guerra, Planning Manager, Planning and Development Services, 325-657-4210

Meeting Date: May 1, 2018

Item type: Regular Item

Caption:

Second reading of an ordinance approving Case Z18-05, a rezoning from the General Commercial/Heavy Commercial (CG/CH) and General Commercial (CG) Zoning Districts to the General Commercial (CG) Zoning District; located at 4102, 4106, and 4110 Sunset Drive (J. James)

Summary/History:

The subject site is currently developed as Hero's Fitness and vacant retail space and operating as such. The existing land use complies with the CG Zoning District. The current building seems to comply with all current zoning requirements except for screening, which may not have been required at the time of construction. The proposed future tenant would not be allowed in the current CG/CH Zoning District. By approving the rezoning, the proposed future use would be allowed by right.

Financial Impact:

N/A

Other Information/Recommendation:

This request was considered by the Planning Commission at their regular meeting on March 19, 2018, where they recommended APPROVAL unanimously. On April 17, 2018, City Council voted unanimously to APPROVE the request on first reading.

Attachments:

- | | |
|--------------------|--------------------------------------|
| 1. Staff Report | Staff Report Z18-05 Langdon - CC.pdf |
| 2. Draft Ordinance | Z18-05 Ordinance_FINAL.docx |

Presentation:

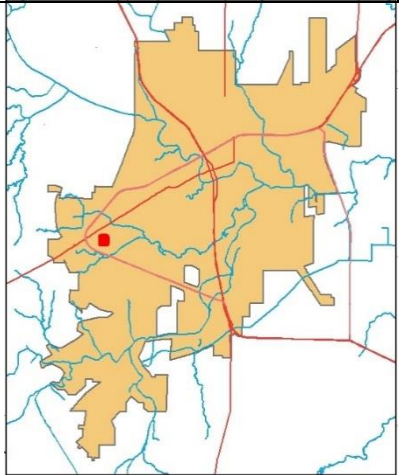
Jon James

Approvals/Reviews:

Rebeca Guerra	Created/Initiated
Jon James	Approved
Theresa James	Approved
Anthony Wilson	Approved
Jon James	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

CITY COUNCIL – April 17, & May 1, 2018
STAFF REPORT



APPLICATION TYPE:		CASES:	
Rezoning		Z18-05: Langdon	
SYNOPSIS:			
A request for approval of a Rezoning from the General Commercial/Heavy Commercial (CG/CH) and General Commercial (CG) Zoning Districts to the General Commercial (CG) Zoning District on the subject property. The subject site is currently developed as Hero's Fitness and vacant retail space and operating as such.			
LOCATION:		LEGAL DESCRIPTION:	
4102, 4106, 4110 Sunset Drive		Being Tract DD, Section Forty-A Replat, Block: 120, College Hills South Addition, City Of San Angelo, Tom Green County, Texas.	
SM DISTRICT / NEIGHBORHOOD:		ZONING:	FUTURE LAND USE:
SMD #6 – Billie DeWitt Sunset Neighborhood		CG/CH - General Commercial/ Heavy Commercial CG - General Commercial	Commercial
			SIZE:
			6.89 acres
THOROUGHFARE PLAN:			
<u>Sunset Drive</u> – Urban Major Collector Street – ROW 60' Required (80' Existing) – Pavement Width 50' Required (64' Existing) <u>Wellington Street</u> – Urban Local Street – ROW 50' Required (50' Existing) – Pavement Width 36' with a sidewalk or 40' Required (40' Existing)			
NOTIFICATIONS:			
8 notifications were mailed within a 200-foot radius on February 28, 2018. Zero responses have been received in support or in opposition.			
STAFF RECOMMENDATION:			
Staff recommends APPROVAL of the proposed rezoning to the General Commercial (CG) Zoning District .			
PETITIONERS:			
Fitness Ventures Ltd. Stephen J. Langdon, President			
STAFF CONTACT:			
Hillary Bueker, RLA Senior Planner (325) 657-4210, Extension 1547 hillary.bueker@cosatx.us			

Rezoning: Section 212(G) of the Zoning Ordinance requires that the Planning Commission and City Council consider, at minimum, seven (7) factors in determining the appropriateness of any Rezoning request:

1. **Compatible with Plans and Policies.** **Whether the proposed amendment is compatible with the Comprehensive Plan and any other land use policies adopted by the Planning Commission or City Council.** The Comprehensive Plan designates this currently CG/CH and CG zoned property as “Commercial.” This is consistent with the existing health/fitness club and the surrounding commercial properties. Rezoning this property would allow for uniformity over the entire property.
2. **Consistent with Zoning Ordinance.** **Whether and the extent to which the proposed amendment would conflict with any portion of this Zoning Ordinance.** The existing land use, health/fitness club, would comply with the CG Zoning District. The current building seems to comply with all current zoning requirements except for screening which may not have been required at the time of construction. The proposed future tenant would not be allowed in the current CG/CH Zoning District. By approving the zone change, the proposed future use would be allowed by right.
3. **Compatible with Surrounding Area.** **Whether and the extent to which the proposed amendment is compatible with existing and proposed uses surrounding the subject land and is the appropriate zoning district for the land.** The property is located within an area that has mixed uses, but is comprised of mostly commercial along Sunset Drive. The subject parcels will be adjacent to residential lots on the north and east sides. This type of commercial use is similar to other uses along this section of Sunset Drive and along Sherwood Way to the North.
4. **Changed Conditions.** **Whether and the extent to which there are changed conditions that require an amendment.** The property, currently zoned CG/CH and CG, seems to have been rezoned with the last update for the Zoning Ordinance which applied the CG/CH Zoning District to most of the area along Sunset Drive. Where the Zoning Ordinance may have initially anticipated a more intense commercial development, the area has not developed that way.
5. **Effect on Natural Environment.** **Whether and the extent to which the proposed amendment would result in significant adverse impacts on the natural environment, including but not limited to water and air quality, noise, storm water management, wildlife, vegetation, wetlands and the practical functioning of the natural environment.** There are no anticipated negative effects on the natural environment from these actions.

Land use would continue in the same manner, and intensity, as already exist on the adjacent properties.

6. **Community Need.** *Whether and the extent to which the proposed amendment addresses a demonstrated community need.* There has not been any demonstrated community need for a use on the site to be heavy commercial. The site has been vacant for some time and the potential tenant would not be allow in the CG/CH Zoning District. Allowing the site to rezone to CG would be reflective of the continuing need for general commercial in the area, rather than allowing a continuance of a zoning designation that has not been fully utilized in the past.
7. **Development Patterns.** *Whether and the extent to which the proposed amendment would result in a logical and orderly pattern of urban development in the community.* The existing development pattern in the immediate area along Sunset Drive is primarily General Commercial. This parcel will keep in continuity with the adjoining lots immediately adjacent to along this corridor.

Planning Commission Recommendation:

On March 19, 2018, the Planning Commission recommended APPROVAL of a Rezoning from the General Commercial/Heavy Commercial (CG/CH) and General Commercial (CG) Zoning Districts to the General Commercial (CG) Zoning District, being 6.89 acres located at 4102, 4106, and 4110 Sunset Drive. The following is the complete excerpt of the draft minutes from the March 19, 2018, meeting for this case:

Hillary Bueker, Senior Planner, presented the proposed Rezoning from the CG and CG/CH zoning districts to an exclusive CG zoning district on the property. She explained that the proposed tenant was allowed in the CG Zoning District, but not the CG/CH Zoning District. Ms. Bueker outlined Staff's recommendation for approval which included that the CG zoning was compatible with the Future Land Use designation of "Commercial," that the existing and proposed land uses were consistent with CG zoning, and that most of the properties along Sunset Drive were already zoned General Commercial.

Chairperson Stribling opened the meeting for public comment.

Jerry, a contractor representing the applicant, asked when he could pull building permits to start construction. Ms. Bueker responded that permits could be issued if the request was approved by City Council. She further stated that there were two upcoming meetings, with the second and

final meeting on May 1, 2018. Rebeca Guerra, Planning Manager, added that while permits could not yet be issued, the applicant may make their applications at any time and have the Permits Division review plans while the case moved through City Council.

Commissioner Smith made a Motion to recommend APPROVAL of the request for a Rezoning from the General Commercial (CG) and General Commercial/Heavy Commercial (CG/CH) Zoning Districts to the General Commercial (CG) Zoning District on the subject property. Commissioner Jackson seconded the Motion. The Motion passed unanimously, 5-0.

Recommendation:

Staff's recommendation is for the Planning Commission to recommend **APPROVAL** of a rezoning from the General Commercial/Heavy Commercial (CG/CH) and General Commercial (CG) Zoning Districts to the **General Commercial (CG) Zoning District** on the subject property.

Attachments:

Aerial Map
Future Land Use Map
Zoning Map
Application
Photos of Site
Notification Map



4102, 4106, 4110 Sunset Drive

Legend

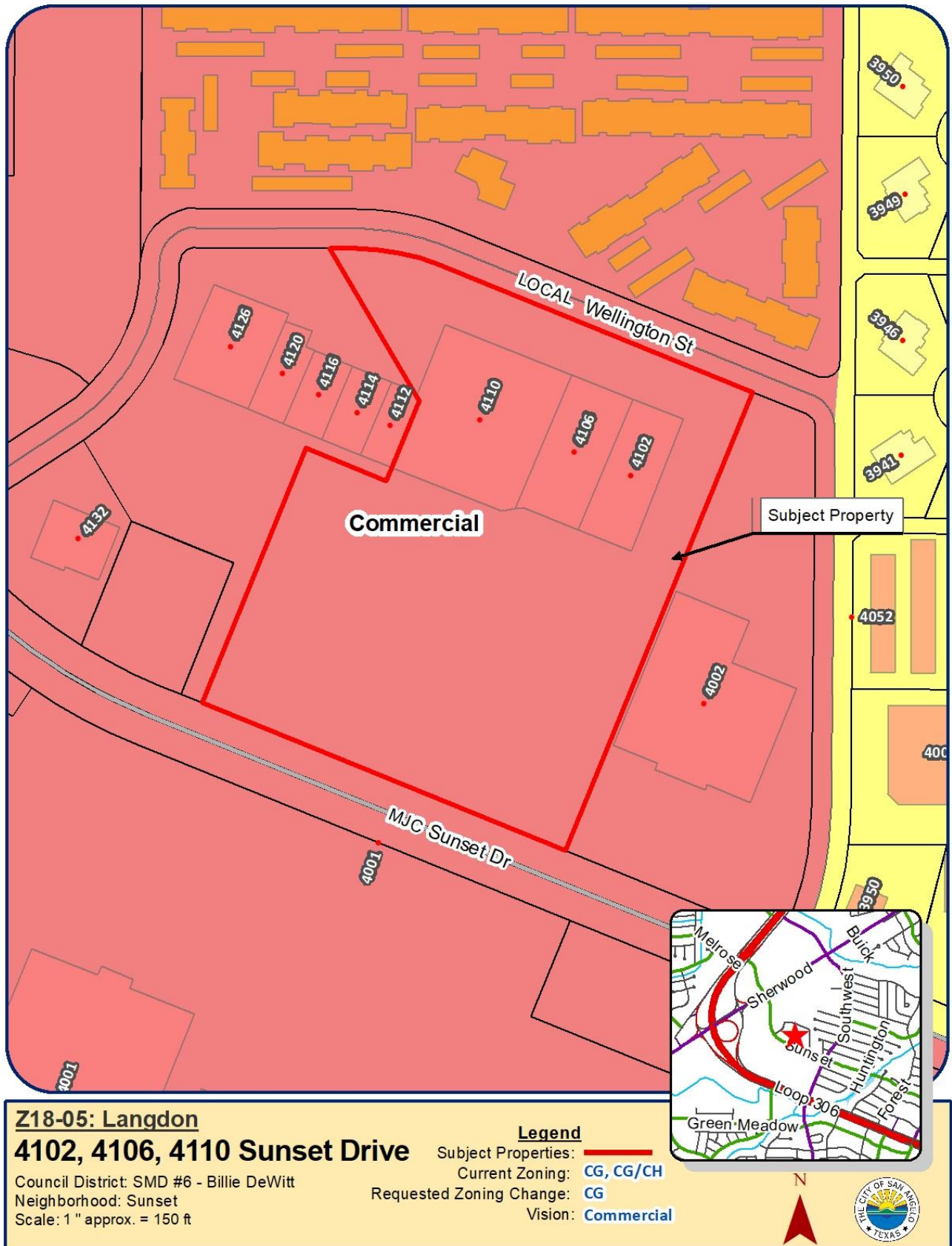
Subject Properties: 

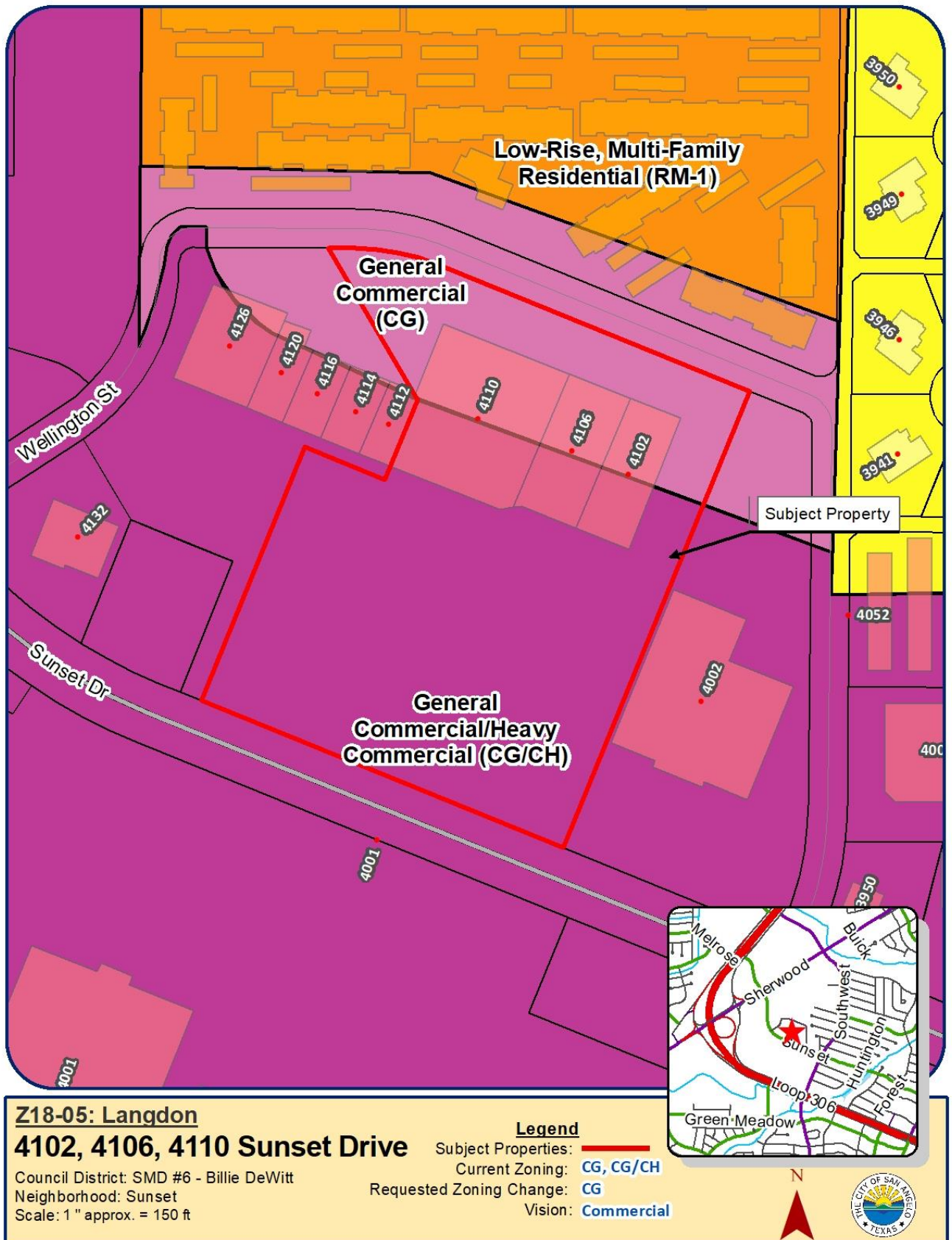
Current Zoning: **CG, CG/CH**

Requested Zoning Change: **CG**

Vision: **Commercial**







Effective January 3, 2017



City of San Angelo, Texas – Planning Division
52 West College Avenue
Application for Approval of a Zone Change



Section 1: Basic Information

Name of Applicant(s): Stephen J. Langdon

☒ Owner

☐ Representative (Notarized Affidavit Required)

4123 Mercedes St

San Angelo

TX

76901

Mailing Address

806-790-9500

City

State

Zip Code

Contact Phone Number

4102, 4106, 4110 Sunset Drive

Contact E-mail Address

StephenLangdon55@gmail.com

San Angelo

Texas

76904

Subject Property Address

City

State

Zip Code

Blk: 120, Subd: COLLEGE HILLS SOUTH ADDN, 6.8900 ACRES BEING TRACT DD SECTION FORTY-A REPLAT

Legal Description (can be found on property tax statement or at www.tomgreencad.com)

Existing Zoning: CG/CH

Proposed Zoning: CG

Lot size: 6.89 Acres

(Zoning Map available on [City Maps](#))

Section 2: Site Specific Details

Existing Use of Property: Health Club/Vacant

*Proposed Use of Property: Health Club/School

*Use separate attachment if necessary

Section 3: Applicant(s) Acknowledgement

(By checking the boxes you indicate that you understand below rules and regulations for the Planning Commissions case.)

- ☒ An application for a zone change on a property may only be made by the owner of that property, an authorized representative of the property owner, the Planning Director, the Planning Commission or City Council. An authorized representative shall present a notarized affidavit from the property owner;
- ☒ No application will be processed if a zoning violation exists on the property, unless such processing is authorized by City Council. Use of the subject property for any new activity (not allowed by present zoning) cannot occur before City Council's approval of the requested zone change. Any such unauthorized use of the subject property is subject to prosecution in Municipal Court.
- ☒ If approved, a zone change is applied to the property, not the property owner.
- ☒ The Planning Commission makes recommendations to City Council. If the Planning Commission recommends approval of a zone change request, the case must still go before City Council for final action.
- ☒ If a zone change request is granted by City Council, permits for building construction and/or utility connection may be obtained from the City's Permits and Inspections Department.
- ☒ Certain minimum building setbacks from some or all property lines must be maintained, and room for a minimum number of off-street parking spaces must be reserved on a subject property, based on that property's zoning classification and the nature of its proposed use. A privacy fence may also be required between more restrictive and less restrictive zoning districts. These requirements are outlined in San Angelo's Zoning Ordinance. It is to the applicant's benefit to make sure that any proposed development will fit onto the subject property, in compliance with these and other applicable requirements of the City's Code of Ordinances.
- ☒ One or more notice sign(s) will be placed on the subject property by the Planning Department. However, it is the applicant's responsibility to ensure that the notice sign(s) has/have been posted at least ten (10) days prior to the Planning Commission meeting. If notice sign(s) is/are not posted accordingly, City Council may delay a request. The Planning Department will also notify, in writing, owners of property within 200-feet of the subject property of the zone change request.
- ☒ If the Planning Commission recommends denial of a request, the applicant will have ten (10) days to appeal this decision, in writing, to the City Council. If an appeal is made within three (3) days from the Planning Commission meeting, no re-notification fee will be required. Otherwise, there will be a nonrefundable \$35 fee to re-notify owners of nearby property of City Council's public hearing date. If Planning Commission's recommendation of denial is not appealed, it will be the final action on a request.

Effective January 3, 2017

Section 3 continued : Applicant(s) Acknowledgement

☒ The applicant or an authorized representative should attend public hearing(s) pertaining to his/her request, prepared to present his/her case and to answer any relevant questions from Planning Commission or City Council members.

I/We the undersigned acknowledge that the information provided above is true and correct.

Stephen J. Langdon Stephen J. Langdon Fitness Ventures LTD 2-20-2018
Owner Name (Print) Signature Company/Organization (If Applicable) Date

Representative Name (Print) Signature Company/Organization Date

FOR OFFICE USE ONLY:

☒ Verified Complete ☐ Verified Incomplete

Date of Application: 2 / 20 / 18

Case No.: Z 18 -- 05

Fully-dimensioned site plan: ☐

Nonrefundable fee: \$ 500

Receipt #: 284625 Date paid: 2 / 20 / 18

Sign Deposit \$37.50

Receipt #: _____ Date paid: 2 / 20 / 18

Affidavit attached? ☐ Yes ☐ No ☒ N/A Applicant's signature on information sheet? ☐ Yes ☐ No

Previous Zone Change Inquiry? ☒ Yes ☐ No If yes, ZCI case no.: 17 -- 12

River Corridor Commission? ☐ Yes ☒ No If yes, RCC meeting date: ____/____/____

Planning Commission hearing date: ____/____/____ Date notifications due: ____/____/____

City Council hearing date: ____/____/____ Packets due date: ____/____/____

Publication date: ____/____/____

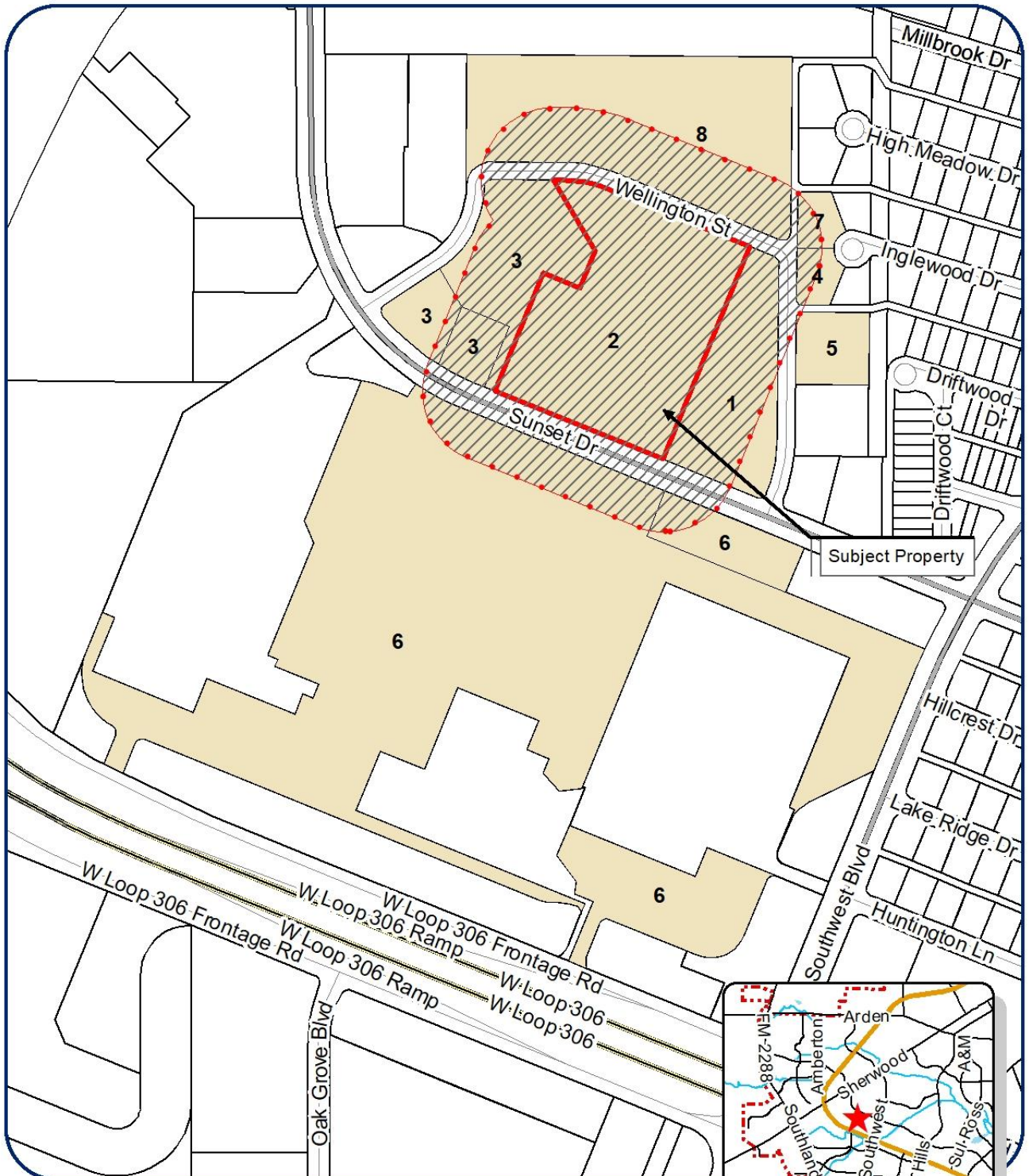
Reviewed/Accepted by: H. Bueker Date: 2 / 20 / 18

Photo of Site









Z18-05: Langdon

4102, 4106, 4110 Sunset Drive

Council District: SMD #6 - Billie DeWitt
Neighborhood: Sunset
Scale: 1" approx. = 350 ft

Legend

Subject Properties: —
Current Zoning: CG, CG/CH
Requested Zoning Change: CG
Vision: Commercial



AN ORDINANCE AMENDING CHAPTER 12, EXHIBIT "A" OF THE CODE OF ORDINANCES, CITY OF SAN ANGELO, TEXAS, WHICH ADOPTS ZONING REGULATIONS, USE DISTRICTS AND A ZONING MAP, IN ACCORDANCE WITH A COMPREHENSIVE PLAN, BY CHANGING THE ZONING AND CLASSIFICATION OF THE FOLLOWING PROPERTY: **4102, 4106, 4110 Sunset Drive, City of San Angelo, Tom Green County, Texas, comprising 6.89 acres**, FROM GENERAL COMMERCIAL/HEAVY COMMERCIAL (CG/CH) AND GENERAL COMMERCIAL (CG) ZONING DISTRICTS TO THE GENERAL COMMERCIAL (CG) ZONING DISTRICT; AND PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE

RE: Z18-05: Langdon

WHEREAS, the Planning Commission for the City of San Angelo in compliance with the City Charter, City ordinance and state law, and after holding a public hearing thereon, caused to be prepared and delivered a report and recommendation to City Council to approve the proposed General Commercial (CG) Zoning District and,

WHEREAS, on the 17th day of April, 2018, City Council held a public hearing on Z18-05, pursuant to published notice, and has considered the application, comments, reports and recommendations of the Planning Commission and staff, public testimony, and other relevant support materials;

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SAN ANGELO:

SECTION 1: The basic zoning ordinance for the City of San Angelo, as enacted by the governing body for the City of San Angelo effective January 4, 2000, and included within Exhibit "A" of Chapter 12 of the Code of Ordinances of the City of San Angelo, and zoning map be and the same are hereby amended to designate the following described property permanently zoned GENERAL COMMERCIAL (CG) ZONING DISTRICT:

The real property located at 4102, 4106, 4110 Sunset Drive, comprising 6.89 acres, being Tract DD, Section Forty-A Replat, Block: 120, College Hills South Addition, City of San Angelo, Tom Green County, Texas, shall henceforth be permanently zoned as follows: General Commercial (CG) Zoning District.

SECTION 2: The Director of the Planning & Development Department, or his/her designee, is hereby directed to correct zoning district maps in the office of the Planning & Development Department, to implement the zoning provision adopted herein, as further depicted on Exhibit “A” of this Ordinance (CG Boundary Map).

SECTION 3: In all other respects, the use of the hereinabove described property shall be subject to all applicable regulations contained in Chapter 12 of the Code of Ordinances for the City of San Angelo, as amended.

SECTION 4. The remaining provisions of Chapter 12 of the Code of Ordinances of the City of San Angelo, Texas, not amended under Sections 1 and 2 of this Ordinance shall remain in full force and effect.

SECTION 5 The terms and provisions of this Ordinance shall be deemed to be severable in that, if any portion of this Ordinance shall be declared to be invalid, the same shall not affect the validity of the other provisions of this Ordinance.

SECTION 6: This Ordinance shall be effective on, from and after the date of adoption.

INTRODUCED on the **17th day of April, 2018**, and finally PASSED, APPROVED AND ADOPTED on this the **1st day of May, 2018**.

THE CITY OF SAN ANGELO

Brenda Gunter, Mayor

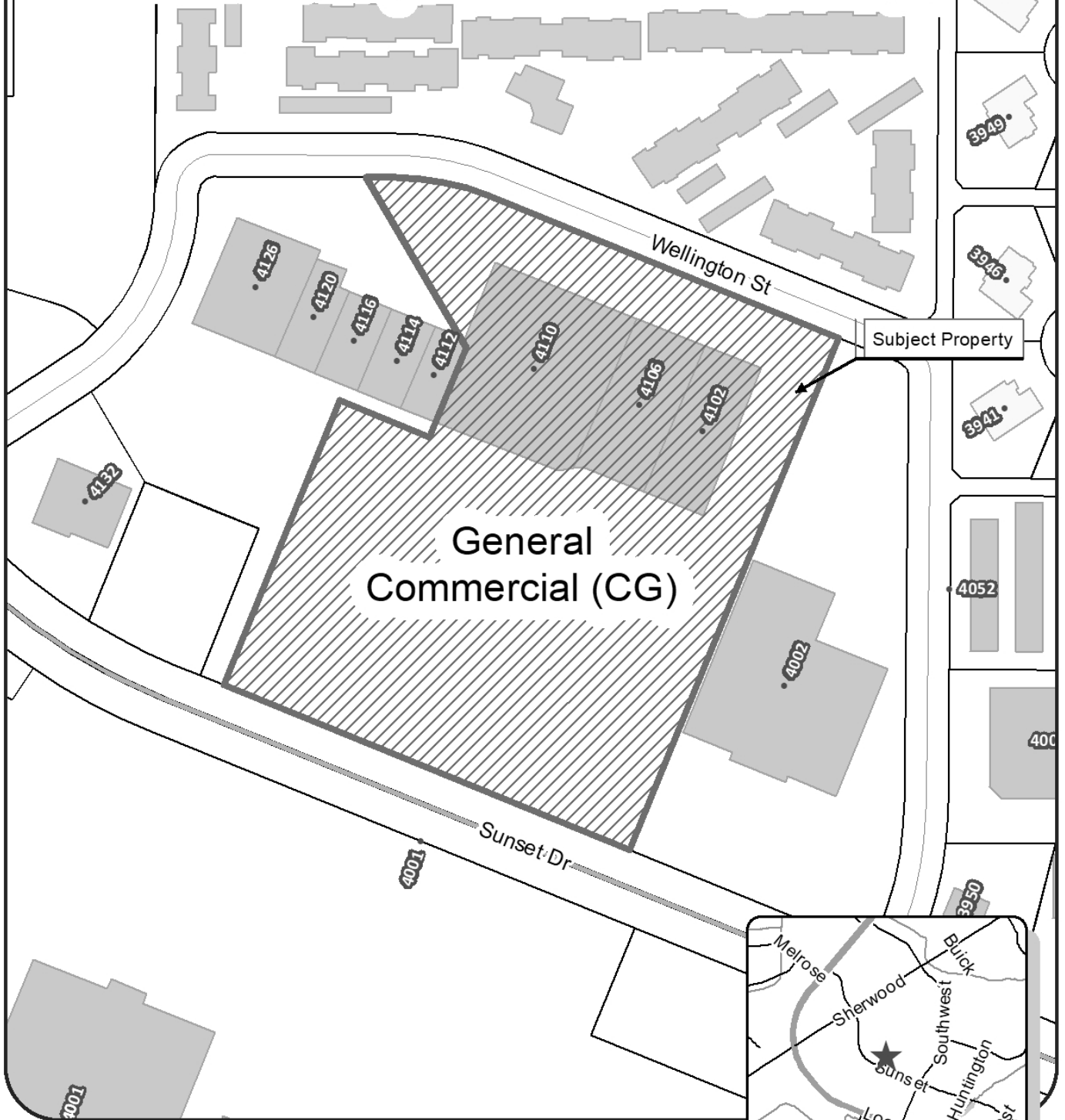
ATTEST:

APPROVED AS TO FORM:

Bryan Kendrick, City Clerk

Theresa James, City Attorney

Exhibit A (CG Bounday Map)



Z18-05: Langdon

4102, 4106, 4110 Sunset Drive

Council District: SMD #6 - Billie DeWitt

Neighborhood: Sunset

Scale: 1" approx. = 150 ft

Legend

Subject Properties: —

Current Zoning: CG, CG/CH

Requested Zoning Change: CG

Vision: Commercial



REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Rebeca Guerra, Planning Manager, Planning and Development Services, 325-657-4210

Meeting Date: May 1, 2018

Item type: Regular Item

Caption:

Second reading of an ordinance approving Case PD18-01, a rezoning from the Ranch and Estate (R&E) Zoning District to a Planned Development (PD) Zoning District to allow for Light Manufacturing and Production, and Retail Sales and Service; located at 3409 and 3415 South Chadbourne Street (J. James)

Summary/History:

The applicant has requested a Planned Development (PD) Rezoning to facilitate the reconstruction of a storage building destroyed by fire in May 2016, and to legalize all of the existing uses on the property which include a manufacturing facility for livestock feed and a restaurant. The applicant owns the property and manufacturing facility, and leases the restaurant. The Tom Green County Appraisal District indicates that the buildings were built in 1945 prior to being annexed into the City. The current Ranch and Estate (R&E) zoning does not allow any expansion or new construction without a rezoning.

On March 19, 1991, a previous restaurant was granted an Expansion of a Non-Conforming Use (NCU91031) by City Council for a new 128-square foot addition which has now been built. No other planning applications were found on record. The applicant has submitted a Site Plan delineating all existing and proposed buildings, as well as current parking layout.

Financial Impact:

N/A

Other Information/Recommendation:

This request was considered by the Planning Commission at their regular meeting on March 19, 2018, where they recommended APPROVAL unanimously. On April 17, 2018, City Council voted unanimously to APPROVE the request on first reading.

Attachments:

- | | | |
|----|-----------------|---|
| 1. | Staff Report | PL_PD18-01 report.pdf |
| 2. | Draft Ordinance | 18-458_PL_PD18-01_PALMER_ORD (002).docx |

Presentation:

Jon James

Approvals/Reviews:

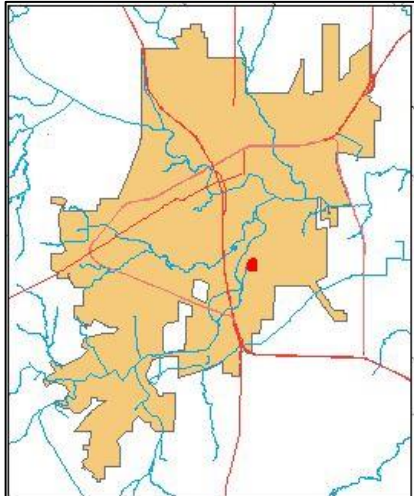
Rebeca Guerra	Created/Initiated
Jon James	Approved
Theresa James	Approved

Anthony Wilson
Jon James
Tina Dierschke
Theresa James
Becky Dunn
Bryan Kendrick

Approved
Approved
Approved
Approved
Approved
Final Approval

**CITY COUNCIL – April 17, and May 1, 2018
STAFF REPORT**



APPLICATION TYPE:		CASE:	
Planned Development (Rezoning)		PD18-01: Palmer	
SYNOPSIS:			
The applicant has requested a Planned Development (PD) Rezoning to facilitate the reconstruction of a storage building destroyed by fire in May 2016, and to legalize all of the existing uses on the property which include a manufacturing facility for livestock feed and a restaurant. The applicant owns the property and manufacturing facility and leases the restaurant. The Tom Green County Appraisal District indicates that the buildings were built in 1945 prior to being annexed into the City. The current Ranch and Estate (R&E) zoning does not allow any expansion or new construction without a Rezoning. On March 19, 1991, a previous restaurant was granted an Expansion of a Non-Conforming Use (NCU91031) by City Council for a new 128-square foot addition which has now been built. No other planning applications were found on record. The applicant has submitted a Site Plan delineating all existing and proposed buildings, as well as current parking layout.			
LOCATION:		LEGAL DESCRIPTION:	
3409-3415 South Chadbourne Street; generally located approximately 100 feet west of the intersection of South Chadbourne Street and Jackrabbit Trail		Being 3.29 acres in the W.M. Etzel Survey No. 167, Abstract 157, City of San Angelo, Texas.	
SM DISTRICT / NEIGHBORHOOD:		ZONING:	FLU:
SMD District #1 – Tommy Hiebert Glenmore Neighborhood		Ranch and Estate (R&E)	Commercial
			SIZE:
			3.29 ac.
THOROUGHFARE PLAN:			
South Chadbourne Street – Urban Arterial Street (TXDOT) Required: 80' right-of-way, 64' pavement Provided: 150' right-of-way, 64' pavement Cottontail Lane – Urban Local Street Required: 50' right-of-way, 40' pavement or 36' pavement with a 4-foot sidewalk Provided: 50' right-of-way, 16' pavement (pre-existing street complied with standards at the time).			
NOTIFICATIONS:			
8 notifications mailed within 200-foot radius on March 7, 2018. Zero received in support or opposition.			
STAFF RECOMMENDATION:			
Staff recommends APPROVAL of the proposed Rezoning from the Ranch and Estate (R&E) Zoning District to the Planned Development (PD) Zoning District to allow for Light Manufacturing and Production and Retail Sales and Service on the subject property, subject to seven conditions of approval.			
PROPERTY OWNER/PETITIONER:			
<i>Property Owner(s):</i> Blaine and Vance Palmer <i>Applicant(s):</i> Winn Palmer			
STAFF CONTACT:			
Jeff Fisher, AICP Senior Planner (325) 657-4210, Extension 1550 jeff.fisher@cosatx.us			

Rezoning: Section 212(G) of the Zoning Ordinance requires that the Planning Commission and City Council consider, at minimum, seven (7) factors in determining the appropriateness of any Rezoning request:

1. **Compatible with Plans and Policies.** *Whether the proposed amendment is compatible with the Comprehensive Plan and any other land use policies adopted by the Planning Commission or City Council.* The Planning Division believes that the proposed rezoning is compatible with the City's Comprehensive Plan which designates the subject properties "Commercial." Commercial properties include "single-use centers consisting of large retail and office clusters that seek visibility and convenient access offered by frontage on the major street network." The property has direct and abutting access onto South Chadbourne Street, a major arterial street owned and maintained by the Texas Department of Transportation (TXDOT) which can accommodate large traffic volumes and transport vehicles. The property is surrounded by a half-mile expanse of commercially-designated properties in the City's Comprehensive Plan and a combination of light industrial, commercial, and office uses along this stretch of South Chadbourne Street. These uses include Texas State Wildlife offices to the north, West Texas Fuels Inc. to the east, and Dreamscapes landscaping and retail store to the south. The property is also surrounded by Light Manufacturing (ML) zoning on three sides. Therefore, the Planning Division believes that a rezoning to allow the existing feed supply facility and restaurant use on the property is not only compatible with the commercial designation – it is also appropriate given that similar uses already exist in the surrounding area. Further, the manufacturing use has existed since the 1940s according to the Tom Green Appraisal District, and the Staff Report for the associated expansion of a non-conforming use NCU91031, indicates that the current livestock feed facility (Palmer Feed) and restaurant (Mendez Café) have existed since at least the mid-1960s.
2. **Consistent with Zoning Ordinance.** *Whether and the extent to which the proposed amendment would conflict with any portion of this Zoning Ordinance.* The Planning Division believes that the Light Manufacturing (ML) development standards should be applied to the proposed PD Zoning given that this use has existed since the 1940s and that all of these standards would also recognize any retail uses on the property. The ML standards also allow Type C, unlimited outdoor storage requirements to apply to the property given it includes a light manufacturing use. The property is 3.29 acres and well exceeds the minimum lot area of 6,000 square feet, minimum lot width of 50 feet and minimum lot depth of 80 feet. As per the Site Plan provided, all of the current buildings are setback more than 25 feet from the front property line facing South Chadbourne Street as required, and more than 10 feet abutting the west property line abutting a residential district as required. The storage building destroyed by fire was approximately 15 feet from the southwest property line which the Zoning Ordinance considers a front yard because it abuts a street, Cottontail Lane. The Planning Division recommends a 10-foot setback from this setback given that this portion of the property acts as a rear yard and does not have any driveway access. This reduced setback will allow the original storage building destroyed by fire to be rebuilt in the same location without having to seek a variance.

Parking: Any new buildings, or change of occupancy of existing buildings, shall require parking in accordance with Section 511.B of the Zoning Ordinance for each use. The current buildings have adequate parking on the paved portion of the property facing South Chadbourne Street for their current occupancies. The feed supply business portion of the property has adequate paved

parking for at least 15 vehicles and the restaurant portion adequate paved parking for at least 20 vehicles. Section 511.B of the Zoning Ordinance requires one parking space for every 300 square feet for office uses; one space for every 4 employees for warehousing; and one space for every 4 seats for restaurants. The office area within the main feed supply building is approximately 1,600 square feet and would require 5 parking spaces, and there are currently 5 employees which would require 1 additional parking space for a total of 6 spaces for the feed supply business in compliance. There are 58 seats in the restaurant which would require 15 parking spaces, which would also be in compliance. One new van accessible, disabled parking spaces shall be installed as required by the International Building Code (IBC) for the existing uses. This space shall be fully paved with striping and signage, and connect or be located on the existing paved connection.

Screening: The Planned Development (PD) Zoning District allows the creation of site-specific standards, including screening from adjacent land uses. The Planning Division conducted a site visit on February 26, 2018, and determined that the existing trees along the southwest property line facing Cottontail Lane provide screening from the residential property to the south of this street. However, there are two minor gaps along this “green fence”, one at the southeast corner of the site, and the second in front of where the previous storage building had been destroyed by fire (see attached photos). Therefore, as a Condition of Approval, the Planning Division shall require that the applicant install trees within these gaps to provide a continuous and complete buffer from the residential property to the south. Alternatively, the applicant may install a minimum 6-foot high solid screen privacy fence along this south property line. As an additional condition of approval, the Planning Division shall require additional landscaping on the property, given its prominence along South Chadbourne Street, along the northwest portion of the property and flanking the main metal feed office building and restaurant building.

3. **Compatible with Surrounding Area.** *Whether and the extent to which the proposed amendment is compatible with existing and proposed uses surrounding the subject land and is the appropriate zoning district for the land.* The existing feed supply and restaurant uses are compatible with the surrounding commercial and light industrial uses in the area along South Chadbourne Street. No proposed changes are intended at this time, and allowing a Planned Development (PD) zoning for light manufacturing and retail sales and service will legalize the existing uses which have existed since at least the 1960s.
4. **Changed Conditions.** *Whether and the extent to which there are changed conditions that require an amendment.* As indicated, the current land uses have existed since the 1960s and the Ranch and Estate (R&E) zoning is not reflective of these uses. Given that there are similar non-residential uses on all three sides of the intersection of Jackrabbit Trail and South Chadbourne Street, and similar commercial and industrial along the South Chadbourne Street corridor in this area, the Planning Division believes a Rezoning for the existing feed facility and restaurant is most appropriate. The new zoning will also allow both uses to expand in future without having to continue to apply for Expansion of Non-Conforming Use requests, which only pertain to the proposed floor areas at that time, and not for unknown expansions beyond the initial application.

5. **Effect on Natural Environment.** *Whether and the extent to which the proposed amendment would result in significant adverse impacts on the natural environment, including but not limited to water and air quality, noise, storm water management, wildlife, vegetation, wetlands and the practical functioning of the natural environment.* The Planning Division does not anticipate any adverse effects on the natural environment. All current uses operate from within existing buildings and the subject property and parking areas are already constructed. Given that the site exceeds three acres, any additional parking areas for disabled parking should not increase stormwater runoff to a degree that would have any detrimental environmental effects. Regardless, any new construction require a building permit and a review of grading, drainage, and stormwater runoff to further ensure there are no negative environmental impacts.
6. **Community Need.** *Whether and the extent to which the proposed amendment addresses a demonstrated community need.* The Planning Division believes that there is a demonstrated community need for the existing uses which have existed since at least the 1960s. Palmer Feed grain commodities to local farmers and livestock feeds are sold and distributed to local retailers in San Angelo. Mendez restaurant serves the local community as well, including nearby businesses and is open for breakfast, lunch, and dinner.
7. **Development Patterns.** *Whether and the extent to which the proposed amendment would result in a logical and orderly pattern of urban development in the community.* As indicated, the subject property has direct and abutting access onto South Chadbourne Street, a major arterial street that can accommodate large traffic volumes. The property is intended to remain in its current configuration and will not be required to be platted unless new buildings exceed 50% of the current total floor area as per Chapter 1 of the Subdivision Ordinance.

Planning Commission Recommendation:

On March 19, 2018, the Planning Commission recommended **APPROVAL** of a Rezoning from the Ranch and Estate (R&E) Zoning District to the Planned Development (PD) Zoning District to allow for Light Manufacturing and Production and Retail Sales and Service on the subject property. The following is the complete excerpt of the draft minutes from the March 19, 2018, meeting for this case:

Jeff Fisher, Senior Planner, presented the case. He explained that the applicant required the rezoning in order to reconstruct a manufacturing storage building destroyed by fire and to legalize the existing feed manufacturing facility and restaurant on the property. Mr. Fisher indicated that from his research, the buildings appeared to have been built in the 1940s, prior to the current Ranch and Estate (R&E) zoning which did not allow the uses by right. He indicated that the PD Zoning District, if approved, would allow the manufacturing facility and restaurant to continue, as well as the inclusion of other retail uses on the property in future. Mr. Fisher outlined Staff's rationale for approval which included that the uses were compatible with the Future Land Use designation of "Commercial," that the development would comply with all zoning standards; and that the uses were compatible with the surrounding area which already contained commercial and light industrial uses along South Chadbourne Street. He displayed the applicant's site concept plan and explained that to mitigate any impact on the residentially zoned properties to the south, conditions of approval would include additional landscape screening and a 10-foot setback from the south property line.

Chairperson Stribling opened the meeting for public comment.

There was no public comment.

Vice Chairperson Spano made a Motion to recommend APPROVAL of a Rezoning from the Ranch and Estate (R&E) Zoning District to the Planned Development (PD) Zoning District to allow for Light Manufacturing and Production and Retail Sales and Service on the subject property, with the seven conditions of approval as presented by staff. Commissioner Jackson seconded the Motion. The Motion passed unanimously, 5-0.

Recommendation:

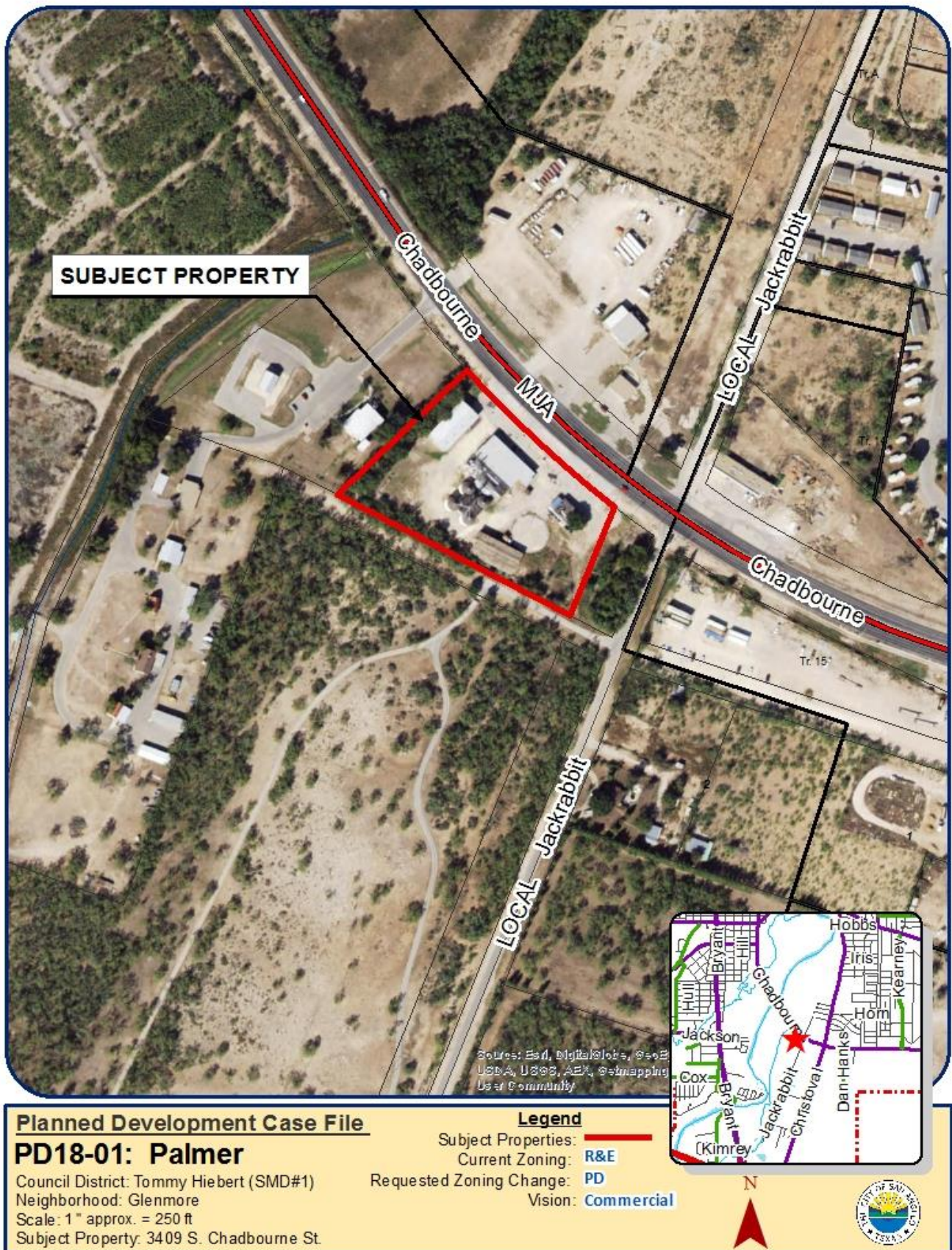
Staff's recommendation is for City Council to recommend **APPROVAL** of the proposed Rezoning from the Ranch and Estate (R&E) Zoning District to the Planned Development (PD) Zoning District to allow for Light Manufacturing and Production and Retail Sales and Service on the subject property, **subject to the following seven conditions of approval:**

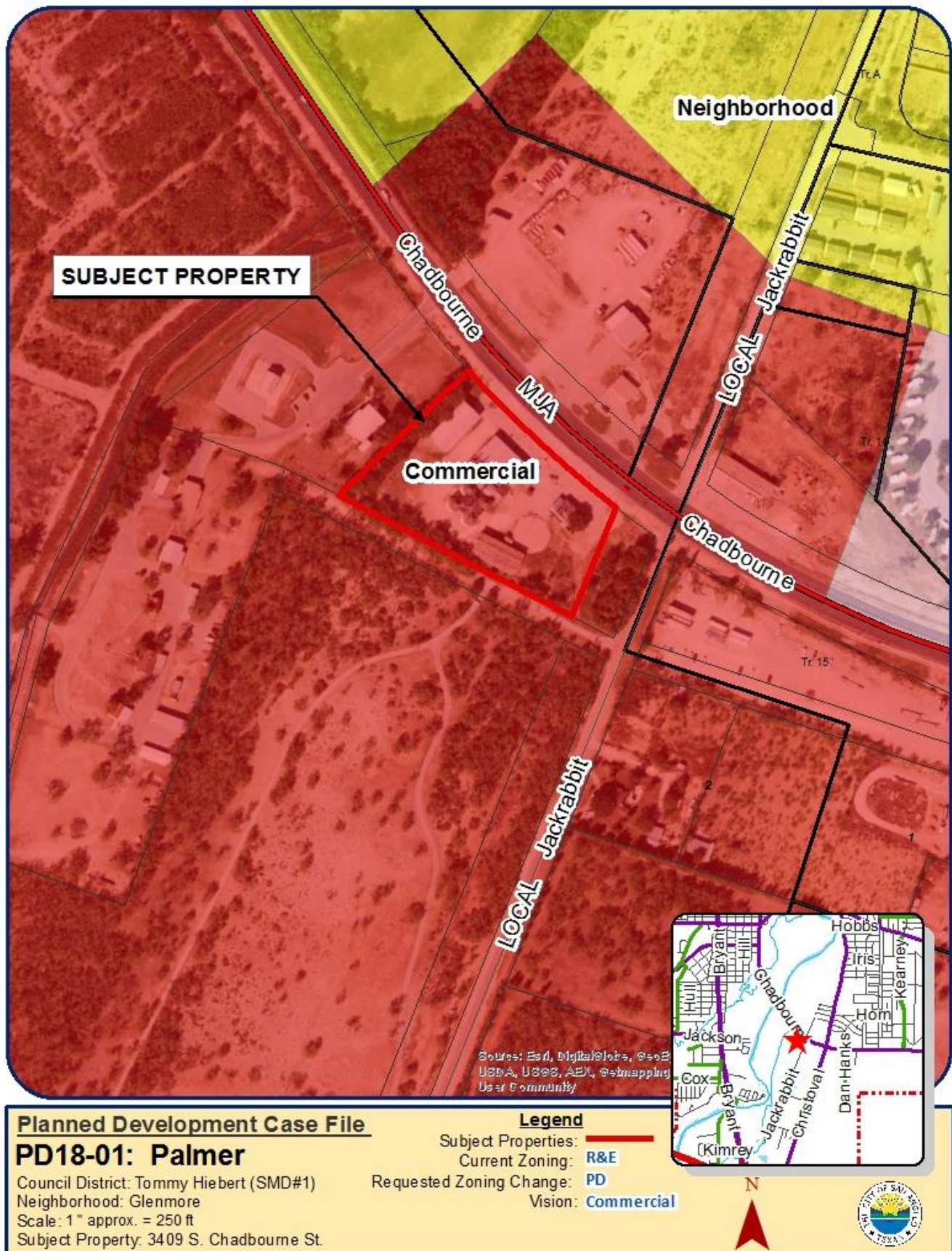
1. Except as otherwise specified or limited below, the use and development of the subject property shall generally conform to the Light Manufacturing (ML) Zoning District standards, unless specified as otherwise.
2. The applicant shall submit a Revised Site Plan to the Director of Planning for approval, delineating one new van accessible, disabled parking space to be installed as required by the International Building Code (IBC) for the existing uses. This space shall be fully paved with striping and signage, and connect or be located on the existing paved connection. Overall site use shall be in accordance with this Site Plan. Major changes to the usage of this property shall be approved through an amendment to this Planned Development District with approval from the Planning Commission and City Council. Minor deviations may be approved by the Planning Director, provided no changes to the Zoning Ordinance are required.
3. The applicant shall submit a Landscape Plan for review and approval by the Planning Director that completes gaps in existing landscape screening adjacent to the southwest property line facing Cottontail Lane and a residential zoning district, with drought-resistant shade trees, landscape berm, or other natural vegetation, a minimum of 6-feet in height at time of planting. As part of the Landscape Plan, the applicant shall also install a combination of trees and/or landscaping along the northwest portion of the property facing South Chadbourne Street, and flanking the main metal feed office building and restaurant building. All trees and landscaping screening shall be planted within six months of approval of this rezoning and shall be maintained in perpetuity. As an alternative to landscape screening along the southwest property line, the applicant may install a minimum 6-foot high solid screen wood, masonry or metal privacy fence along the full length of this property line.
4. Any new buildings, or change of occupancy of existing buildings, shall require parking in accordance with Section 511.B of the Zoning Ordinance for each use.
5. Hours of operation shall be limited between 7:00 a.m. and 10:00 p.m.
6. Any new site lighting on the south portion of the property facing a residential zoning district shall be shielded, downward emitting and configured in such a manner as to satisfactorily minimize or eliminate light trespass onto these lands. Any illuminated signage facing the south property line shall be turned off between the hours of 10:00pm and 7:00am the following day.

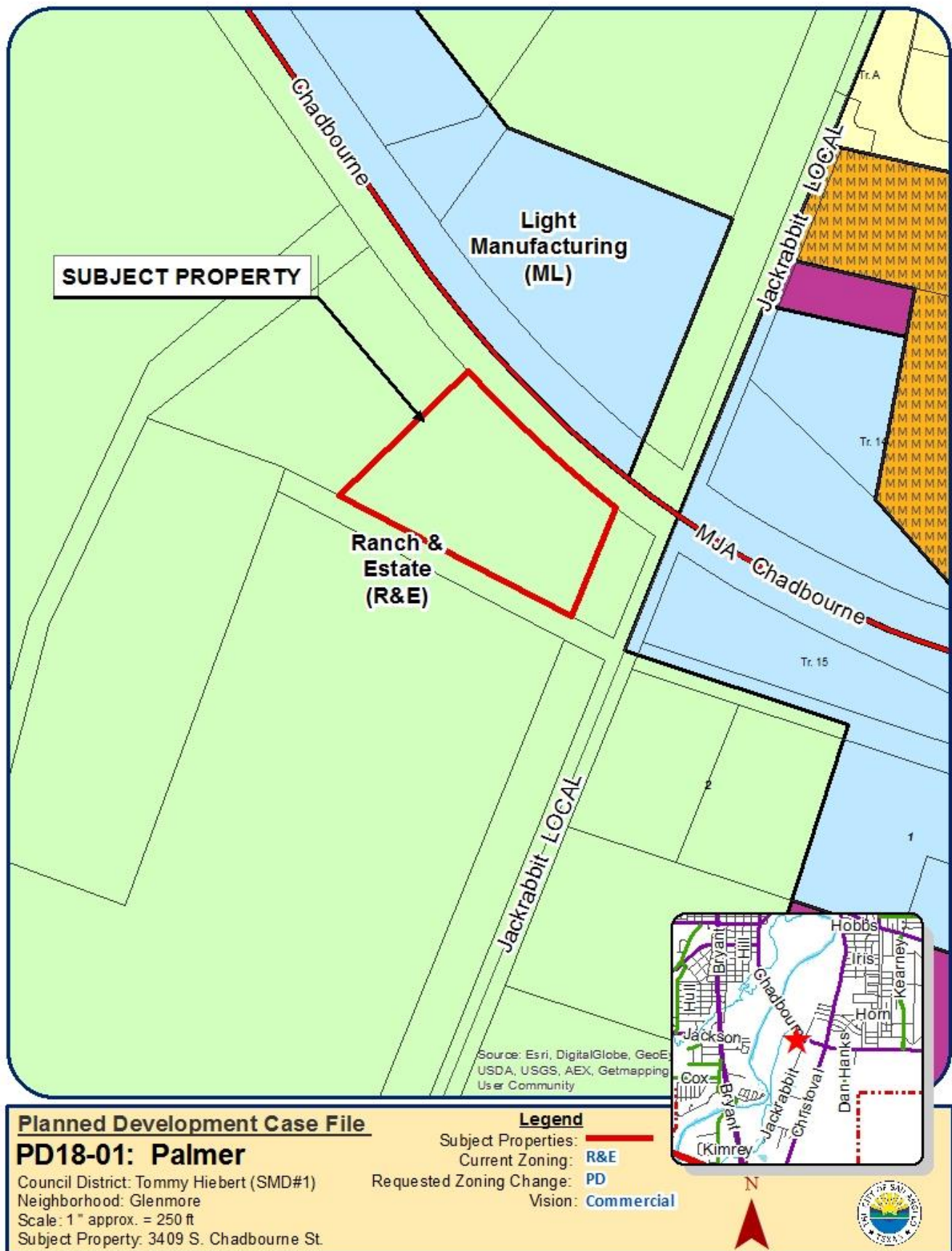
7. Prior to any future development and/or building permits being issued on the property, the applicant shall submit a final site plan to the Planning Director for review and approval.

Attachments:

Aerial Map
Future Land Use Map
Zoning Map
Photographs
Site Plan
Resident Letter
Applicant's Response to Zoning Criteria
Application







Photos of Site and Surrounding Area

NORTH



SOUTH



EAST



**NORTHWEST AT SUBJECT PROPERTY
(PALMER FEED)**



**SOUTHWEST AT SUBJECT PROPERTY
(MENDEZ CAFE)**



EXISTING SCALE STATION (PALMER)



Photos of Site and Surrounding Area

MAIN BUILDING (PALMER)



OTHER BUILDINGS (PALMER)



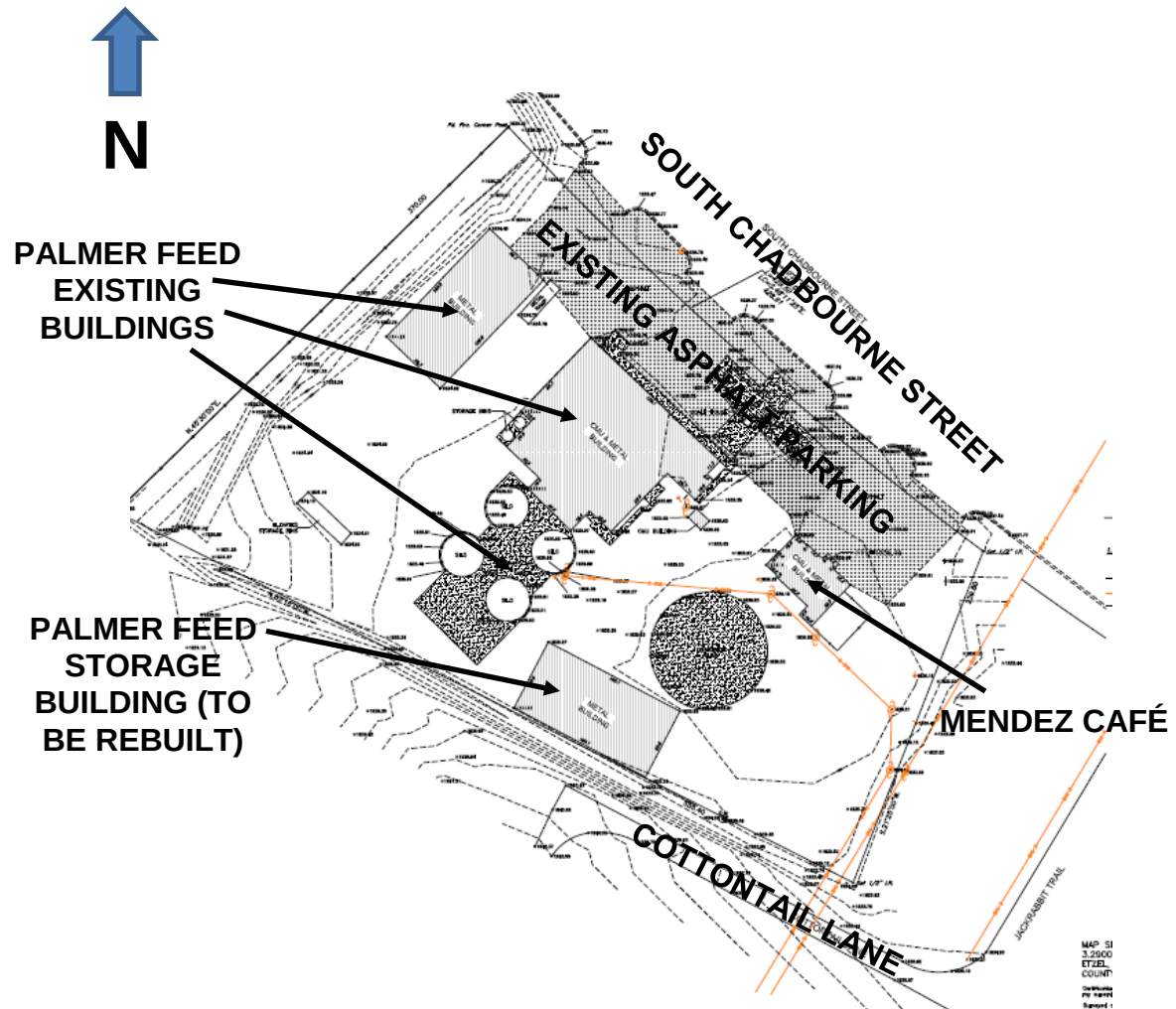
SOUTHWEST CORNER (ADD TREES ALONG PROPERTY LINE)



SOUTH (ADD TREES ALONG PROPERTY LINE)



Site Plan



TO BE FORMALLY ON RECORD IN FAVOR OR AGAINST THIS REQUEST, YOU MAY ALSO FILL OUT THIS FORM, SIGN IT AND MAIL IT BACK TO THE PLANNING DIVISION AT 52 W COLLEGE STREET IN SAN ANGELO, TEXAS 76903.

()

IN FAVOR

()

IN OPPOSITION

REASON(S) _____

no opposition

NAME: Western Properties

ADDRESS: _____

SIGNATURE: *[Signature]* *Margie Penton*

PD18-01: Palmer

property owner number: 2

If you have any questions about these proceedings, please call Mr. Jeff Fisher, Senior Planner, with the City of San Angelo's Planning Division at telephone number 325-657-4210. The Planning Division staff may also be reached by email at jeff.fisher@cosatx.us.

Sec. 212. Amendments to Text or Official Zoning Map

G. Amendment Criteria. The wisdom of amending the text of this Zoning Ordinance or the Official Zoning Map is a matter committed to the sound legislative discretion of the City Council and is not controlled by any one factor. In determining whether to adopt, adopt with modifications or deny the proposed amendment, the City Council shall at a minimum consider the following factors.

1. Compatible with Plans and Policies. Whether the proposed amendment is compatible with the Comprehensive Plan and any other land use policies adopted by the Planning Commission or City Council.

*existing business since 50's
incorporates an existing restaurant
commercial sales related to mfg.*

2. Consistent with Zoning Ordinance. Whether and the extent to which the proposed amendment would conflict with any portion of this Zoning Ordinance.

*all uses pre existing
previous bldg destroyed by fire
to be rebuilt in same location
parking space is adequate*

3. Compatible with Surrounding Area. Whether and the extent to which the proposed amendment is compatible with existing and proposed uses surrounding the subject land and is the appropriate zoning district for the land.

*existing industrial ^{building} ~~uses~~ on all
sides of the property i.e. West Texas
Gas etc.*

4. Changed Conditions. Whether and the extent to which there are changed conditions that require an amendment.

*existing zone change necessary
to best reflect current usage and
to allow replacement of bldg.*

5. Effect on Natural Environment. Whether and the extent to which the proposed amendment would result in significant adverse impacts on the natural environment, including but not limited to water and air quality, noise, stormwater management, wildlife, vegetation, wetlands and the practical functioning of the natural environment

*our businesses are
environmentally friendly -
no changes to what exists
already*

6. Community Need. Whether and the extent to which the proposed amendment addresses a demonstrated community need.

*- jobs - community
- improvement of the site*

7. Development Patterns. Whether and the extent to which the proposed amendment would result in a logical and orderly pattern of urban development in the community.

existing tract of record and
existing business w/ frontage
on St. Chadbourne to allow access
to the site.



City of San Angelo, Texas – Planning Division
52 West College Avenue

Application for Approval of a Zone Change



Section 1: Basic Information

Name of Applicant(s): Winn Palmer for Palmer, Palmer, Palmer

☐ Owner ☒ Representative (Notarized Affidavit Required)

Mailing Address: 316 Martin Luther King Blvd San Angelo Tx 76903

Contact Phone Number: 325/227-2928 Contact E-mail Address: winn@palmerfeed.com

Subject Property Address: 3409 (411-3415) S. Chadbourne Street San Angelo Tx 76904

Acres: 3.290, Abet: A-D157 S-D167, Survey: WM ETZEL, 3.2900 Acres (3409-3411-3413)

Legal Description (can be found on property tax statement or at www.tamqmcad.com)

Existing Zoning: R-E Ranch & Estate Proposed Zoning: PP Light Manufacturing, retail sales & service 3.29 Acres

(Zoning Map available on [City Maps](#))

Section 2: Site Specific Details

Existing Use of Property: light manufacturing since the 1950's

*Proposed Use of Property: PP light manufacturing & retail sales & service

*Use separate attachment if necessary

Section 3: Applicant(s) Acknowledgement

(By checking the boxes you indicate that you understand below rules and regulations for the Planning Commissions case.)

- ☒ An application for a zone change on a property may only be made by the owner of that property, an authorized representative of the property owner, the Planning Director, the Planning Commission or City Council. An authorized representative shall present a notarized affidavit from the property owner;
- ☒ No application will be processed if a zoning violation exists on the property, unless such processing is authorized by City Council. Use of the subject property for any new activity (not allowed by present zoning) cannot occur before City Council's approval of the requested zone change. Any such unauthorized use of the subject property is subject to prosecution in Municipal Court.
- ☒ If approved, a zone change is applied to the property, not the property owner.
- ☒ The Planning Commission makes recommendations to City Council. If the Planning Commission recommends approval of a zone change request, the case must still go before City Council for final action.
- ☒ If a zone change request is granted by City Council, permits for building construction and/or utility connection may be obtained from the City's Permits and Inspections Department.
- ☒ Certain minimum building setbacks from some or all property lines must be maintained, and room for a minimum number of off-street parking spaces must be reserved on a subject property, based on that property's zoning classification and the nature of its proposed use. A privacy fence may also be required between more restrictive and less restrictive zoning districts. These requirements are outlined in San Angelo's Zoning Ordinance. It is to the applicant's benefit to make sure that any proposed development will fit onto the subject property, in compliance with these and other applicable requirements of the City's Code of Ordinances.
- ☒ One or more notice sign(s) will be placed on the subject property by the Planning Department. However, it is the applicant's responsibility to ensure that the notice sign(s) has/have been posted at least ten (10) days prior to the Planning Commission meeting. If notice sign(s) is/are not posted accordingly, City Council may delay a request. The Planning Department will also notify, in writing, owners of property within 200-feet of the subject property of the zone change request.
- ☒ If the Planning Commission recommends denial of a request, the applicant will have ten (10) days to appeal this decision, in writing, to the City Council. If an appeal is made within three (3) days from the Planning Commission meeting, no re-notification fee will be required. Otherwise, there will be a nonrefundable \$35 fee to re-notify owners of nearby property of City Council's public hearing date. If Planning Commission's recommendation of denial is not appealed, it will be the final action on a request.

Effective January 3, 2017

Section 3 continued : Applicant(s) Acknowledgement

☒ The applicant or an authorized representative should attend public hearing(s) pertaining to his/her request, prepared to present his/her case and to answer any relevant questions from Planning Commission or City Council members.

I/We the undersigned acknowledge that the information provided above is true and correct.

<u>Vance W. Palmer</u> Owner Name (Print)	<u>[Signature]</u> Signature	<u>Palmer, Palmer, Palmer</u> Company/Organization (if Applicable)	<u>2/15/18</u> Date
<u>WINN PALMER</u> Representative Name (Print)	<u>[Signature]</u> Signature	<u>PALMER, PALMER, PALMER</u> Company/Organization	<u>2-15-18</u> Date

FOR OFFICE USE ONLY:

☒ Verified Complete ☐ Verified Incomplete

Date of Application: 2, 15, 2018

Case No.: PD 18--01

Fully-dimensional site plan: ☒

Nonrefundable fee: \$ 637.50

Receipt #: 284623 Date paid: 2, 15, 2018

Sign Deposit \$37.50

Receipt #: _____ Date paid: ____/____/____

Affidavit attached? ☒ Yes ☐ No ☐ N/A Applicant's signature on information sheet? ☒ Yes ☐ No

Previous Zone Change Inquiry? ☐ Yes ☐ No If yes, ZCI case no.: _____

River Corridor Commission? ☐ Yes ☐ No If yes, RCC meeting date: ____/____/____

Planning Commission hearing date: 3, 19, 2018 Date notifications due: ____/____/____

City Council hearing date: 4/19/2018 and 5/1/2018 Packets due date: ____/____/____

Publication date: ____/____/____

Reviewed/Accepted by: J. Fisher Date: 2, 15, 2018

AN ORDINANCE AMENDING CHAPTER 12, EXHIBIT "A" OF THE CODE OF ORDINANCES, CITY OF SAN ANGELO, TEXAS, WHICH ADOPTS ZONING REGULATIONS, USE DISTRICTS AND A ZONING MAP, IN ACCORDANCE WITH A COMPREHENSIVE PLAN, BY CHANGING THE ZONING AND CLASSIFICATION OF THE FOLLOWING PROPERTY: **3409-3415 South Chadbourne Street; generally located approximately 100 feet west of the intersection of South Chadbourne Street and Jackrabbit Trail; being 3.29 acres**, FROM THE RANCH AND ESTATE (R&E) ZONING DISTRICT TO THE PLANNED DEVELOPMENT (PD) ZONING DISTRICT TO ALLOW FOR LIGHT MANUFACTURING AND PRODUCTION AND RETAIL SALES AND SERVICE; AND PROVIDING FOR SEVERABILITY

RE: PD18-01: PALMER

WHEREAS, the Planning Commission for the City of San Angelo in compliance with the City Charter, City ordinance and state law, and after holding a public hearing thereon, caused to be prepared and delivered a report and recommendation to City Council to approve with conditions the proposed PD District; and,

WHEREAS, on the 1st day of May, 2018, City Council held a public hearing on PD18-01, pursuant to published notice, and has considered the application, comments, reports and recommendations of the Planning Commission and staff, public testimony, and other relevant support materials;

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SAN ANGELO:

SECTION 1: The basic Zoning Ordinance for the City of San Angelo, as enacted by the governing body for the City of San Angelo effective January 4, 2000, and included within Exhibit "A" of Chapter 12 of the Code of Ordinances of the City of San Angelo, and zoning map be and the same are hereby amended to designate the following described property permanently zoned Planned Development (PD) District for Light Manufacturing and Production and Retail Sales and Service;

3409-3415 South Chadbourne Street; generally located approximately 100 feet west of the intersection of South Chadbourne Street and Jackrabbit Trail; being 3.29 acres in the W.M. Etzel Survey No. 167, Abstract 157, City of San Angelo, Texas; zoned Ranch and Estate (R&E) Zoning District, shall henceforth be permanently zoned as follows: Planned Development (PD18-01) Zoning District to allow for Light Manufacturing and Production and Retail Sales and Service.

SECTION 2: The Director of the Planning & Development Department, or his/her designee, is hereby directed to correct zoning district maps in the office of the Planning & Development Department, to implement the zoning provision adopted herein, as further depicted on **Exhibit A** of this Ordinance (PD Boundary Map).

SECTION 3: In all other respects, the use of the hereinabove described property shall be subject to all applicable regulations contained in Chapter 12 of the Code of Ordinances for the City of San Angelo, as amended.

SECTION 4: The remaining provisions of Chapter 12 of the Code of Ordinances of the City of San Angelo, Texas, not amended under Sections 1 and 2 of this Ordinance shall remain in full force and effect.

SECTION 5: The terms and provisions of this Ordinance shall be deemed to be severable in that, if any portion of this Ordinance shall be declared to be invalid, the same shall not affect the validity of the other provisions of this Ordinance.

SECTION 6: This Ordinance shall be effective on, from and after the date of adoption.

SECTION 7: Except as otherwise specified or limited below, the use and development of the subject property shall generally conform to the **Light Manufacturing (ML)** Zoning District standards, unless specified as otherwise.

SECTION 8: The applicant shall submit a Revised Site Plan to the Director of Planning for approval, delineating one new van accessible, disabled parking space to be installed as required by the International Building Code (IBC) for the existing uses. This space shall be fully paved with striping and signage, and connect or be located on the existing paved connection. Overall site use shall be in accordance with the **Site Plan** shown in **Exhibit B** of this Ordinance. Major changes to the usage of this property shall be approved through an amendment to this Planned Development District with approval from the Planning Commission and City Council. Minor deviations may be approved by the Planning Director, provided no changes to the Zoning Ordinance are required.

SECTION 9: The applicant shall submit a Landscape Plan for review and approval by the Planning Director that completes gaps in existing landscape screening adjacent to the southwest property line facing Cottontail Lane and a residential zoning district, with drought-resistant shade trees, landscape berm, or other natural vegetation, a minimum of 6-feet in height at time of planting. As part of the Landscape Plan, the applicant shall also install a combination of trees and/or landscaping along the northwest portion of the property facing South Chadbourne Street, and flanking the main metal feed office building and restaurant building. All trees and landscaping screening shall be planted within six months of approval of this rezoning and shall be maintained in perpetuity. As an alternative to landscape screening along the southwest property line, the applicant may install a minimum 6-foot high solid screen wood, masonry or metal privacy fence along the full length of this property line.

SECTION 10: Any new buildings, or change of occupancy of existing buildings, shall require parking in accordance with Section 511.B of the Zoning Ordinance for each use.

SECTION 11: Hours of operation shall be limited between 7:00 a.m. and 10:00 p.m.

SECTION 12: Any new site lighting on the south portion of the property facing a residential zoning district shall be shielded, downward emitting and configured in such a manner as to satisfactorily minimize or eliminate light trespass onto these lands. Any illuminated signage facing the south property line shall be turned off between the hours of 10:00pm and 7:00am the following day.

SECTION 13: Prior to any future development and/or building permits being issued on the property, the applicant shall submit a final site plan to the Planning Director for review and approval.

INTRODUCED on the **17th day of April, 2018**, and finally PASSED, APPROVED AND ADOPTED on this the **1st day of May, 2018**.

THE CITY OF SAN ANGELO

Brenda Gunter, Mayor

ATTEST:

APPROVED AS TO FORM:

Bryan Kendrick, City Clerk

Theresa James, City Attorney

EXHIBIT "A"

PD Boundary Map

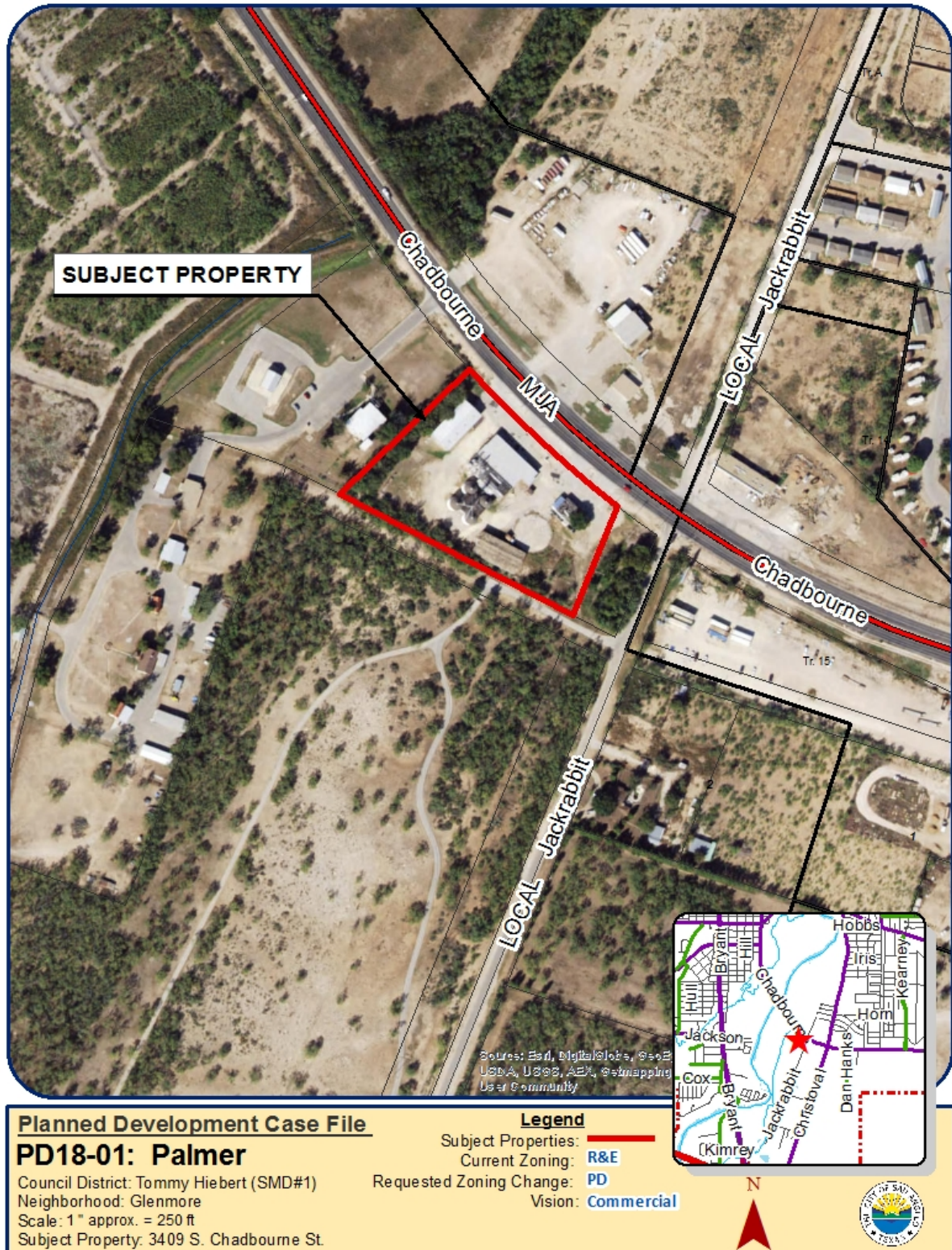
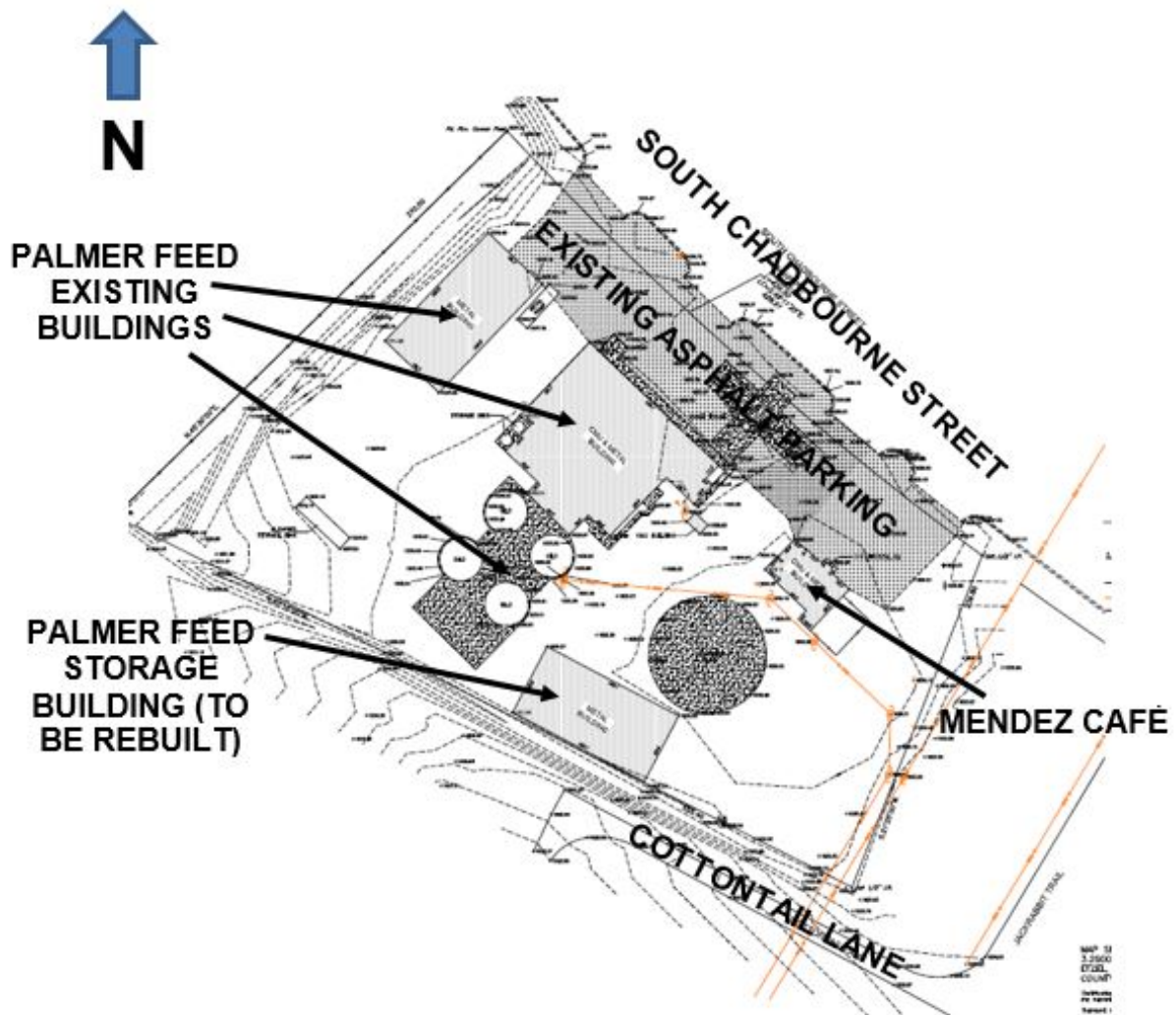


EXHIBIT "B"

Site Plan



REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Tina Dierschke, Finance Director, Budget, 325-657-4268

Meeting Date: May 1, 2018

Item type: Consent Item

Caption:

Second reading and adoption of an ordinance amending the budget for the fiscal year beginning October 1, 2017, and ending September 30, 2018, for capital projects, reimbursements, and grants (Dierschke)

Summary/History:

This proposed amendment contains the following item (additional information attached):

- Facilities Maintenance - San Angelo Performing Arts Center utility costs
- Parks - Development Corporation's contribution for Sunken Garden Park
- Code Compliance - Reimbursement for abatement fees
- Fire - Budget for dues received from classes
- WIC - State reimbursement for travel
- General Fund Debt Service – Adjust budget for re-offering premium
- Texas Bank Sports Complex – Purchase capital equipment
- 2016 Street Bond Issue - increase in expenditure budget to equal bond proceeds
- 2018 Street Bond Issue - Budget for funds for street projects
- Auditorium Facility Maintenance and Improvement Fee

Financial Impact:

There is a net increased cost of \$625,137. (See attached detail on Exhibit A of the ordinance.)

Other Information/Recommendation:

Staff recommends approval.

Attachments:

- | | | |
|----|-----------------------|----------------------------|
| 1. | BA Memos | BA Memos.pdf |
| 2. | Ordinance+4-17-18 (2) | Ordinance+4-17-18 (2).docx |

Presentation:

Tina Dierschke

Approvals/Reviews:

Tina Dierschke	Created/Initiated
Kimberly Holle	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved

Bryan Kendrick

Final Approval

Memo

To: Tina Dierschke, Finance Director

From: Ron Lewis, Facilities Manager

Date: 04/05/18

Re: Budget Amendment Request

Purpose of Budget Amendment Request:

Budget for increased revenue and expenditure due to San Angelo Performing Art Center's use of the Auditorium.

Source of Funding:

San Angelo Performing Art Center reimburses the City for utilities and other incidental charges.

Funding previously approved? If so, by City Manager or City Council and when?

City Manager approved the Memorandum of Understanding with San Angelo Performing Art Center on 3/8/18.

Project/Budget to be amended	Current Budget	Proposed Change	Proposed Revised Budget
Facilities Maintenance:			0
Revenue		20,000	20,000
Expense		20,000	20,000
			0
			0
			0

Additional Comments:

Memo

To: Tina Dierschke, Finance Director

From: Carl White, Parks and Recreation

Date: 03/21/18

Re: Budget Amendment Request

Purpose of Budget Amendment Request:

Allocate funds for the design of improvements to Sunken Garden Park/
Sculpture Garden.

Source of Funding:

Development Corporation

Funding previously approved? If so, by City Manager or City Council and when?

Yes, approved by City Council on February 20, 2018.

Project/Budget to be amended	Current Budget	Proposed Change	Proposed Revised Budget
Parks:			0
Revenue		75,000	75,000
Expense		75,000	75,000
			0
			0
			0

Additional Comments:

Memo

To: Tina Dierschke, Finance Director
From: Morgan Chegwiddden, Assistant Director of Neighborhood & Family Services
Date: 04/10/18
Re: Budget Amendment Request

Purpose of Budget Amendment Request:

To fund a large code compliance abatement which required rental of dumpsters from Republic Services.

Source of Funding:

Abatement fees

Funding previously approved? If so, by City Manager or City Council and when?

None.

Project/Budget to be amended	Current Budget	Proposed Change	Proposed Revised Budget
101-7500-380.40-00 Revenue	158,750	6,630	165,380
101-7500-431.04-42 Expense	800	6,630	7,430
			0
			0
			0
			0

Additional Comments:

Memo

To: Tina Dierschke, Finance Director

From: Brian Dunn, Fire Chief

Date: 03/27/18

Re: Budget Amendment Request

Purpose of Budget Amendment Request:

The Fire Department put on a class for internal and external firefighters and received fees from external participants for cost put out by the department.

Source of Funding:

Revenue was received from external participants.

Funding previously approved? If so, by City Manager or City Council and when?

Approved by City Manager on 3/26/18.

Project/Budget to be amended	Current Budget	Proposed Change	Proposed Revised Budget
General Fund - Fire			0
Revenue	0	18,850	18,850
Expense	31,250	18,850	50,100
			0
			0
			0

Additional Comments:

Memo

To: Tina Dierschke, Finance Director

From: Cristina Eureste, WIC Manager

Date: 02/26/18

Re: Budget Amendment Request

Purpose of Budget Amendment Request:

Budget for state reimbursement of travel for software launch training.

Source of Funding:

Grant funds

Funding previously approved? If so, by City Manager or City Council and when?

Project/Budget to be amended	Current Budget	Proposed Change	Proposed Revised Budget
Women Infant and Children			0
Revenue	842,686	6,312	848,998
Expense	12,212	6,312	18,524
			0
			0
			0

Additional Comments:

Memo

To: Tina Dierschke, Finance Director

From: Dale Hahn, Cash & Debt Analyst

Date: 04/10/18

Re: Budget Amendment Request

Purpose of Budget Amendment Request:

To amend the transfer in from Development Corporation due to a refunding issue and to amend principal and interest expenditure amounts for the Debt Service Fund due to the 2018 Street bond issue

Source of Funding:

General Fund Debt Service Fund Balance



Funding previously approved? If so, by City Manager or City Council and when?

Yes, through approval of the refunding and debt issues.

Project/Budget to be amended	Current Budget	Proposed Change	Proposed Revised Budget
General Fund Debt Service			0
Transfer in From DC	2,709,822	-83,552	2,626,270
Principal	5,324,696	250,304	5,575,000
Interest	2,140,968	41,781	2,182,749
			0
			0

Additional Comments:

Memo

To: Tina Dierschke, Finance Director

From: Carl White, Parks and Recreation

Date: 03/21/18

Re: Budget Amendment Request

Purpose of Budget Amendment Request:

Replace capital equipment for the Texas Bank Sports Complex due to age, wear, and increased repair cost.

Source of Funding:

Fund balance

Funding previously approved? If so, by City Manager or City Council and when?

Project/Budget to be amended	Current Budget	Proposed Change	Proposed Revised Budget
Sport Complex Fund:			0
Capital Equipment Expense	0	249,500	249,500
			0
			0
			0
			0

Additional Comments:

Memo

To: Tina Dierschke, Finance Director
From: Dale Hahn, Cash and Debt Analyst
Date: 04/03/18
Re: Budget Amendment Request

Purpose of Budget Amendment Request:

To increase the budget for 2016 street certificate of obligation for an amount that was not originally included in the expenditure budget. Revenue was initially budgeted in excess of expenditure

Source of Funding:

Fund balance

Funding previously approved? If so, by City Manager or City Council and when?

Yes, bond funding approved by Council on 2/2/16 and 6/21/16.

Project/Budget to be amended	Current Budget	Proposed Change	Proposed Revised Budget
2016 Bond Fund			0
Expense	11,574,623	111,967	11,686,590
			0
			0
			0
			0

Additional Comments:

Memo

To: Tina Dierschke, Finance Director

From: Dale Hahn, Cash & Debt Analyst

Date: 04/10/18

Re: Budget Amendment Request

Purpose of Budget Amendment Request:

To create budgeted amounts for 2018 certificate of obligation street improvement bond issue.

Source of Funding:

Bond issue

Funding previously approved? If so, by City Manager or City Council and when?

Yes, by City Council on 3/6/18

Project/Budget to be amended	Current Budget	Proposed Change	Proposed Revised Budget
2018 Street Bond Issue			0
Proceeds		16,500,000	16,500,000
Re-offering Premium		167,856	167,856
Capital Expenses		16,500,000	16,500,000
Issue Cost		167,856	167,856
			0

Additional Comments:

Memo

To: Tina Dierschke, Finance Director

From: Don Maynard, Civic Events

Date: 03/20/18

Re: Budget Amendment Request

Purpose of Budget Amendment Request:

To establish revenue and expenditure budget for this fiscal year for the Auditorium's Facilities and Improvement Fee.

Source of Funding:

Facilities and Improvement fee charged on all tickets sold for events in the Auditorium.

Funding previously approved? If so, by City Manager or City Council and when?

Yes, approved by City Council at the April 15, 2014 meeting. Also included in the agreement between the City and the San Angelo Performing Arts Center.

Project/Budget to be amended	Current Budget	Proposed Change	Proposed Revised Budget
Revenue			0
Facility Fee from SAPAC	0	25,466	25,466
			0
Expense			0
Facility Improvements	0	25,466	25,466
			0

Additional Comments:

**AN ORDINANCE OF THE CITY OF SAN ANGELO AMENDING
THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER
1, 2017, AND ENDING SEPTEMBER 30, 2018, FOR CAPITAL
PROJECTS, REIMBURSEMENTS, AND GRANTS.**

WHEREAS the City of San Angelo has determined that certain budgeted amounts should be amended due to project changes and unforeseen circumstances, and

WHEREAS the resources necessary for these changes are available;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANGELO, TEXAS THAT:

The City's budget for fiscal year 2017-2018 be amended by the amounts contained in Exhibit A.

INTRODUCED on the 17th day of April, 2018, and APPROVED and ADOPTED on this the 1st day of May.

ATTEST:

CITY OF SAN ANGELO, TEXAS

Bryan Kendrick, City Clerk

Brenda Gunter, Mayor

Approved as to Form:

Theresa James, City Attorney

City of San Angelo
Proposed Budget Amendment
Exhibit A

<u>Fund</u>	<u>Total Revenue Amendment</u>	<u>Total Expense Amendment</u>	<u>Net Benefit/(Cost)</u>
General Fund	\$120,480.00	\$120,480.00	\$-
Intergovernmental Fund	\$6,312.00	\$6,312.00	\$-
General Fund Debt Service	\$(83,552.00)	\$292,085.00	\$(375,637.00)
Texas Bank Sports Complex Fund	\$-	\$249,500.00	\$(249,500.00)
2016 Street Bond Fund	\$153,531.00	\$153,531.00	\$-
2018 Street Bond Fund	\$16,667,856.00	\$16,667,856.00	\$-
Designated Revenue Fund	\$25,466.00	\$25,466.00	\$-
	\$16,736,562	\$17,473,666	\$(737,104)

City of San Angelo
Proposed Budget Amendment
Additional Information

<u>Project/Need</u>	<u>Source of Funding</u>	<u>Revenue</u>	<u>Expense</u>	<u>Net Benefit/(Cost)</u>
Utility Cost	San Angelo Performing Arts Center	\$20,000	\$20,000	\$-
Sunken Garden Park	Development Corporation	\$75,000	\$75,000	\$-
Code Compliance	Abatement fees	\$6,630	\$6,630	\$-
Fire Training Classes	Class dues from external participants	\$18,850	\$18,850	\$-
Travel Expenses	State reimbursement	\$6,312	\$6,312	\$-
General Fund Debt Service	Fund Balance	\$(83,552)	\$292,085	\$(375,637)
Sports Complex Capital Equipment	Fund Balance	\$-	\$249,500	\$(249,500)
2016 Street Bond Issue	Fund Balance	\$-	\$111,967	\$-
2018 Street Bond Issue	Debt Issue	\$16,667,856	\$16,667,856	\$-
Auditorium Facility Maintenance and Improvement Fee	San Angelo Performing Arts Center	\$25,466	\$25,466	\$-
		\$16,736,562	\$17,473,666	\$(737,104)

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Tina Dierschke, Finance Director, Finance, 325-657-4268

Meeting Date: May 1, 2018

Item type: Regular Item

Caption:

Consider accepting the City's Fiscal Year 2017 Comprehensive Annual Financial Report (CAFR) and Single Audit - (Presentation made by Armstrong, Backus & Company, LLC Partner Gayla Thornton)

Summary/History:

The CAFR is an audited report on the year-end financial statements that provides financial information on the City of San Angelo as well as an opinion by the external auditor on the financial statements as a whole. The Single Audit report is a required audit of an entity that receives greater than \$750,000 in Federal funding awards in a fiscal year. The CAFR and Single Audit presented are for the fiscal year ended September 30, 2017.

The Audit Committee convened to review the reports with the external auditor on April 30, 2018, prior to submission to the City Council, and they recommend approval by the City Council of the annual financial reports as presented.

Financial statement and single audits are required and completed on an annual basis and cover the City's fiscal year beginning October 1 and ending September 30.

Financial Impact:

N/A

Other Information/Recommendation:

Attachments:

- | | |
|---|--|
| 1. City of San Angelo - FY17 CAFR | City of San Angelo - FY17 CAFR.pdf |
| 2. City of San Angelo - FY17 Single Audit | City of San Angelo - FY17 Single Audit.pdf |

Presentation:

Gayla Thornton, Partner, Amstrong, Backus, & Co., LLP

Approvals/Reviews:

Tina Dierschke	Created/Initiated
Anthony Wilson	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval



Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2017



CITY OF SAN ANGELO, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2017



Prepared by: Finance Department

Tina Dierschke, Finance Director

CITY OF SAN ANGELO, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2017

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The City of
San Angelo, Texas
72 W College Ave.
San Angelo, TX 76902

April 27, 2018

The Honorable Mayor and City Council

We are submitting this comprehensive annual financial report of the City of San Angelo for the fiscal year ended September 30, 2017.

Management is fully responsible for the completeness and reliability of all the information included in this report. As a basis for making these representations, management of the City has established an internal control framework designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the benefits of internal control should be more than their cost, the City's internal control framework has been designed to provide reasonable rather than absolute assurance that the financial statements will not contain material misstatements. In our capacity as management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Texas Local Government Code Chapter 103 and the City Charter section 34 requires an annual audit of the City's financial statements. The City Council selected Armstrong Backus & Co., LLP, a firm of licensed certified public accountants to audit this year's financial statements. The goal of an independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2016, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2016, are fairly stated in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the City's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented under separate cover.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement MD&A and should be read in conjunction with it. The City's MD&A is in the financial section immediately following the independent auditors' report.

PROFILE OF THE CITY

The City of San Angelo is located 210 miles west northwest of Austin, Texas in Tom Green County. The City is empowered to levy property taxes on all real and personal property within its boundaries.

The City operates under the council-manager form of government. Policy making and legislative authority reside in a council comprised of a mayor and six council members. The City Council is responsible for, among other things, passing ordinances, adopting a budget, selecting a city manager and municipal court judges, and appointing citizens to City boards and commissions. Council members are selected on a non-partisan basis and serve four-year, staggered, terms. The six council members are selected by the voters in single-member districts. The Mayor is selected by city voters at large. The City Manager is responsible for implementation of the Council adopted policies and ordinances, oversight of the operations of the City, and for appointment of City department heads.

The City annually adopts an operating budget for the General, Special Revenue and Debt Service Funds. Budgets for the Proprietary Funds are adopted for internal management purposes. Budgetary control is maintained at the line item level by the encumbered, appropriated and expended balances within any fund; however, any revision that increases the total budgeted expenditures must be approved by the City Council after public hearings.

City budgets are prepared on a modified accrual basis and accounting records are maintained on that basis throughout the fiscal year. Applicable accounting records are then adjusted to the full or modified accrual basis for year-end reporting purposes.

FACTORS AFFECTING FINANCIAL CONDITION

The financial statement information can be better understood when it is considered from the broad perspective of the specific environment within which the City operates.

Local economy – West Texas cities tend to be widely dispersed. San Angelo is one of the largest cities in West Central Texas and serves as the center of commerce, government, medicine, and religion for an expansive area. San Angelo is served by three U. S. highways and one State highway. The San Angelo Regional Airport also provides flights that link up with national and international airlines.

San Angelo continues to have a well-diversified economic base with major sectors that include manufacturing, medical care, education, trade, business services and military. San Angelo is a regional service center for business and agriculture over a fourteen county area. The Ethicon division of Johnson and Johnson, Hirschfeld Steel, San Angelo Community Medical Center, Shannon Medical Center, Goodfellow Air Force Base, and many other local businesses provide the economic potential of San Angelo.

There are four institutions of higher education in San Angelo. Angelo State University, part of the Texas Tech University system, offers baccalaureate programs in numerous arts, science, business, education, and medical fields. Graduate degrees are offered in 25 fields of science, education, arts,

and business. Howard Junior College has an extension campus in San Angelo, which concentrates predominately in the technical and occupational fields of study. American Commercial College is a private college serving career education through associated programs. Park University is located at Goodfellow Air Force Base and offers face-to-face and online classes in over ten undergraduate degree programs in the arts, science, business, and education fields as well as several graduate degree programs.

Long-term financial planning – In 2006, the City of San Angelo adopted a resolution to reduce the property tax rate by \$.01 per year for ten years. As a result of this initiative, the tax rate remains at \$.776/\$100 of valuation for the fourth straight year and has not been increased in 17 years. The Council believed this resolution to be in the public interest since the property tax is an ever-increasing burden on the citizens.

The City of San Angelo has adopted a Capital Improvement Program. The Capital Improvement Program (CIP) will serve as a multi-year plan for the acquisition, expansion, or renovation of infrastructure and capital assets.

The City Council recently adopted a five-year, phased approach to gradually raising water rates. The aim was and remains threefold. First, the Water Utilities Department had to be returned to financial sustainability. Second, more revenue was needed to replace aging infrastructure, including cast-iron water mains that are prone to breaks. Third, the City must have the ability to finance its next water supply project. Water supply and infrastructure is the number one strategic priority of the City Council.

The City of San Angelo has issued \$120 million in bonds for the development of an aquifer and for the construction of a pipeline to the City. The sixty mile project helped diversify the City's water supply portfolio. Implementation of this project began in 2011 with the initial project being completed during fiscal year 2017. Plans are underway to expand the capacity at the wellfield site and thus increase the City's long-term water supply and capacity.

The City Council adopted a plan which started in January 2016 which was a 10-year plan to issue \$80 million in debt to rebuild San Angelo's worst streets. As debt is retired, every other year, the City will issue \$16 million dollars in new debt to pay for the projects. Thus, streets will be improved without having to raise the property tax rate. Street reconstruction and improvements is one of the City Council's top five strategic priorities.

The City of San Angelo has formally adopted a Fund Balance Policy. The General Fund, Water Operating Fund, and Wastewater Operating Fund have a targeted seventy-five day fund balance of the following year's original budget expenditures. The fund balance for Capital, Capital Projects, Special Revenue and Grant Funds are targeted at zero. Other funds with expenditures of less than \$3 million in the ensuing year are targeted at zero while other funds with expenditures of more than \$3 million are target at seventy-five days of the following year's expenditures.

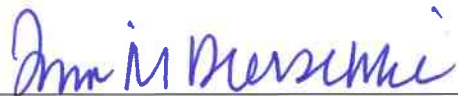
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for a Comprehensive Annual Financial Report (CAFR) that is easily readable and efficiently organized. To be awarded the Certificate of Achievement, a CAFR must satisfy both GAAP and applicable legal requirements. The City received the GFOA Certificate of Achievement for its CAFR for the fiscal year ended September 30, 2016. A Certificate of Achievement is valid for a period of one year only. We believe that the City's current CAFR meets

the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for the certificate.

The preparation of this report would not have been possible without the dedicated efforts of the staff of the Finance Department. I express my appreciation to all of the staff members who assisted and contributed to the preparation of this report.

Respectfully submitted,



Tina M. Dierschke, CPA, CGFO
Director of Finance

CITY OF SAN ANGELO, TEXAS

List of Principal Officials

September 30, 2017

City Council

Brenda Gunter
Tommy Hiebert
Tom Thompson
Lucy Gonzales
Harry Thomas
Lane Carter
Billie DeWitt

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

City Staff

Daniel Valenzuela

City Manager

Michael Dane

Assistant City Manager

Rick Weise

Assistant City Manager

Tina Dierschke

Director of Finance

David Knapp

Construction Manager

Allen Gilbert

Municipal Court Judge

Frank Carter

Police Chief

Brian Dunn

Fire Chief

Anthony Wilson

Public Information Officer

Luis Elguezabal

Airport Director

Ricky Dickson

Executive Director of Public Works

Shane Kelton

Director of Operations

Allison Strube

Director of Water Utilities

Lisa Marley

Director of Human Resources

Bryan Kendrick

City Clerk

Theresa James

City Attorney

Carl White

Director of Parks &
Recreation

Roland Pena

Economic Development Director

Jon James

Director of Planning & Development
Services

Robert Salas

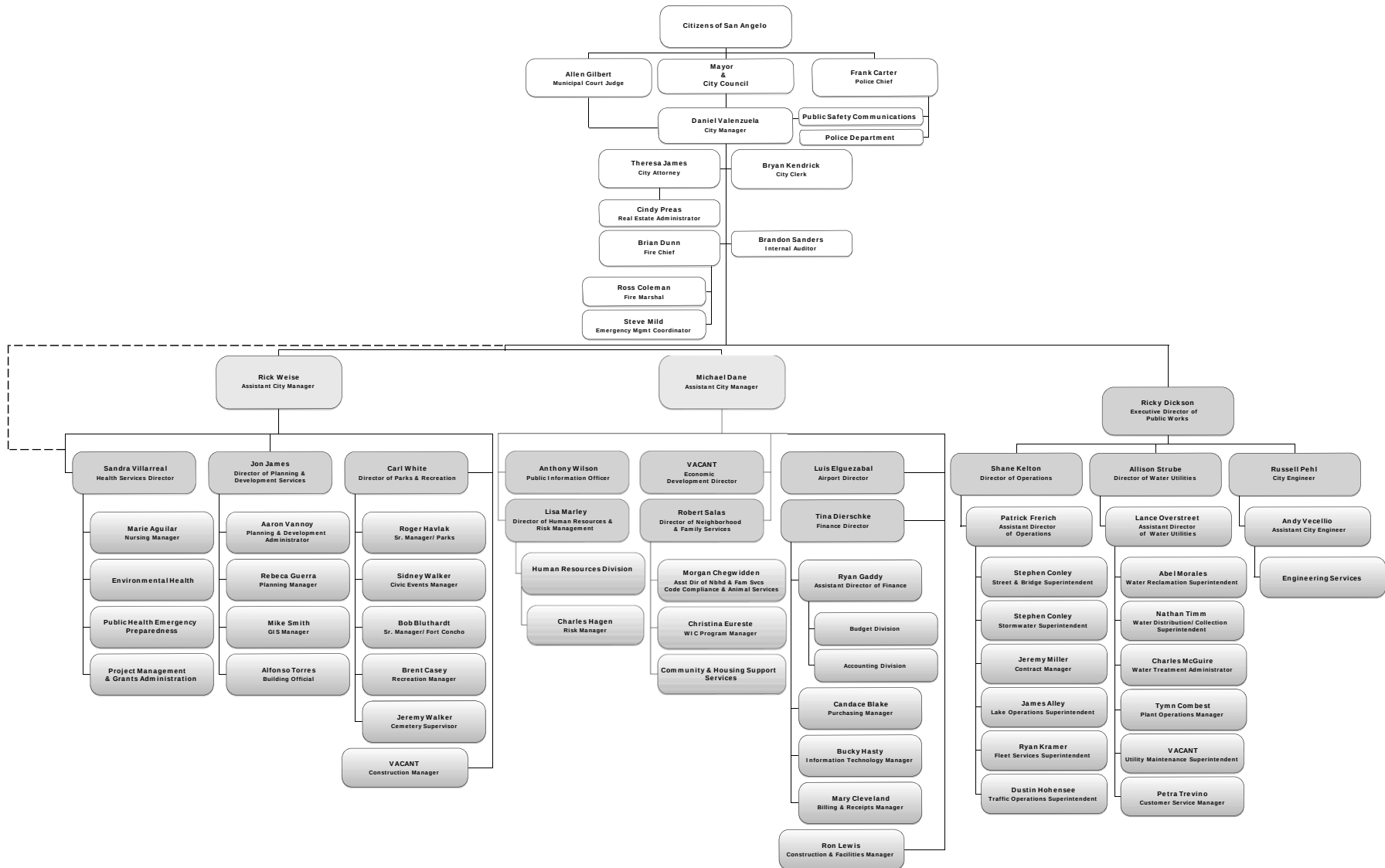
Director of Neighborhood and
Family Services

Sandra Villarreal

Health Services Director

Russell Pehl

City Engineer





Government Finance Officers Association

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

Presented to

**City of San Angelo
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO



ARMSTRONG, BACKUS & CO., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council of the
City of San Angelo, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of San Angelo, Texas (the City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

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circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of San Angelo, Texas, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note VII to the financial statements, during the year ended September 30, 2017, the City adopted GASB Statement No. 77, *Tax Abatement Disclosures*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of San Angelo, Texas' basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the Table of Contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the



underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2018 on our consideration of the City of San Angelo, Texas' 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 City of San Angelo, Texas' internal control over financial reporting and compliance.

Armstrong, Backus & Co., L.L.P.

San Angelo, Texas
April 27, 2018



City of San Angelo, Texas Management's Discussion and Analysis

In this section of the Comprehensive Annual Financial Report, we, the managers of the City of San Angelo, discuss and analyze the City's financial performance for the fiscal year ended September 30, 2017. Please read it in conjunction with our transmittal letter on pages 2-5, the independent auditors' report immediately preceding this analysis and the City's Basic Financial Statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (pages 25 and 26). These provide information about the activities of the City as a whole and present a longer-term view of the City's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (pages 27 through 35) report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the City were sold to departments within the City or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the City.

The notes to the financial statements (pages 36 through 82) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements. The combining and individual statements for nonmajor funds contain even more information about the City's individual funds.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The analysis of the City's overall financial condition and operations begins with the Statement of Net Position on page 25. Its primary purpose is to show whether the City is better or worse off as a result of the year's activities. The Statement of Net Assets includes all the City's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the City's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The City's revenues are divided into those provided by outside parties who share the costs of some programs, such as water and sewer and grants provided by the State and Federal government to assist with health and housing issues (program revenues), and revenues provided by the taxpayers in the form of sales and property taxes (general revenues). All the City's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the City's net assets and changes in them. The City's net assets (the difference between assets and liabilities) provide one measure of the City's financial health or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the City, however, you should consider nonfinancial factors as well, such as changes in the City's population or its property tax base and the

condition of the City's facilities.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities—Most of the City's basic services are reported here, including public safety, public works, health and human services, parks, recreation and economic development. Property taxes, sales taxes, franchise taxes, and state and federal grants finance most of these activities.
- Business-type activities—The City charges a fee to “customers” to help it cover all or most of the cost of services it provides in these programs.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements begin on page 27 and provide detailed information about the most significant funds. Laws and contracts require the City to establish some funds, such as grants and debt service. The City's administration establishes many other funds to help it control and manage money for particular purposes (like capital projects). The City's two kinds of funds, governmental and proprietary, use different accounting approaches.

- Governmental funds – Most of the City's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds – The City reports the activities for which it charges users in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds are the business-type activities reported in the government-wide statements but containing more detail and additional information, such as cash flows. The internal service funds (the other category of proprietary funds) report activities that provide services to other City programs.

THE CITY AS TRUSTEE

Reporting the City's Fiduciary Responsibilities

The City is the trustee, or fiduciary, for assets held and managed for others. The City's fiduciary activity is reported in a separate Statement of Changes in Assets and Liabilities. We exclude these resources from the City's other financial statements because the City cannot use these assets to finance its operations. The City is only responsible for ensuring that the assets reported in this fund are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental Activities

The City's governmental activities decreased \$5,033,272. This result is primarily due to an increase in salaries and pension obligations.

Business-Type Activities

In 2017, the total net position of our business-type activities increased by \$15,112,414. This is primarily the result of increases in water and sewer rates that were intended to increase the capacity for projects related to water supply and aging infrastructure.

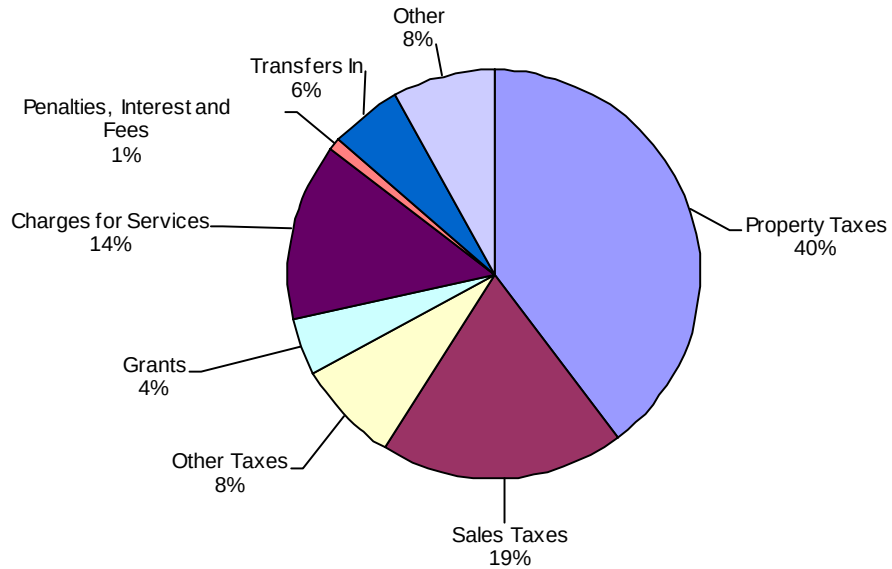
Table I - Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 86,292,160	\$ 87,902,368	\$ 65,539,306	\$ 54,539,852	\$ 151,831,466	\$ 142,442,220
Capital assets	84,832,657	84,825,043	340,375,746	297,839,333	425,208,403	382,664,376
Total assets	\$ 171,124,817	\$ 172,727,411	\$ 405,915,052	\$ 352,379,185	\$ 577,039,869	\$ 525,106,596
Deferred Outflows of Resources	23,646,290	28,232,314	3,685,678	4,210,451	27,331,968	32,442,765
Current liabilities	11,742,058	9,248,604	17,320,067	15,446,053	29,062,125	24,694,657
Long-term liabilities	169,742,854	173,129,665	173,242,309	137,098,529	342,985,163	310,228,194
Total liabilities	\$ 181,484,912	\$ 182,378,269	\$ 190,562,376	\$ 152,544,582	\$ 372,047,288	\$ 334,922,851
Deferred Inflows of Resources	355,133	617,122	341,815	460,929	696,948	1,078,051
Net assets:						
Net Investment in Capital Assets	40,735,612	15,628,732	190,198,520	168,098,952	230,934,132	183,727,684
Restricted	16,874,203	16,248,677	34,722,814	25,759,916	51,597,017	42,008,593
Unrestricted	(44,678,753)	(13,913,075)	(6,224,795)	9,725,257	(50,903,548)	(4,187,818)
Total net position	\$ 12,931,062	\$ 17,964,334	\$ 218,696,539	\$ 203,584,125	\$ 231,627,601	\$ 221,548,459

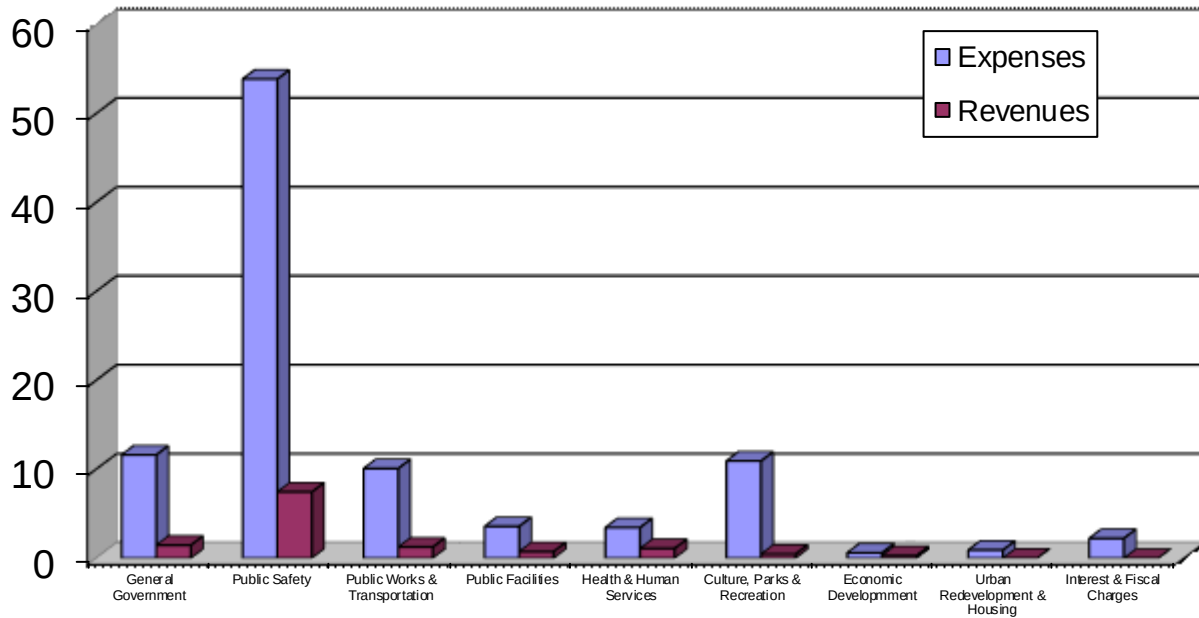
Table II - Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program Revenues:						
Charges for services	\$ 12,832,967	\$ 11,087,789	\$ 54,252,364	\$ 48,013,675	\$ 67,085,331	\$ 59,101,464
Operating grants and contributions	3,857,901	3,443,620	150	-0-	3,858,051	3,443,620
Capital grants and contributions	372,387	297,140	970,516	1,023,428	1,342,903	1,320,568
Grants and Contributions Not Restricted to Specific Programs	-0-	-0-	-0-	1,200	-0-	1,200
General Revenues:						
Property Taxes - General Levy	32,111,994	30,505,494	-0-	-0-	32,111,994	30,505,494
Property Taxes - Debt Service Levy	4,563,051	7,556,437	-0-	-0-	4,563,051	7,556,437
Sales Taxes	17,676,790	17,147,214	-0-	-0-	17,676,790	17,147,214
Franchise Taxes	5,012,040	4,349,480	-0-	-0-	5,012,040	4,349,480
Motel Taxes	1,976,473	1,960,114	-0-	-0-	1,976,473	1,960,114
Mixed Drink Taxes	411,981	332,309	-0-	-0-	411,981	332,309
Bingo Taxes	44,647	42,505	-0-	-0-	44,647	42,505
Penalty, Interest and Fees on Delinquent Taxes	890,555	337,978	-0-	-0-	890,555	337,978
Investment Income	914,166	691,470	612,318	582,468	1,526,484	1,273,938
Miscellaneous	5,411,365	6,106,194	-0-	-0-	5,411,365	6,106,194
Settlement Proceeds	1,000,000	-0-	-0-	-0-	1,000,000	-0-
Total Revenues	\$ 87,076,317	\$ 83,857,744	\$ 55,835,348	\$ 49,620,771	\$ 141,911,665	\$ 133,478,515
EXPENSES						
Governmental Activities:						
General Government	\$ 11,617,429	\$ 15,503,820	\$ -0-	\$ -0-	\$ 11,617,429	\$ 15,503,820
Public Safety	53,883,378	45,843,672	-0-	-0-	53,883,378	45,843,672
Public Works and Transportation	10,088,428	12,554,602	-0-	-0-	10,088,428	12,554,602
Public Facilities	3,571,629	3,790,497	-0-	-0-	3,571,629	3,790,497
Health and Human Services	3,455,935	3,697,454	-0-	-0-	3,455,935	3,697,454
Culture, Parks and Recreation	10,941,795	8,076,896	-0-	-0-	10,941,795	8,076,896
Economic Development	609,428	392,494	-0-	-0-	609,428	392,494
Urban Redevelopment and Housing	926,648	1,051,058	-0-	-0-	926,648	1,051,058
Interest and Fiscal Charges	2,235,720	2,153,962	-0-	-0-	2,235,720	2,153,962
Business-Type Activities:						
Water	-0-	-0-	18,722,506	16,978,460	18,722,506	16,978,460
Sewer	-0-	-0-	8,778,915	9,078,552	8,778,915	9,078,552
Airport	-0-	-0-	4,283,374	4,506,411	4,283,374	4,506,411
State Office Building	-0-	-0-	1,031,980	1,127,308	1,031,980	1,127,308
Solid Waste	-0-	-0-	930,399	786,709	930,399	786,709
Stormwater	-0-	-0-	1,772,384	2,032,021	1,772,384	2,032,021
Total Expenses	\$ 97,330,390	\$ 93,064,455	\$ 35,519,558	\$ 34,509,461	\$ 132,849,948	\$ 127,573,916
Excess or Deficiency before Transfers & Special Items	(\$ 10,254,073)	(\$ 9,206,711)	\$ 20,315,790	\$ 15,111,310	\$ 10,061,717	\$ 5,904,599
Transfers	5,220,801	4,800,468	(5,220,801)	(4,800,468)	-0-	-0-
Gain (Loss) on Sale of Capital Assets	-0-	-0-	17,425	663,072	17,425	663,072
Change in net position	(\$ 5,033,272)	(\$ 4,406,243)	\$ 15,112,414	\$ 10,973,914	\$ 10,079,142	\$ 6,567,671
Net Position-Beginning	17,964,334	22,386,941	203,584,125	192,402,399	221,548,459	214,789,340
Restatement of Beginning Net Position	-0-	(16,364)	-0-	207,812	-0-	191,448
Net position-Ending	\$ 12,931,062	\$ 17,964,334	\$ 218,696,539	\$ 203,584,125	\$ 231,627,601	\$ 221,548,459

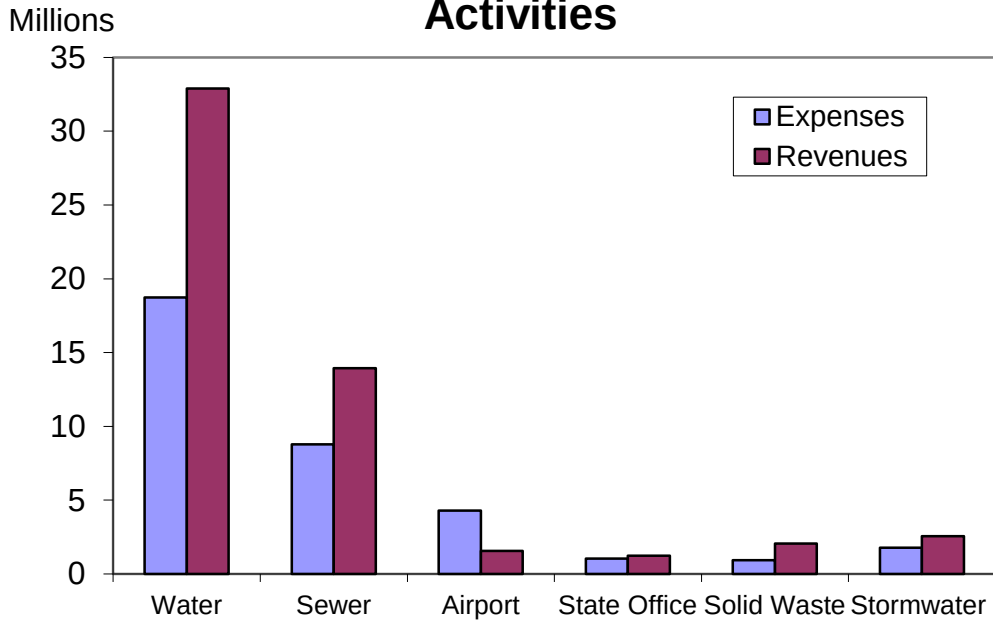
Revenues by Source - Governmental Activities



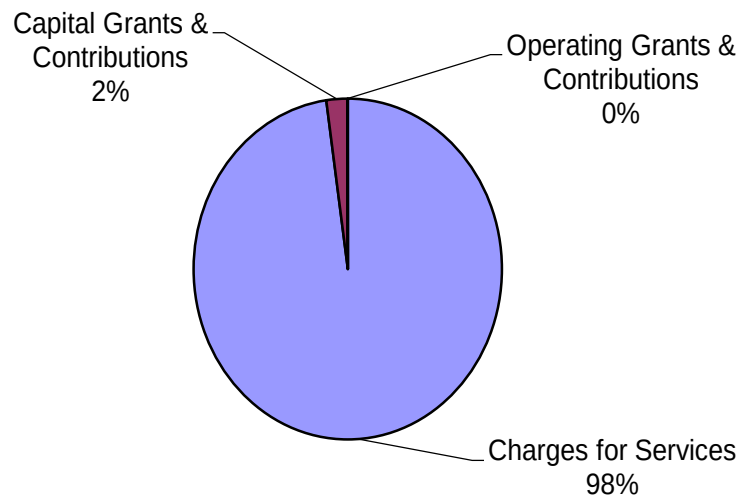
Expenses and Program Revenues - Governmental Activities (in Millions)



Expenses & Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As previously discussed, the City of San Angelo uses fund accounting to ensure compliance with finance related legal requirements.

Governmental funds

The focus of the City of San Angelo's governmental funds is to provide information on inflows, outflows and balances of spendable resources. This information is useful in assessing the City of San Angelo's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds (as presented in the balance sheet on page 27) reported a combined fund balance of \$76.1 million, a decrease of \$8,990,254 from the prior year. This result is primarily due to the use of bond proceeds for the intended purposes as well as salary increases. The bond proceeds were part of a plan the City Council adopted in January 2016 which is a 10-year plan to issue \$80 million in debt to rebuild San Angelo's worst streets. As debt is retired, every other year the City will issue \$16 million dollars in new debt to pay for the projects. Thus, streets will be improved without having to raise the property tax rate, which for the fifth straight year will remain at 77.6 cents. Street reconstruction and improvements is one of the City Council's top five strategic priorities.

Approximately 47% of this total amount (\$35,424,429) is unassigned and rests in the General Fund. The majority of the remainder is assigned for various capital projects such as streets, parks, and river improvements.

The General Fund is the chief operating fund of the City of San Angelo. The unassigned fund balance represents 46% of total General Fund expenditures. The total fund balance in the General Fund decreased by \$3,374,146 during the current fiscal year. This decrease is primarily due to capital outlay. There was also a reclassification of a governmental fund to a special revenue fund.

The Debt Service Fund has a total fund balance of \$875,089, all of which is reserved for the payment of debt service. The decrease in fund balance during the current year was \$2,343,013 and was purposely drawn down to assist with the City's 2017 debt issue.

Proprietary funds

The City of San Angelo's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Total net position in the Water Fund was \$131,417,175, an increase of \$11,377,173. This is primarily due to increases in water and sewer rates that were intended to increase the capacity for projects related to water supply and aging infrastructure. The City Council recently adopted a five-year, phased approach to gradually raising water rates. The aim was and remains threefold. First, the Water Utilities Department had to be returned to financial sustainability. Second, more revenue was needed to replace aging infrastructure, including cast-iron water mains that are prone to breaks. Third, the City must have the ability to finance its next water supply project. Water supply and infrastructure is the number one strategic priority of the City Council.

General Fund Budgetary Highlights

Differences between the original and final amended budget for revenue amounted to \$6819,879. This is amounts to 8.9%. The increase in the revenue budget was primarily due to budgeting for anticipated receipts from the San Angelo Performing Arts Center for construction on the City Auditorium. There was also an increase due to increased salaries that were budgeted after the start of the year. These increases were offset by a decrease to the sales tax revenue budget of \$595,855. Employee pay is also one of the City

Council's top five priorities, and one in which we saw little progress in the fiscal year 2017 budget. This is due to a difficult economy after two years of strong growth. Sales tax collections in the fiscal year that ended September 30, 2017, fell short by more than \$500,000 under what was originally budgeted. The City budgets its revenues conservatively. As a result, sales tax collections in the coming year have been budgeted at approximately the same level as this past year's collections. Property values inched up about 4 percent this year, but were not enough to completely offset the decline in sales tax collections.

The final amended expenditure budget increased \$24,462,697. This is primarily the result of rebudgeting funds from the previous year for expenditures that were not made in the previous year. The major increases were in capital projects and street maintenance and reconstruction.

Total General Fund expenditures were \$18,591,267 under the final amended budget. Most of this is for unfinished special or capital projects that will be rebudgeted in fiscal year 2018 such as street maintenance and reconstruction and the City Auditorium.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the City had \$425 million (net of accumulated depreciation) invested in a broad range of capital assets, including land, buildings, improvements, equipment and infrastructure.

The following is a list of the major capital events for FY17:

- \$43.5 million for the purchase of land related to water rights
- \$16 million in reconstruction and improvements to streets
- \$7.9 million in improvements to public safety communications
- \$7.6 million in improvements to the water system
- \$4.3 million in public safety buildings
- \$1.5 million in public works buildings

The City put into service the following projects in FY17:

- Parks improvement projects with a cost of \$9.4 million
- Public safety projects with a cost of \$12.2 million
- Water projects with a cost of \$49.9 million

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 4,500,105	\$ 4,500,105	\$ 51,780,113	\$ 7,857,995	\$ 56,280,218	\$ 12,358,100
Buildings	60,259,792	49,663,873	31,431,919	29,559,965	91,691,711	79,223,838
Improvements Other Than Buildings	43,757,813	43,585,391	38,488,381	32,160,118	82,246,194	75,745,509
Infrastructure	23,757,252	23,757,252	182,290,818	182,290,818	206,048,070	206,048,070
Machinery and Equipment	42,138,480	31,868,242	29,946,791	28,622,279	72,085,271	60,490,521
Construction in Progress	18,169,238	29,082,555	133,111,765	134,377,297	151,281,003	163,459,852
Water Rights	-0-	-0-	36,950,835	36,950,835	36,950,835	36,950,835
Accumulated Depreciation	(107,750,027)	(97,632,375)	(163,624,877)	(153,979,974)	(271,374,904)	(251,612,349)
Total	\$ 84,832,653	\$ 84,825,043	\$ 340,375,745	\$ 297,839,333	\$ 425,208,398	\$ 382,664,376

More detailed information about the City's capital assets is presented in Note IV.D. to the financial statements.

Debt

At year-end, the City had \$228,161,225 in outstanding debt versus \$197,809,553 last year.

On May 18, 2017, the City issued \$2,185,000 in certificates of obligation to fund the purchase of public safety communications equipment. The interest rate on the notes ranges is 2.00% and the maturity date is September 30, 2024.

On June 15, 2017, the City issued \$48,070,000 in certificates of obligation secured by utility revenue to fund the purchase of land related to water rights. The interest rate on the notes is 4.19% and the maturity date is February 15, 2046.

General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 25,647,232	\$ 27,411,791	\$ 164,395,411	\$ 127,299,171	\$ 190,042,643	\$ 154,710,962
Advalorem Tax COs	23,580,000	28,140,000	-0-	-0-	23,580,000	28,140,000
Sales Tax COs	12,915,000	13,185,000	-0-	-0-	12,915,000	13,185,000
Promissory Notes	1,393,000	1,500,000	230,582	273,591	1,623,582	1,773,591
Total	\$ 63,535,232	\$ 70,236,791	\$ 164,625,993	\$ 127,572,762	\$ 228,161,225	\$ 197,809,553

Other obligations include accrued sick leave and tentative arbitrage rebate to the U. S. Treasury. More detailed information about the City's long-term liabilities is presented in Note IV.G.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

- The unemployment rate for the City of San Angelo at the end of the fiscal year was 3.4%. This compares favorably to the state rate of 4.2%.
- The cost of living index compares favorably to the national average.
- The City of San Angelo has not increased the property tax rate in 18 years.

All of these factors were considered in preparing the City of San Angelo's budget.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department, at City of San Angelo, Texas, 72 W. College Ave, San Angelo, Texas 76903.

CITY OF SAN ANGELO, TEXAS

Statement of Net Position

As of September 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Development Corporation
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 17,522,010	\$ 9,602,493	\$ 27,124,503	\$ 2,499,067
Investments	33,522,161	9,396,597	42,918,758	15,967,437
Receivables:				
Accrued Interest	126,331	92,197	218,528	-0-
Property Taxes	1,677,025	-0-	1,677,025	-0-
Accounts, Net	8,035,784	10,381,856	18,417,640	20,650
Internal Balances	1,995,389	(1,995,389)	-0-	-0-
Due from Other Governments	3,650,858	-0-	3,650,858	1,536,366
Advanced to Other Funds	-0-	-0-	-0-	230,583
Inventories	82,698	399,125	481,823	-0-
Prepays	6,474	-0-	6,474	29,633
Restricted Assets:				
Cash & Cash Equivalents	2,849,689	2,892,413	5,742,102	-0-
Investments	16,823,741	29,424,342	46,248,083	-0-
Closure and Post-Closure Trust Fund	-0-	5,345,672	5,345,672	-0-
Total Current Assets	<u>\$ 86,292,160</u>	<u>\$ 65,539,306</u>	<u>\$ 151,831,466</u>	<u>\$ 20,283,736</u>
Noncurrent Assets:				
Capital Assets:				
Land, Construction in Progress, and Water Rights	\$ 22,669,344	\$ 221,842,711	\$ 244,512,055	\$ 85,728
Buildings, Improvements, Infrastructure, and Machinery & Equipment, Net	62,163,313	118,533,035	180,696,348	2,137,980
Net Capital Assets	<u>\$ 84,832,657</u>	<u>\$ 340,375,746</u>	<u>\$ 425,208,403</u>	<u>\$ 2,223,708</u>
Total Noncurrent Assets	<u>\$ 84,832,657</u>	<u>\$ 340,375,746</u>	<u>\$ 425,208,403</u>	<u>\$ 2,223,708</u>
Total Assets	<u>\$ 171,124,817</u>	<u>\$ 405,915,052</u>	<u>\$ 577,039,869</u>	<u>\$ 22,507,444</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charges	\$ 1,786,224	\$ 759,893	\$ 2,546,117	\$ -0-
Deferred Amounts Related to Pensions	21,860,066	2,925,785	24,785,851	-0-
Total Deferred Outflows of Resources	<u>\$ 23,646,290</u>	<u>\$ 3,685,678</u>	<u>\$ 27,331,968</u>	<u>\$ -0-</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 4,506,203	\$ 3,544,146	\$ 8,050,349	\$ 4,711,281
Accrued Interest Payable	417,084	282,278	699,362	-0-
Due to Other Governments	71,829	-0-	71,829	-0-
Unearned Revenue	174,809	-0-	174,809	-0-
Deposits	318,043	1,080,905	1,398,948	-0-
Noncurrent Liabilities Due Within One Year	6,254,090	12,412,738	18,666,828	-0-
Total Current Liabilities	<u>\$ 11,742,058</u>	<u>\$ 17,320,067</u>	<u>\$ 29,062,125</u>	<u>\$ 4,711,281</u>
Noncurrent Liabilities:				
Noncurrent Liabilities Due After One Year	\$ 73,426,895	\$ 161,172,247	\$ 234,599,142	\$ -0-
Net Pension Liability - SFRS	41,242,389	-0-	41,242,389	-0-
Net Pension Liability - TMRS	38,725,835	9,397,710	48,123,545	-0-
Unfunded OPEB Obligation	16,347,735	2,672,352	19,020,087	-0-
Total Noncurrent Liabilities	<u>\$ 169,742,854</u>	<u>\$ 173,242,309</u>	<u>\$ 342,985,163</u>	<u>\$ -0-</u>
Total Liabilities	<u>\$ 181,484,912</u>	<u>\$ 190,562,376</u>	<u>\$ 372,047,288</u>	<u>\$ 4,711,281</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue	\$ -0-	\$ 144,649	\$ 144,649	\$ -0-
Deferred Amounts Related to Pensions	355,133	197,166	552,299	-0-
Total Deferred Inflows of Resources	<u>\$ 355,133</u>	<u>\$ 341,815</u>	<u>\$ 696,948</u>	<u>\$ -0-</u>
NET POSITION				
Net Investment in Capital Assets	\$ 40,735,612	\$ 190,198,520	\$ 230,934,132	\$ 2,223,708
Restricted For:				
Debt Service	-0-	22,928,371	22,928,371	-0-
Asset Construction and Acquisition	-0-	3,264,271	3,264,271	-0-
Passenger Facility Charges	-0-	1,391,736	1,391,736	-0-
Landfill Closure and Post-Closure	-0-	5,345,672	5,345,672	-0-
Contract Obligations	-0-	1,792,764	1,792,764	-0-
Economic Development	2,665,360	-0-	2,665,360	15,572,455
Permanent Fund Purposes:				
Nonexpendable	14,201,260	-0-	14,201,260	-0-
Expendable	7,583	-0-	7,583	-0-
Unrestricted	(44,678,753)	(6,224,795)	(50,903,548)	-0-
Total Net Position	<u>\$ 12,931,062</u>	<u>\$ 218,696,539</u>	<u>\$ 231,627,601</u>	<u>\$ 17,796,163</u>

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Statement of Activities

For the Year Ended September 30, 2017

Net (Expense) Revenue and Changes in Net Assets									
		Program Revenues			Primary Government			Component Unit	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Development Corporation	
PRIMARY GOVERNMENT									
Government Activities:									
General Government	\$ 11,641,219	\$ 1,470,249	\$ -0-	\$ -0-	(\$ 10,170,970)	\$ -0-	(\$ 10,170,970)		
Public Safety	53,883,378	7,459,560	125,226	-0-	(46,298,592)	-0-	(46,298,592)		
Public Works & Transportation	10,088,428	1,264,891	337,354	-0-	(8,486,183)	-0-	(8,486,183)		
Public Facilities	3,571,629	744,368	-0-	332,887	(2,494,374)	-0-	(2,494,374)		
Health & Human Services	3,455,935	1,110,551	3,240,036	-0-	894,652	-0-	894,652		
Culture, Parks & Recreation	10,941,795	466,090	148,986	39,500	(10,287,219)	-0-	(10,287,219)		
Economic Development	609,428	295,237	-0-	-0-	(314,191)	-0-	(314,191)		
Urban Redevelopment & Housing	926,648	22,021	6,299	-0-	(898,328)	-0-	(898,328)		
Interest and Fiscal Charges	2,235,720	-0-	-0-	-0-	(2,235,720)	-0-	(2,235,720)		
Total Government Activities	<u>\$ 97,354,180</u>	<u>\$ 12,832,967</u>	<u>\$ 3,857,901</u>	<u>\$ 372,387</u>	<u>(\$ 80,290,925)</u>	<u>\$ -0-</u>	<u>(\$ 80,290,925)</u>		
Business-Type Activities:									
Water	\$ 18,698,716	\$ 32,891,977	\$ 150	\$ -0-	\$ -0-	\$ 14,193,411	\$ 14,193,411		
Sewer	8,778,915	13,944,617	-0-	-0-	-0-	5,165,702	5,165,702		
Airport	4,283,374	1,555,945	-0-	970,516	-0-	(1,756,913)	(1,756,913)		
State Office Building	1,031,980	1,232,054	-0-	-0-	-0-	200,074	200,074		
Solid Waste	930,399	2,063,568	-0-	-0-	-0-	1,133,169	1,133,169		
Stormwater	1,772,384	2,564,203	-0-	-0-	-0-	791,819	791,819		
Total Business-Type Activities	<u>\$ 35,495,768</u>	<u>\$ 54,252,364</u>	<u>\$ 150</u>	<u>\$ 970,516</u>	<u>\$ -0-</u>	<u>\$ 19,727,262</u>	<u>\$ 19,727,262</u>		
Total Primary Government	<u>\$ 132,849,948</u>	<u>\$ 67,085,331</u>	<u>\$ 3,858,051</u>	<u>\$ 1,342,903</u>	<u>(\$ 80,290,925)</u>	<u>\$ 19,727,262</u>	<u>(\$ 60,563,663)</u>		
COMPONENT UNIT									
Development Corporation	\$ 9,810,394	\$ 1,254,220	\$ -0-	\$ -0-				(\$ 8,556,174)	
Total Component Unit	<u>\$ 9,810,394</u>	<u>\$ 1,254,220</u>	<u>\$ -0-</u>	<u>\$ -0-</u>				<u>(\$ 8,556,174)</u>	
General Revenue									
Taxes									
		Property Taxes - General Levy			\$ 32,111,994	\$ -0-	\$ 32,111,994	\$ -0-	
		Property Taxes - Debt Service Levy			4,563,051	-0-	4,563,051	-0-	
		Sales Taxes			17,676,790	-0-	17,676,790	8,390,902	
		Franchise Taxes			5,012,040	-0-	5,012,040	-0-	
		Motel Taxes			1,976,473	-0-	1,976,473	-0-	
		Mixed Drink Taxes			411,981	-0-	411,981	-0-	
		Bingo Taxes			44,647	-0-	44,647	-0-	
		Penalty, Interest and Fees, & Delinquent Taxes			890,555	-0-	890,555	-0-	
		Unrestricted Investment Earnings			914,166	612,318	1,526,484	86,432	
		Miscellaneous			5,411,365	-0-	5,411,365	-0-	
		Settlement Proceeds			1,000,000	-0-	1,000,000	-0-	
		Gain on Sale of Capital Assets			-0-	17,425	17,425	1,501,979	
		Transfers			5,244,591	(5,244,591)	-0-	-0-	
		Total General Revenue and Transfers			<u>\$ 75,257,653</u>	<u>(\$ 4,614,848)</u>	<u>\$ 70,642,805</u>	<u>\$ 9,979,313</u>	
		Change in Net Position			(\$ 5,033,272)	\$ 15,112,414	\$ 10,079,142	\$ 1,423,139	
		Net Position - Beginning			17,964,334	203,584,125	221,548,459	16,556,329	
		Restatement of Beginning Net Position (See Note IV.H)			-0-	-0-	-0-	(183,305)	
		Net Position - Ending			<u>\$ 12,931,062</u>	<u>\$ 218,696,539</u>	<u>\$ 231,627,601</u>	<u>\$ 17,796,163</u>	

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Balance Sheet - Governmental Funds

As of September 30, 2017

	General	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 13,061,954	\$ 2,038,696	\$ -0-	\$ 833,120	\$ 15,933,770
Investments	11,497,766	18,131,717	-0-	1,360,939	30,990,422
Receivables:					
Accrued Interest	21,725	47,758	8,399	45,285	123,167
Property Taxes	1,191,553	-0-	181,201	304,271	1,677,025
Accounts	18,067,821	-0-	2,389,746	441,001	20,898,568
Less: Allowance for Uncollectible	(13,021,102)	-0-	-0-	(11,886)	(13,032,988)
Due from Other Funds	6,494,320	-0-	-0-	-0-	6,494,320
Due from Other Governments	3,072,731	-0-	-0-	578,127	3,650,858
Inventories	37,304	-0-	-0-	-0-	37,304
Prepays	6,474	-0-	-0-	-0-	6,474
Restricted Assets:					
Cash and Cash Equivalents	-0-	-0-	764,913	2,084,776	2,849,689
Investments	-0-	-0-	2,134,237	14,689,504	16,823,741
Total Assets	<u>\$ 40,430,546</u>	<u>\$ 20,218,171</u>	<u>\$ 5,478,496</u>	<u>\$ 20,325,137</u>	<u>\$ 86,452,350</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges on Refunding	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Deferred Outflows of Resources	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 3,410,261	\$ 545,794	\$ -0-	\$ 189,698	\$ 4,145,753
Due to Other Funds	-0-	-0-	4,449,318	-0-	4,449,318
Due to Other Governments	71,829	-0-	-0-	-0-	71,829
Unearned Revenue	174,809	-0-	-0-	-0-	174,809
Deposits	316,343	-0-	-0-	1,700	318,043
Total Liabilities	<u>\$ 3,973,242</u>	<u>\$ 545,794</u>	<u>\$ 4,449,318</u>	<u>\$ 191,398</u>	<u>\$ 9,159,752</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	\$ 933,126	\$ -0-	\$ 154,089	\$ -0-	\$ 1,087,215
Unavailable Revenue - Street Pavement	55,971	-0-	-0-	-0-	55,971
Total Deferred Inflows of Resources	<u>\$ 989,097</u>	<u>\$ -0-</u>	<u>\$ 154,089</u>	<u>\$ -0-</u>	<u>\$ 1,143,186</u>
FUND BALANCES					
Nonspendable	\$ 43,778	\$ -0-	\$ -0-	\$ 14,201,260	\$ 14,245,038
Restricted	-0-	-0-	-0-	3,470,316	3,470,316
Committed	-0-	19,672,377	875,089	2,462,163	23,009,629
Assigned	-0-	-0-	-0-	-0-	-0-
Unassigned	35,424,429	-0-	-0-	-0-	35,424,429
Total Fund Balances	<u>\$ 35,468,207</u>	<u>\$ 19,672,377</u>	<u>\$ 875,089</u>	<u>\$ 20,133,739</u>	<u>\$ 76,149,412</u>

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Balance Sheet - Governmental Funds

As of September 30, 2017

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

Total Fund Balance, Governmental Funds	\$	76,149,412
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$84,832,657 and less internal service fund net assets of \$7,315,414	77,517,243
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Certain other deferred outflows are not available in the current period, and therefore, are deferred in the funds	1,143,187
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Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:

Accrued interest payable	(	417,084)
Revenue bonds payable	(	58,505,000)
Notes payable	(	1,393,000)
Unamortized debt discount (premium)	(	3,637,232)
Deferred charge on refunding		1,786,224
Accrued compensated absences	(	12,615,276)
Unfunded OPEB obligation	(	15,601,873)
Net pension liability (and related deferrals)	(	57,441,504)

Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance vehicle maintenance, and other such costs, to individual funds. The assets and liabilities of certain of these internal service funds are reported in governmental activities in the Statement of Net Position:

Internal service funds' net position		<u>5,945,965</u>
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Net Assets of Governmental Activities	\$	<u><u>12,931,062</u></u>
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The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds

For the Year Ended September 30, 2017

	General	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 32,201,382	\$ -0-	\$ 4,621,235	\$ 742,980	\$ 37,565,597
Sales	17,676,790	-0-	-0-	-0-	17,676,790
Franchise	5,012,040	-0-	-0-	-0-	5,012,040
Motel	-0-	-0-	-0-	1,976,473	1,976,473
Mixed Drink	411,981	-0-	-0-	-0-	411,981
Bingo	44,647	-0-	-0-	-0-	44,647
Licenses and Permits	864,151	-0-	-0-	90,006	954,157
Intergovernmental	39,500	-0-	-0-	3,756,434	3,795,934
Charges for Services	8,294,024	-0-	-0-	176,230	8,470,254
Fines and Forfeits	2,848,276	-0-	-0-	-0-	2,848,276
Investment Income:					
Interest	315,002	132,003	3,937	255,174	706,116
Change in Fair Value of Investments	59,218	93,949	11,059	13,024	177,250
Miscellaneous:					
Gifts and Contributions	147,129	1,000,000	-0-	261,288	1,408,417
Program Income	-0-	-0-	-0-	1,735	1,735
Other Miscellaneous	1,628,060	-0-	3,610,860	172,445	5,411,365
Total Revenues	<u>\$ 69,542,200</u>	<u>\$ 1,225,952</u>	<u>\$ 8,247,091</u>	<u>\$ 7,445,789</u>	<u>\$ 86,461,032</u>
EXPENDITURES					
Current:					
General Government	\$ 9,945,155	\$ -0-	\$ -0-	\$ -0-	\$ 9,945,155
Public Safety	42,231,047	43,449	-0-	227,444	42,501,940
Public Works and Transportation	9,908,315	-0-	-0-	150,109	10,058,424
Public Facilities	967,170	-0-	-0-	-0-	967,170
Health and Human Services	1,478,460	-0-	-0-	1,619,529	3,097,989
Culture, Parks and Recreation	5,926,963	-0-	-0-	951,840	6,878,803
Economic Development	-0-	-0-	-0-	609,428	609,428
Urban Redevelopment and Housing	-0-	-0-	-0-	892,762	892,762
Total Current Expenditures	\$ 70,457,110	\$ 43,449	\$ -0-	\$ 4,451,112	\$ 74,951,671
Capital Outlay	6,984,321	4,782,240	-0-	1,245,793	13,012,354
Debt Service:					
Principal	-0-	-0-	8,385,000	107,000	8,492,000
Interest and Fiscal Charges	-0-	56,365	2,405,104	40,695	2,502,164
Total Expenditures	<u>\$ 77,441,431</u>	<u>\$ 4,882,054</u>	<u>\$ 10,790,104</u>	<u>\$ 5,844,600</u>	<u>\$ 98,958,189</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 7,899,231)</u>	<u>(\$ 3,656,102)</u>	<u>(\$ 2,543,013)</u>	<u>\$ 1,601,189</u>	<u>(\$ 12,497,157)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ 6,606,275	\$ -0-	\$ 200,000	\$ 1,777,263	\$ 8,583,538
Sale of Capital Assets	(2,587)	-0-	-0-	571,061	568,474
Issuance of Debt	-0-	2,185,000	-0-	-0-	2,185,000
Issuance of Debt Premium	-0-	31,365	-0-	-0-	31,365
Payment to Advance Refunding Escrow Agent	-0-	-0-	-0-	-0-	-0-
Transfers Out	(2,078,603)	(4,498,737)	-0-	(1,284,134)	(7,861,474)
Total Other Sources (Uses)	<u>\$ 4,525,085</u>	<u>(\$ 2,282,372)</u>	<u>\$ 200,000</u>	<u>\$ 1,064,190</u>	<u>\$ 3,506,903</u>
Net Change in Fund Balances	<u>(\$ 3,374,146)</u>	<u>(\$ 5,938,474)</u>	<u>(\$ 2,343,013)</u>	<u>\$ 2,665,379</u>	<u>(\$ 8,990,254)</u>
Fund Balances - Beginning	38,842,353	25,610,851	3,218,102	17,468,360	85,139,666
Fund Balances - Ending	<u>\$ 35,468,207</u>	<u>\$ 19,672,377</u>	<u>\$ 875,089</u>	<u>\$ 20,133,739</u>	<u>\$ 76,149,412</u>

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds

For the Year Ended September 30, 2017

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

Net Change in Fund Balances - Total Governmental Funds	(\$	8,990,254)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases	10,351,076
Depreciation expense	(7,234,159)
Capital assets disposals	16,011
Capital assets donated to business-type activities	(23,790)

Governmental funds report bond issuance costs as expenditures and bond premiums as revenue while governmental activities report amortization and interest expense to allocate those expenditures over the term of the bonds:

Amortization expense	453,557
Interest expense	(187,113)

Bond proceeds and bond premiums provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Revenue bond principal payment	8,385,000
Note payable principal payment	107,000
Revenue bond proceeds	(2,185,000)
Revenue bond premium	(31,365)

Some expenses reported in the statement of activities do not require the use of current financial resources, and these are not reported as expenditures in governmental funds:

Compensated absences	(761,708)
OPEB obligation change	(834,847)
Net pension liabilities and deferrals	(6,428,797)

The internal service funds are used by management to charge the costs of fleet management and risk management to individual funds.

The net revenue of certain activities of internal service funds in reported in the governmental activities.	<u>2,331,117</u>
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Change in Net Position of Governmental Activities	(\$	<u>5,033,272)</u>
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The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Statement of Net Position - Proprietary Funds

As of September 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise Funds	Total	
ASSETS					
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 5,503,656	\$ 1,203,207	\$ 2,895,630	\$ 9,602,493	\$ 1,588,240
Investments	2,315,612	22,610	7,058,375	9,396,597	2,531,739
Receivables:					
Accrued Interest	48,800	9,009	34,388	92,197	3,164
Accounts Receivable	8,201,939	2,131,617	2,245,234	12,578,790	287,094
Less: Allowance for Uncollectibles	(1,645,897)	(470,973)	(80,064)	(2,196,934)	(116,890)
Inventories	366,911	32,214	-0-	399,125	45,394
Restricted Assets:					
Cash and Cash Equivalents	-0-	1,971,205	921,208	2,892,413	-0-
Investments	14,136,828	14,589,202	698,312	29,424,342	-0-
Closure and Post-Closure Trust Fund	-0-	-0-	5,345,672	5,345,672	-0-
Total Current Assets	\$ 28,927,849	\$ 19,488,091	\$ 19,118,755	\$ 67,534,695	\$ 4,338,741
Noncurrent Assets:					
Capital Assets:					
Land	\$ 45,636,136	\$ 3,759,793	\$ 2,384,182	\$ 51,780,111	\$ -0-
Buildings	9,301,952	240,039	21,889,929	31,431,920	390,269
Improvements Other Than Buildings	10,193,141	10,089,039	18,206,201	38,488,381	5,303,405
Infrastructure	93,501,564	69,582,076	19,207,178	182,290,818	-0-
Machinery and Equipment	12,399,258	12,390,289	5,157,243	29,946,790	9,831,220
Water Rights	36,950,835	-0-	-0-	36,950,835	-0-
Construction in Progress	121,654,845	2,312,844	9,144,076	133,111,765	-0-
Less: Accumulated Depreciation	(72,818,689)	(44,270,175)	(46,536,010)	(163,624,874)	(8,209,480)
Net Capital Assets	\$ 256,819,042	\$ 54,103,905	\$ 29,452,799	\$ 340,375,746	\$ 7,315,414
Total Noncurrent Assets	\$ 256,819,042	\$ 54,103,905	\$ 29,452,799	\$ 340,375,746	\$ 7,315,414
Total Assets	\$ 285,746,891	\$ 73,591,996	\$ 48,571,554	\$ 407,910,441	\$ 11,654,155
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges	\$ -0-	\$ 759,893	\$ -0-	\$ 759,893	\$ -0-
Deferred Amounts Related to Pensions	1,662,169	577,948	685,668	2,925,785	489,140
Total Deferred Outflows of Resources	\$ 1,662,169	\$ 1,337,841	\$ 685,668	\$ 3,685,678	\$ 489,140
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 2,588,116	\$ 264,475	\$ 691,555	\$ 3,544,146	\$ 360,450
Accrued Interest Payable	156,857	119,804	5,617	282,278	-0-
Due to Other Funds	-0-	-0-	1,995,389	1,995,389	49,613
Deposits	1,080,905	-0-	-0-	1,080,905	-0-
Noncurrent Liabilities Due Within One Year	8,981,526	3,235,491	195,721	12,412,738	1,268,242
Total Current Liabilities	\$ 12,807,404	\$ 3,619,770	\$ 2,888,282	\$ 19,315,456	\$ 1,678,305
Noncurrent Liabilities:					
Net Pension Liability	\$ 5,443,687	\$ 1,855,393	\$ 2,098,630	\$ 9,397,710	\$ 1,444,721
Unfunded OPEB Obligation	1,780,770	569,104	322,478	2,672,352	745,763
Noncurrent Liabilities Due After One Year	135,689,566	20,128,906	5,353,775	161,172,247	2,262,334
Total Noncurrent Liabilities	\$ 141,133,253	\$ 21,984,299	\$ 7,452,405	\$ 170,569,957	\$ 3,707,055
Total Liabilities	\$ 155,721,427	\$ 26,173,173	\$ 10,663,165	\$ 192,557,765	\$ 6,131,123
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue	\$ 144,649	\$ -0-	\$ -0-	\$ 144,649	\$ -0-
Deferred Amounts Related to Pensions	125,809	30,063	41,294	197,166	66,206
Total Deferred Inflows of Resources	\$ 270,458	\$ 30,063	\$ 41,294	\$ 341,815	\$ 66,206
NET POSITION					
Net Investment in Capital Assets	\$ 123,001,496	\$ 38,350,802	\$ 28,846,222	\$ 190,198,520	\$ 7,315,414
Restricted for:					
Debt Service	21,600,638	1,327,733	-0-	22,928,371	-0-
Asset Construction and Acquisition	1,645,784	1,618,487	-0-	3,264,271	-0-
Passenger Facility Charges	-0-	-0-	1,391,736	1,391,736	-0-
Landfill Closure and Post-Closure	-0-	-0-	5,345,672	5,345,672	-0-
Contract Obligations	1,792,764	-0-	-0-	1,792,764	-0-
Unrestricted	(16,623,507)	7,429,579	2,969,133	(6,224,795)	(1,369,448)
Total Net Position	\$ 131,417,175	\$ 48,726,601	\$ 38,552,763	\$ 218,696,539	\$ 5,945,966

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds

For the Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds				Governmental
			Other		Activities -
	Water	Sewer	Enterprise	Total	Internal
			Funds		Service Funds
OPERATING REVENUES					
Charges for Sales and Services:					
Pledged for Payment of Revenue Bonds:					
Water Sales	\$ 30,204,572	\$ -0-	\$ -0-	\$ 30,204,572	\$ -0-
Sewer Service	-0-	13,527,356	-0-	13,527,356	-0-
Stormwater Fee	-0-	-0-	2,556,864	2,556,864	-0-
Solid Waste Service	-0-	-0-	1,864,760	1,864,760	-0-
Rents, Leases, and Fees	463,544	201,712	1,232,054	1,897,310	-0-
Billing and Collection	1,667,480	-0-	-0-	1,667,480	-0-
Paving Cuts, Taps, and Connections	325,305	57,180	-0-	382,485	-0-
Other	231,076	158,369	45,995	435,440	-0-
Unpledged:					
Rents, Leases, and Fees	-0-	-0-	1,482,746	1,482,746	-0-
Sales and Service	-0-	-0-	-0-	-0-	14,777,300
Other	-0-	-0-	233,351	233,351	831,652
Total Operating Revenues	<u>\$ 32,891,977</u>	<u>\$ 13,944,617</u>	<u>\$ 7,415,770</u>	<u>\$ 54,252,364</u>	<u>\$ 15,608,952</u>
OPERATING EXPENSES					
Cost of Sales and Services	\$ 5,876,637	\$ 4,306,603	\$ 4,702,036	\$ 14,885,276	\$ 14,558,336
Administrative	6,838,631	199,945	175,379	7,213,955	-0-
Depreciation	3,843,625	3,207,450	3,109,582	10,160,657	3,249,036
Total Operating Expenses	<u>\$ 16,558,893</u>	<u>\$ 7,713,998</u>	<u>\$ 7,986,997</u>	<u>\$ 32,259,888</u>	<u>\$ 17,807,372</u>
Operating Income (Loss)	<u>\$ 16,333,084</u>	<u>\$ 6,230,619</u>	<u>(\$ 571,227)</u>	<u>\$ 21,992,476</u>	<u>(\$ 2,198,420)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income:					
Interest	\$ 177,416	\$ 157,169	\$ 77,784	\$ 412,369	\$ 17,767
Change in Fair Value of Investments	84,343	75,433	40,173	199,949	13,033
Interest Expense and Fiscal Agent Fees	(2,163,613)	(1,064,917)	(31,140)	(3,259,670)	-0-
Gain (Loss) on Sale of Capital Assets	34,107	(2,177)	(14,505)	17,425	-0-
Total Nonoperating Revenues (Expenses)	<u>(\$ 1,867,747)</u>	<u>(\$ 834,492)</u>	<u>\$ 72,312</u>	<u>(\$ 2,629,927)</u>	<u>\$ 30,800</u>
Income (Loss) Before Contributions and Transfers	<u>\$ 14,465,337</u>	<u>\$ 5,396,127</u>	<u>(\$ 498,915)</u>	<u>\$ 19,362,549</u>	<u>(\$ 2,167,620)</u>
CONTRIBUTIONS AND TRANSFERS					
Contributions:					
Federal Grants	\$ 150	\$ -0-	\$ 970,516	\$ 970,666	\$ -0-
Total Contributions	\$ 150	\$ -0-	\$ 970,516	\$ 970,666	\$ -0-
Transfers In	999,025	-0-	725,624	1,724,649	4,498,737
Transfers Out	(4,087,339)	(2,311,572)	(546,539)	(6,945,450)	-0-
Total Contributions and Transfers	<u>(\$ 3,088,164)</u>	<u>(\$ 2,311,572)</u>	<u>\$ 1,149,601</u>	<u>(\$ 4,250,135)</u>	<u>\$ 4,498,737</u>
Change in Net Position	<u>\$ 11,377,173</u>	<u>\$ 3,084,555</u>	<u>\$ 650,686</u>	<u>\$ 15,112,414</u>	<u>\$ 2,331,117</u>
Net Position - Beginning	120,040,002	45,642,046	37,902,077	203,584,125	3,614,849
Net Position - Ending	<u>\$ 131,417,175</u>	<u>\$ 48,726,601</u>	<u>\$ 38,552,763</u>	<u>\$ 218,696,539</u>	<u>\$ 5,945,966</u>

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Statement of Cash Flows - Proprietary Funds

For the Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received From Customers	\$ 30,462,213	\$ 13,608,152	\$ 6,068,314	\$ 50,138,679	\$ 13,325,319
Cash Received From Other Funds for Interfund Services Provided	26,454	(3,968,650)	217,508	(3,724,688)	
Cash Received From Reinsurance	-0-	-0-	-0-	-0-	2,186,763
Cash Received From Meter Deposits	36,372	-0-	-0-	36,372	-0-
Cash Paid to Suppliers for Goods and Services	(4,655,849)	(2,338,210)	(3,061,066)	(10,055,125)	(5,500,072)
Cash Paid for Insurance Claims and Premiums	-0-	-0-	-0-	-0-	(8,493,016)
Cash Paid for Employees' Services and Benefits	(5,846,677)	(2,177,901)	(2,216,281)	(10,240,859)	(1,345,971)
Net Cash Provided (Used) by Operating Activities	\$ 20,022,513	\$ 5,123,391	\$ 1,008,475	\$ 26,154,379	\$ 173,023
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	\$ 999,025	\$ -0-	\$ 725,624	\$ 1,724,649	\$ 4,498,737
Transfers Out	(4,087,339)	(2,311,572)	(546,539)	(6,945,450)	-0-
Short-Term Interfund Loans Received	-0-	-0-	114,057	114,057	(93,070)
Short-Term Interfund Loans Paid	-0-	-0-	-0-	-0-	(4,649,557)
Net Cash Provided (Used) by Noncapital Financing Activities	(\$ 3,088,314)	(\$ 2,311,572)	\$ 293,142	(\$ 5,106,744)	(\$ 243,890)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(\$ 49,916,500)	(\$ 1,908,673)	(\$ 913,474)	(\$ 52,738,647)	(\$ 147,512)
Principal Paid on Debt	(6,980,630)	(3,806,700)	(521,905)	(11,309,235)	-0-
Interest Paid on Debt	(2,455,682)	(269,588)	(36,685)	(2,761,955)	-0-
Debt Proceeds Received	48,070,000	-0-	-0-	48,070,000	-0-
Cash Paid for Water Rights Obligation	(674,736)	-0-	-0-	(674,736)	-0-
Capital Grants Received	150	-0-	-0-	150	-0-
Capital Contributions Received	-0-	-0-	970,516	970,516	-0-
Proceeds from Sale of Assets	59,004	-0-	-0-	59,004	-0-
Net Cash Provided (Used) by Capital and Related Financing Activities	(\$ 11,898,394)	(\$ 5,984,961)	(\$ 501,548)	(\$ 18,384,903)	(\$ 147,512)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments	(\$ 658,735)	(\$ 559,319)	(\$ 290,576)	(\$ 1,508,630)	(\$ 98,628)
Interest Received on Investments	199,376	158,344	74,695	432,415	18,631
Net Cash Provided (Used) by Investing Activities	(\$ 459,359)	(\$ 400,975)	(\$ 215,881)	(\$ 1,076,215)	(\$ 79,997)
Net Increase (Decrease) in Cash	\$ 4,576,446	(\$ 3,574,117)	\$ 584,188	\$ 1,586,517	(\$ 298,376)
Cash - Beginning	927,210	6,748,529	3,232,650	10,908,389	1,886,616
Cash - Ending	\$ 5,503,656	\$ 3,174,412	\$ 3,816,838	\$ 12,494,906	\$ 1,588,240
CASH ON STATEMENT OF NET POSITION					
Current Assets	\$ 5,503,656	\$ 1,203,207	\$ 2,895,630	\$ 9,602,493	\$ 1,588,240
Restricted Assets	-0-	1,971,205	921,208	2,892,413	-0-
Total	\$ 5,503,656	\$ 3,174,412	\$ 3,816,838	\$ 12,494,906	\$ 1,588,240

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Statement of Cash Flows - Proprietary Funds

For the Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 16,333,084	\$ 6,230,619	(\$ 571,227)	\$ 21,992,476	(\$ 2,198,420)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities					
Depreciation	3,843,625	3,207,450	3,109,582	10,160,657	3,249,036
(Increase) Decrease in:					
Accounts Receivable	(2,424,523)	(336,465)	(1,096,009)	(3,856,997)	(96,870)
Other Receivable	-0-	-0-	251,447	251,447	
Due From Other Funds	26,454	3,968,650	-0-	3,942,196	-0-
Inventories	(6,174)	839	-0-	5,335	7,465
Deferred Outflows	280,981	(105,041)	38,292	214,232	44,576
Increase (Decrease) in:					
Accounts Payable	1,710,716	41,234	(804,132)	947,818	58,023
Insurance Claims Payable	-0-	-0-	-0-	-0-	(1,009,647)
Due To Other Funds	-0-	-0-	217,508	217,508	-0-
Due To Component Unit	-0-	-0-	1,224	1,224	-0-
OPEB Obligation	98,358	35,713	26,389	160,460	35,764
Pension Liability	155,913	73,385	128,869	358,167	36,388
Compensated Absences	66,446	(36,778)	57,091	86,759	40,136
Landfill Postclosure Liability	-0-	-0-	160,374	160,374	-0-
Customer Deposits	36,372	-0-	-0-	36,372	-0-
Unearned Revenue	(5,241)	-0-	-0-	5,241	-0-
Deferred Inflows	(93,498)	(18,915)	8,039	120,452	6,572
Net Cash Provided (Used) by Operating Activities	\$ 20,022,513	\$ 5,123,391	\$ 1,008,475	\$ 26,154,379	\$ 173,023
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Gain\ (Loss) on Disposal of Capital Assets	\$ 24,897	(\$ 2,177)	(\$ 14,505)	\$ 8,215	\$ -0-
Amortization of Premiums and Discounts	\$ 11,175	\$ -0-	(\$ 5,545)	\$ 5,630	\$ -0-
Change in Fair Value of Investments	\$ 84,343	\$ 75,433	\$ 40,173	\$ 199,949	\$ 13,033

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Statement of Net Position - Fiduciary Funds

As of September 30, 2017

	Agency
	CJC
ASSETS	
Cash and Cash Equivalents	\$ 304,817
Total Assets	<u>\$ 304,817</u>
LIABILITIES	
Accounts Payable	\$ -0-
Due to Other Governments	304,817
Total Liabilities	<u>\$ 304,817</u>

The accompanying notes are an integral part of this statement.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of San Angelo, Texas (City) is a municipal corporation governed by an elected mayor and six-member council. The City provides services as authorized in its charter: public safety (police and fire), streets and bridges, sanitation, health and human services, water and sewer utilities, recreation, education, public improvements, planning and zoning, and general administrative services. The accompanying financial statements present the government and its component units, entities for which the government is financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

The City's financial statements have been prepared in conformity with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsections of this note.

I.A. Financial Reporting Entity

The City's financial reporting entity comprises the following:

Primary Government:	City of San Angelo, Texas
Discretely Presented Component Unit:	City of San Angelo Development Corporation

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement 14, *The Financial Reporting Entity*, as amended by Statement No. 61 and includes all component units of which the City is fiscally accountable.

Blended Component Units

Blended component units are separate legal entities that meet the GASB Statement No. 14 (as amended by Statement No. 61) component unit criteria and whose governing body is the same or substantially the same as the City Council, or the component unit provides services entirely, or almost entirely, to the City. The City had no blended component units for the year ended September 30, 2017.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the GASB Statement No. 14 (as amended by Statement No. 61) component unit criteria but do not meet the criteria for blending. The City has one component unit that is discretely presented in the City's report as presented below. The component unit's rows and columns in the government-wide financial statements include the financial data of the City's component unit. It is reported in separate rows and columns to emphasize that it is legally separate from the City. The mayor and the City Council appoint the governing board of directors.

The City of San Angelo, Texas Development Corporation (Corporation) is a non-profit development corporation organized under the Texas Development Corporation Act of 1979, Article 5190.6, Vernon's Texas Revised Civil Statutes Annotated as amended (the Act), and is governed by Section 4B of the Act. The Corporation is governed by a seven-member board appointed by the City Council. Its purpose is to administer the type B Section 4B economic development sales tax approved by the City's voters. As stated in its Articles of Incorporation, the purpose of the Corporation is to promote community development within the City and the State of Texas in order to improve the quality of life and the public welfare of, for, and on behalf of the City by developing, implementing, providing, and financing the projects allowed under Section 4B of the Act. The San Angelo City Council must approve all actions of the Corporation's board of directors. Subject to the limitations provided by the Texas Constitution, the laws of the state and the articles of incorporation, the City Council may, in its sole discretion, and at any time, alter or change the structure, organization, programs, or activities of the Corporation, and may terminate or dissolve the Corporation. If the Corporation should be dissolved, all interests it has, or is entitled to, in any funds or property of any kind shall be transferred and delivered to the City after satisfaction of all debts, claims, and contractual obligations. The Corporation does not publish any separately issued financial statements.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Related Organizations

The City Council is responsible for appointing the members of the boards of various organizations, but the City's accountability for those organizations does not extend beyond making the appointments. The City provides some funding to the Convention and Visitors Bureau.

I.B. Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Eliminations have been made to minimize the double reporting of transactions involving internal activities. Individual funds are not displayed in these statements. Instead, the statements distinguish between governmental and business-type activities. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange revenues, are reported separately from *business-type activities*, which rely mostly on fees and charges for support. In addition, the primary government is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities reports the direct expenses of a given function offset by program revenues directly related to the function program. A function is an aggregation of similar activities and may include portions of a fund or summarize more than one fund to capture expenses and program revenues associated with a distinct functional activity. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (a) charges to customers such as fines and forfeitures, fees for licenses, permits, and other user charges; (b) operating grants and contributions that are restricted to meeting the annual operating requirements of a particular function or segment; and (c) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Fund financial statements of the reporting entity 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, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are not included in the government-wide financial statements. An emphasis of the fund financial statements is placed on major governmental and enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements with composite columns for the aggregated remaining non-major funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b) Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c) A fund not meeting the criteria of (a) and (b); however, management has elected to report the fund as a major fund due to its significance to users of the financial statements.

All remaining governmental and enterprise funds not meeting the above criteria are aggregated and reported as nonmajor funds.

I.C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust fund financial statements. Agency funds do not have a measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Because different measurement focuses and bases of accounting are used in the government-wide statement of net position and in governmental fund statements, amounts reported as restricted fund balances in governmental funds may be different from amounts reported as restricted net position in the statement of net position.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. It is *always* a major fund.

The *capital improvement fund* accounts for the authorized expenditure of the proceeds of certificates of obligation.

The *debt service fund* accounts for the accumulation of resources and payment of principal and interest on general obligation bonds, certificates of obligation, and sales tax supported certificates of obligations. Resources are provided by an ad valorem tax levy and transfer of type B sales tax proceeds from the City of San Angelo Development Corporation.

The City also reports the following nonmajor governmental fund types and funds:

Special revenue funds account for specific revenues that are legally restricted, or designated by management, to expenditures for particular purposes. The City's nonmajor special revenue funds include:

- *Community Development fund* accounts for the expenditure of funds received from the U.S. Department of Housing and Urban Development under the Community Development Block Grant program.
- *Intergovernmental fund* accounts for the expenditure of various federal and state funds.
- *HOME Program fund* accounts for funds received from the U.S. Department of Housing and Urban Development under the HOME Investment Partnership program.
- *Designated Revenue fund* accounts for expenditure of funds contributed by San Angelo citizens for special purposes.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

- *Tax Increment Reinvestment Zone fund* accounts for expenditure of funds received from ad valorem taxes derived from increments of growth in real property values in the Zone.

Capital project funds account for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds. The City's nonmajor capital project funds include:

- The *Sales Tax Projects fund* accounts for certificate of obligation proceeds to accomplish projects specified on the ballots in the elections adopting the type B economic development sales tax and projects allowed by Section 4B of the Development Corporation Act of 1979, as amended. The certificates are being retired with funds from the collection of the type B sales tax approved for the projects.

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The City's nonmajor permanent funds are as follows:

- *Santa Fe Park Trust fund* accounts for trust principal and related investment income. Net earnings up to 7% can be paid to the City to be used for the upkeep and beautification of the park. Earnings in excess of 7% become part of principal.
- *Lake Nasworthy Trust fund* accounts for the trust principal and related investment income. Twenty percent of all lake lot lease income, the proceeds from the sale of lake lots, and 10% of the annual interest income are additions to principal. No portion of the principal shall be expended for any purpose unless authorized by a majority vote of the qualified voters of the City at an election held for that purpose. Ninety percent of the annual interest income may be used by the City to pay for lake and river improvements, services to enhance water recreation, and the elimination of related litter and pollution. A public hearing must be held on the purposed uses of interest income during the budget and budget amendment process.

Proprietary funds include both enterprise funds and internal service funds. *Enterprise funds* account for business-like activities provided to the general public. *Internal service funds* are used to account for business-like activities provided and charged to other funds or entities within the reporting entity.

The City reports two major enterprise funds:

- *Water fund* accounts for the operations of the water utility service. In addition, the operation of lake recreation facilities are accounted for in this fund, and billing and collection services are provided to other enterprise funds.
- *Sewer fund* accounts for the operation of the sewage collection and treatment system and leasing of the sewer farm.

The City reports the following four non-major enterprise funds:

- *State Office Building fund* accounts for the operation of a building, acquired and renovated, primarily to provide a facility for lease to the State of Texas in order for all state offices in San Angelo to be in one location.
- *Airport fund* accounts for the operations of the municipal airport.
- *Solid waste fund* accounts for the City's portion of operating the landfill.
- *Stormwater fund* accounts for the operation of stormwater treatment and management.

Internal service funds account for fuel, oil, and the maintenance and upkeep on City and San Angelo Independent School District vehicles (vehicle maintenance fund); health claims services and medical costs for City employees and their dependents (employee/retiree health fund); insurance coverage for general and automobile liability and property damage for city property and vehicles (property and casualty insurance fund); workers compensation coverage for City employees (workers compensation insurance fund), and a city-wide radio communication system (communications fund), basically on a cost reimbursement basis, and provision of reserves for catastrophic claims in the insurance funds.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Fiduciary funds are used to account for assets held in a trust or agency capacity for others and, therefore, cannot be used to support the City's own programs. Fiduciary fund reporting focuses on net position and changes in net position. All fiduciary activities are reported only in the fund financial statements. The City reports the following fiduciary fund:

- *CJC Agency fund* is used to report resources held by the City in a purely custodial capacity (assets equal liabilities). The CJC fund accounts for the accumulation of fines and fees collected on behalf of the State of Texas.

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

Proprietary funds report *operating* revenues and expenses and *non-operating* revenues and expenses separately. Operating revenues and expenses generally result from sales and services in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are reported as non-operating. Principal operating revenues include charges to customers for sales, services, and rentals. Other operating revenues include charges for paving cuts, taps, and connections intended to recover the cost of connecting new customers to the water and sewer systems. Operating expenses for enterprise funds and internal service funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for specified expenditures, the City's policy is to use restricted resources first, then unrestricted resources as needed. Within unrestricted resources, committed would be considered spent first (if available), followed by assigned (if available), and then unassigned amounts.

I.D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash and Cash Equivalents

For the purposes of financial reporting, "cash and cash equivalents" include all demand deposits, state-managed local government investment pools, and short-term investments with original maturities of three months or less when acquired.

Investments

Investments are reported at fair value. U.S. Treasury obligations are valued at the last reported sales price on a national exchange. State-managed local government investment pools (which are reported as "cash" due to their liquidity) operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 and use amortized cost instead of market value to report net position to compute share prices. Accordingly, the fair value of the position in the pools is the same as the value of the shares. The State Comptroller of Public Accounts exercises oversight responsibility over the pools. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both pool participants and other persons who do not have a business relationship with the pools. The advisory board members review the investment policy and management fee structure. Year to year changes in the fair value of investments are shown as an adjustment to investment income.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Temporary fund overdrafts in the pooled cash account and certain year-end adjustments give rise to current interfund loans reported in the fund financial statements. Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All accounts receivables are shown net of an allowance for uncollectibles.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The City's property taxes are due October 1 and become delinquent after January 31. No split payments or discounts are allowed. Penalties and Interest: (a) a delinquent tax incurs a penalty of 6% of the amount of the tax for the first calendar month it is delinquent, plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax on July 1 incurs a total penalty of 12% of the amount of the delinquent tax without regard to the number of months the tax has been delinquent; (b) a delinquent tax accrues interest at a rate of one percent for each month or portion of a month the tax remains unpaid; and an additional penalty up to a maximum of 15% of taxes, penalty, and interest may be imposed to defray costs of collection for taxes delinquent after July 1.

Inventories

Inventories of the governmental funds are valued on the basis of weighted average cost. Inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Certain governmental fund assets are classified as restricted on the balance sheets and statement of net position because their use is limited by legal or contractual requirements and terms of trust agreements. These include funds restricted for debt service, park upkeep, and river and lake improvements.

Also, certain proceeds of enterprise funds' revenue bonds, as well as certain other resources set aside for their repayment and other purposes, are classified as restricted assets on the statements of net position because their use is limited by applicable bond covenants and contract agreements. These include assets for bond debt service, water purchase contract obligations, construction with bond proceeds, asset renewals and replacements, and water supply development.

Capital Assets

The accounting treatment of property, plant, and equipment (capital assets) and water rights (intangible assets) depends on whether the assets are used in governmental fund type or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, property, plant, and equipment and intangible assets are accounted for as capital assets. The City's policy is to capitalize and depreciate all capital assets with an initial, individual cost of \$5,000 or more and an estimated life in excess of two years. Assets not meeting the capitalization policy are controlled by division or department heads. Normal maintenance and repair costs that do not add to the asset values or materially extend the useful lives are not capitalized. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their acquisition value at the date of donation. Infrastructure capital assets, consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, water system, sewer system, and airport paving are capitalized and depreciated. Interest costs, net of interest earned on any invested capital debt proceeds, are capitalized when incurred by proprietary funds.

Depreciation of all exhaustible capital assets is recorded as an operating expense in proprietary fund financial statements and as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation in the government-wide statements and the proprietary funds statements is provided using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	10 – 50 years
Improvement Other Than Buildings	8 – 20 years
Infrastructure	15 – 50 years
Machinery and Equipment	3 – 20 years

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

In the governmental fund financial statements, capital assets are accounted for as capital outlay expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditures) until then. The government currently recognizes amounts from pension and amounts related to refunding of debt. The deferred charge on refunding reported in the government-wide statement of net position and the proprietary fund statement. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

City employees, employed before October 1, 2001, earn vacation and sick leave, each at the rate of 1-1/4 working days per month (3 weeks per year). Employees hired on or after October 1, 2001 earn vacation at the rate of 5/6 of a working day per month (2 weeks per year) for the first 5 years, and thereafter at the same rate as pre-October 1, 2001 hires. Accumulation of vacation is limited to 30 working days, and accumulation of sick leave is unlimited. Employees vest in accumulated sick leave after three years of employment. Terminal benefit payoffs are limited to 30 working days for unused vacation and 90 working days for unused vested sick leave. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Liabilities related to proprietary funds are recognized within each of those funds' financial statements and the government-wide statement of net position.

Long-term Obligations

In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount and deferred amounts on refundings. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses in the period incurred.

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

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 San Angelo Firemen's Relief and Retirement Fund (SFRRF) and the Texas Municipal Retirement System (TMRS) and additions to/deductions from SFRRF and TMRS fiduciary net position have been determined on the same basis as they are reported by SFRRF and TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Arbitrage Rebate to the U.S. Treasury

Under U.S. Treasury Department Regulations, all governmental tax-exempt debt issued after August 31, 1986, is subject to arbitrage rebate requirements. The requirements stipulate, in general, that the earnings from the investment of tax-exempt bond proceeds, which exceed related interest expenditures on the bonds, must be remitted to the Federal government on every fifth anniversary of each bond issue.

Since the rules governing arbitrage on tax-exempt debt and the calculation of the rebate are complex, the City has retained a professional consultant to calculate any tentative arbitrage rebate due to the U.S. Treasury Department, which was \$-0- on September 30, 2017. Unless the City is likely to meet any of the exceptions enumerated in the tax law, a liability is reported in the financial statements for the tentative rebate. The liability is reported in the government-wide statement of net position for invested proceeds of capital projects funds. The liability is reported in the applicable proprietary fund financial statement and the government-wide statement of net position for invested proceeds of that fund. Changes in the liability from year to year are reflected as an adjustment to investment income.

Net Position Flow Assumption

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

Fund Equity

In the government-wide and proprietary fund financial statements, equity is classified as net position and is displayed in three components:

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and is reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the government-wide financial statements and the proprietary funds financial statements, restrictions of net position are reported for amounts legally or contractually segregated for specific future uses. Net position restricted for Passenger Facility Charges and Economic Development are restricted by enabling legislation.

In the fund financial statements, governmental funds report fund balance into classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purpose for which amount in those funds can be spent. The classifications of fund balance are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable fund balances include amounts that cannot be spent because it is not in a spendable form, such as inventory or prepaid items or because resources legally or contractually must remain intact.

Restricted fund balances are the portion of fund balance that have externally enforceable limitations on their usage through legislation or limitations imposed by creditors, grantors, laws and regulations of other governments, or enabling legislation.

Committed fund balances are self-imposed limitations by the highest level of decision-making authority, namely, the Mayor and City Council prior to the end of the reporting period through ordinance. The Mayor and City Council approval is required to commit resources or to rescind the commitment.

Assigned fund balances are limitations imposed by management based on the intended use of the funds. Assignments of fund balance may be made by City Council action or management decision when the City

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Council has delegated that authority. The City Manager is the official who is granted this authority by a vote of the City Council. Assignments for transfers and interest income for governmental funds are made through the budgetary process. Modifications or rescissions of the constraints can also be removed by the same action that limited the funds.

Unassigned fund balances represent the residual net resources in excess of the other classifications. The General Fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for specified expenditures, restricted resources are considered spent before unrestricted resources. Within unrestricted resources, committed would be considered spent first (if available), followed by assigned (if available), and then unassigned amounts.

I.E. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- Internal balances – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
- Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities. The effects of interfund services between funds are not eliminated in the statement of activities.
- Primary government and component unit activity and balances – Resource flows between the primary government and the discretely presented component units are reported as if they were external transactions.

Fund Financial Statements

Interfund activity, if any, within and among the governmental, proprietary fund, and fiduciary categories is reported as follows in the fund financial statements:

- Interfund loans – Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- Interfund services – Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- Interfund reimbursements – Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
- Interfund transfers – Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

I.F. Revenues, Expenditures, and Expenses

Charges to Other Funds

Charges for services provided and used between funds are accounted for as revenues and expenditures or expenses. These include charges to other funds by the general fund for administration and investment management; charges by self-insurance internal service funds to other funds for health, general and auto liability, and workers compensation; and charges by the vehicle maintenance internal service fund and communications fund to other funds.

Property Tax Revenues

Property tax revenues are recognized in governmental fund financial statements when they become available. Available means collected within the current period and the amount expected to be collected soon after year-end to pay liabilities of the current period not to exceed 60 days. The balance of uncollected taxes, in excess of that recognized as revenues, is recorded as deferred revenue. In the government-wide financial statements, property tax revenues are recognized in the fiscal year for which they are levied.

The City's property tax is levied and becomes a lien each October 1 on 100 percent of assessed value listed for all real and personal property located in the City as of the prior January 1. Taxes become delinquent on January 31 following the October 1 levy date.

Collections on the current levy normally average about 95% to 99%. The City is permitted by Article II, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. Assessed values are established by the Tom Green County Appraisal District and certified by the Appraisal Review Board. The Appraisal District is required under the Property Tax Code to assess all property within the Appraisal District based on 100 percent of its value and is prohibited from applying any assessment ratios. The value of property within the Appraisal District must be reviewed every four years; however, the City may at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the Appraisal District through various appeals, and if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8 percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8 percent above the calculated tax rate of the previous year levy and the current year valuation.

Sales Tax

The City levies a one and one half cent sales tax on taxable sales within the City. The sales tax is collected by the Texas State Comptroller and remitted to the City in the month following receipt by the State Comptroller. The sales tax is recorded as follows:

- 1 cent recorded as revenue within the General Fund and then transferred throughout various funds to account for operations and facility improvements as recommended by the City Council.
- ½ cent recorded as revenue within the Development Corporation Fund that is transferred to various funds to account for improvements to park and building facilities; housing assistance programs; recreation funding; infrastructure relating to the development of water supply, water purchase, water rights purchase, and/or water capital improvements; and civic events as recommended to the City Council by the Capital Improvement Plan.

Expenditures and Expenses

In the government-wide statement of activities, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service. In the proprietary fund financial statements, expenses are reported by object or activity. Fiduciary funds report additions and deductions to net position.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

I.G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds' balance sheet includes a reconciliation between *total fund balances – governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. The governmental funds' statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *total net change in fund balances – governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of both reconciliations explains, "various reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting." The details of these differences are sufficiently described in the reconciliations; therefore, no additional disclosure is required.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local governmental unit, the City and its component units are subject to various federal, state, and local laws and contractual regulations.

III.A. Deficit Fund Balances or Net Position

The Fairmount Cemetery Fund, a general fund account, had a deficit fund balance of \$111,707 as of September 30, 2017. The Workers' Compensation Insurance Fund, an internal service fund, had a deficit fund balance of \$1,185,717 as of September 30, 2017. The Employee/Retiree Health Fund, an internal service fund, had a deficit fund balance of \$122,069 as of September 30, 2017. The Vehicle Maintenance Fund, an internal service fund, had a deficit fund balance of \$315,345 as of September 30, 2017.

III.B. Deposits and Investments Requirements

Custodial Credit Risk for Deposits

State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity of its agent.

Since the City complies with this law, it has no substantial custodial credit risk for deposits.

Compliance with the Public Funds Investment Act

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for CDs.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The City of San Angelo, Texas is in substantial compliance with the requirements of the Act and with local policies.

The City's investment policy authorizes investment in fully insured or collateralized certificates of deposit; obligations of the United States, its agencies, and instrumentalities; fully collateralized repurchase agreements; constant dollar local government investment pools (LGIPs); and SEC registered money market mutual funds, as allowed by state law (Texas Government Code 2256, Public Funds Investment Act).

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

IV. DETAIL NOTES – TRANSACTIONS CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, deferred outflows, liabilities, deferred inflows, equity, revenues, and expenditures/expenses.

IV.A. Deposit and Investment Risks

As of September 30, 2017, the City of San Angelo held the following investments. The carrying and fair value amounts are the same.

Primary Government

Reported in Investments:	Hierarchy	Credit Rating	Fair Value	Maturities in Years		
				< than 1 Year	1 to 2 Years	2+ Years
Commercial Paper	1	N/A	\$ 4,237,107	\$ 4,237,107	\$ -0-	\$ -0-
Money Market Accounts	1	N/A	649,205	649,205	-0-	-0-
Municipal Obligations	1	N/A	1,999,260	1,999,260	-0-	-0-
U.S. Agencies:						
FFCB	1	AAA	3,992,236	3,992,236	-0-	-0-
FHLB	1	AAA	11,953,780	6,991,982	3,997,320	-0-
FHLMC	1	AAA	38,613,341	17,968,469	15,418,578	5,226,294
FNMA	1	AAA	12,821,465	2,985,351	4,465,491	5,340,623
FAMCA	1	AAA	12,917,959	4,984,945	7,933,014	-0-
FICO	1	N/A	1,982,488	1,982,488	-0-	-0-
Total Reported in Investments			<u>\$ 89,166,841</u>	<u>\$ 45,791,043</u>	<u>\$ 31,814,403</u>	<u>\$ 10,566,917</u>

Investments on Statement of Net Position	Governmental	Business-type	Total
	Activities	Activities	
Current Investments	\$ 33,522,161	\$ 9,396,597	\$ 42,918,758
Restricted Investments	16,823,741	29,424,342	46,248,083
Total Investments	<u>\$ 50,345,902</u>	<u>\$ 38,820,939</u>	<u>\$ 89,166,841</u>

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs or quoted prices in markets that are not active; and Level 3 inputs are significant unobservable inputs (the City does not value any of its investments using Level 3 inputs).

Because the investments are restricted by policy and state law to active secondary market, the market approach is being used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The exit or fair market prices used for these fair market valuations of the portfolio are all Level 1 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date.

Additional policies and contractual provisions governing deposits and investments for the City of San Angelo, Texas are specified below:

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Credit Risk

The primary stated objective of the City of San Angelo's adopted Investment Policy is the safety of principal and avoidance of principal loss. Credit risk within the City's portfolio among the authorized investments approved by the City's adopted Investment Policy is represented only in time and demand deposits, repurchase agreements, local government pools, municipal debt, and money market mutual funds. All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies, or instrumentalities. State law and the City's adopted Investment Policies for the City and Lake Nasworthy requires a procedure to monitor and react to credit ratings and a requirement to verify FDIC insurance weekly.

State law and the City of San Angelo's adopted Investment Policy restricts both time and demand deposits, including certificates of deposit, to those banks doing business in the State of Texas and further requires full insurance and/or collateralization from these bank depositories. Depository certificates of deposit are limited to a stated maturity of one year. Collateral, with a 102% margin, is required, and collateral is limited to obligations of the U.S. Government, its agencies, or instrumentalities (with CMOs passing the bank test), or direct obligations of states, its subdivisions or agencies dual-rated at least A, or equivalent, as to investment quality by two nationally recognized securities rating organizations. Independent safekeeping of collateral is required outside the bank holding company with monthly reporting. Securities are priced at market on a daily basis as a contractual responsibility of the bank.

Brokered certificate of deposit securities must be from banks in the U.S. and fully insured by the FDIC. These are restricted to one year to stated maturity, and the City must verify FDIC status weekly. A procedure is included in the Investment Policy for action to be taken on mergers or acquisitions resulting in elimination of FDIC coverage.

Municipal Obligations must be dual-rated A or better by at least two national recognized securities rating organizations and may not exceed two years to stated maturity.

By policy and state law, repurchase agreements are limited to those with defined termination dates executed with a Texas bank or primary dealer (as defined by the Federal Reserve). The agreements require an industry standard, written master repurchase agreement, and a minimum 102% margin on collateral as well as delivery versus payment settlement and independent safekeeping. Repurchase agreements may not exceed six months to stated maturity with the exception of flex repurchase agreements with a stated termination date not to exceed the planned completion date of the project(s).

The City's adopted Investment Policy restricts investment in SEC registered mutual funds to money market mutual funds that in compliance with SEC Rule 2a-7, are rated AAA, and which strive to maintain a \$1 net asset value.

Local government investment pools in Texas are required to be rated AAA or equivalent by at least one nationally recognized rating agency. The City Policy is restricted to AAA-rated, constant dollar local government investment pools striving to maintain a \$1 net asset value. Participation is by City Council resolution only.

As of September 30, 2017 in the City's Operating Portfolio,

- US Government Agency Securities (non-MBS) represented 64.15% of the portfolio,
- A1/P1 Commercial Paper represented 3.94% of the portfolio,
- Investment in municipal obligations dual-rated A or better represented 1.86% of the total City portfolio, and
- FDIC insured or collateralized bank accounts represented 30.04% of the total City portfolio.

As of September 30, 2017, in the Lake Nasworthy Portfolio,

- US Government Securities (in four different agencies) represented 95.37% of the total Lake Nasworthy portfolio, and
- Fully insured or collateralized bank deposits represented 4.63% of the total Lake Nasworthy Portfolio.

Concentration of Credit Risk

The City of San Angelo recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The City's adopted Investment Policy (not Lake Nasworthy) establishes diversification as a major

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

objective of the investment program and sets diversification limits for all authorized investment types, which are monitored on at least a monthly basis.

Diversification limits on the overall holdings (not by fund) are established as:

• U.S. Obligations	80%
• U.S. Agencies/Instrumentalities	80%
• Certificates of Deposit (total)	40%
o Certificates of Deposit (per bank)	10%
• Repurchase Agreements	50%
o Flex for Bond Funds	100%
• LGIP (total)	80%
o LGIP (ownership of pool)	10%
• Money Market Mutual Funds	75%
• Commercial Paper	20%
o Issuer Limitation	5%
• Municipal and State Obligations	40%
o Issuer Limitation	5%
• Brokered Certificates of Deposit	20%

As of September 30, 2017, the City's Total Operating Portfolio was in full compliance with the diversification parameters of the policy.

As of September 30, 2017, the Lake Nasworthy Portfolio was in full compliance with the policy.

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the City of San Angelo's adopted Investment Policies set maximum maturity dates and maximum weighted average maturity limits by fund type. The weighted average maturity (WAM) of the total City portfolio is restricted to a maximum weighted average maturity of one year and a maximum WAM of three years for Lake Nasworthy. Maximum maturity limit for the City is three years and ten years for Lake Nasworthy.

As of September 30, 2017, in the City's Operating Portfolio,

- No holding had a stated maturity date beyond 09/21/20 or 1,086 days within the policy limits of three years maximum maturity, and
- The dollar-weighted average of the total portfolio was 277 days.

As of September 30, 2017 in the Lake Nasworthy Portfolio,

- No holding had a stated maturity date beyond 11/17/23 or 2,238 days within the policy limits of ten years maximum maturity, and
- The dollar-weighted average of the total portfolio was 684 days.

Custodial Credit Risk

To control custody and safekeeping risk, state law and the City of San Angelo's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the City and held in the City of San Angelo's name. The collateral custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value for both type transactions. All repurchase agreements and deposits must be collateralized to 102% and be executed under written agreements. Depository agreements are executed under the terms of U.S. Financial Institutions Resource and Recovery Enforcement Act (FIRREA). The counter-party of each type of transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

As of September 30, 2017, in both the City's Operating Portfolio and the Lake Nasworthy Portfolio,

- The portfolios contained no repurchase agreements,
- All bank time and demand deposits were fully insured or collateralized to 102%, and
- All collateral was held by an independent institution outside the holding company of the pledging bank.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Component Unit

Reported in Investments:	Hierarchy	Credit Rating	Fair Value	<u>Maturities in Years</u>		
				< than 1 Year	1 to 2 Years	2 to 3 Years
U.S. Treasury	1	N/A	\$ 996,484	\$ 996,484	\$ -0-	\$ -0-
U.S. Agencies:						
FFCB	1	AAA	998,737	998,737	-0-	-0-
FHLB	1	AAA	4,993,415	4,993,415	-0-	-0-
FHLMC	1	AAA	5,982,901	2,993,978	2,998,923	-0-
FNMA	1	AAA	998,674	998,674	-0-	-0-
FAMCA	1	AAA	997,596	997,596	-0-	-0-
FDIC	1	N/A	999,630	999,630	-0-	-0-
Total Reported in Investments			<u>\$ 15,967,437</u>	<u>\$ 12,978,514</u>	<u>\$ 2,998,923</u>	<u>\$ -0-</u>

Investments on Statement of

Net Position

Current Investments	\$ 15,967,437
Restricted Investments	-0-
Total Investments	<u>\$ 15,967,437</u>

The City of San Angelo Development Corporation (Corporation) categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs or quoted prices in markets that are not active; and Level 3 inputs are significant unobservable inputs (the Corporation does not value any of its investments using Level 3 inputs).

Because the investments are restricted by policy and state law to active secondary market, the market approach is being used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The exit or fair market prices are used for these fair market valuations of the portfolio are all Level 1 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date.

Additional policies and contractual provisions governing deposits and investments for the City of San Angelo Development Corporation are specified below:

Credit Risk

The primary stated objective of the City of San Angelo Development Corporation's adopted Investment Policy is the safety of principal and avoidance of principal loss. Credit risk within the Corporation's Portfolio among the authorized investments approved by the City's adopted Investment Policy is represented only in time and demand deposits, repurchase agreements, local government pools, municipal debt, and money market mutual funds. All other investments are rated AAA, or equivalent, by at least one nationally recognized rating agency. Investments are made primarily in obligations of the U.S. Government, its agencies, or instrumentalities. State law and the Corporation's adopted Investment Policy requires a procedure to monitor and react to credit ratings and a requirement to verify FDIC insurance weekly.

State law and the Corporation's adopted Investment Policy restricts both time and demand deposits, including certificates of deposit, to those banks doing business in the State of Texas and further requires full insurance and/or collateralization from these bank depositories. Depository certificates of deposit are limited to a stated maturity of one year. No time or demand deposit may exceed the FDIC insurance coverage.

Brokered certificate of deposit securities must be from banks in the U.S. and fully insured by the FDIC. These are restricted to one year to stated maturity, and the Corporation must verify FDIC status weekly.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Municipal Obligations must be dual-rated A or better by at least two nationally recognized securities rating organizations and may not exceed five years to stated maturity.

By policy and state law, repurchase agreements are limited to those with defined termination dates executed with a Texas bank or primary dealer (as defined by the Federal Reserve). The agreements require an industry standard, written master repurchase agreement, and a minimum 102% margin on collateral as well as delivery versus payment settlement and independent safekeeping. Repurchase agreements may not exceed six months to stated maturity with the exception of flex repurchase agreements with a stated termination date not to exceed the planned completion date of the project(s).

The adopted Investment Policy restricts investment in SEC registered mutual funds to money market mutual funds that are rated AAA, comply with SEC Rule 2a-7, and strive to maintain a \$1 net asset value (excluding prime funds specifically).

Local government investment pools in Texas are required to be rated AAA or equivalent by at least one nationally recognized rating agency. The Corporation Policy is restricted to AAA-rated, constant dollar local government investment pools striving to maintain a \$1 net asset value. Participation is by Board resolution only.

As of September 30, 2017 in the Corporation's Portfolio,

- US Treasury Obligations represented 5.38% of the portfolio,
- US Government Agency Securities (non-MBS) represented 75.46% of the portfolio,
- A1/P1 Commercial Paper represented 5.40% of the portfolio, and
- FDIC insured or collateralized bank accounts represented 13.76% of the total Corporation Portfolio.

Concentration of Credit Risk

The Corporation recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The adopted Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types, which are monitored on at least a monthly basis.

Diversification limits on the overall holdings (not by fund) are established as:

- | | |
|---------------------------------------|-----|
| • Depository CDs | 40% |
| o Per Bank | 10% |
| • U.S. Treasuries | 80% |
| • U.S. Agencies and Instrumentalities | 80% |
| • Repurchase Agreements | 50% |
| • Constant Dollar LGIP | 80% |
| o LGIP (ownership of pool) | 10% |
| • Money Market Mutual Funds | 75% |
| • Municipal and State Obligations | 40% |
| • FDIC Brokered CDs | 20% |
| • Commercial Paper | 15% |

As of September 30, 2017, the Corporation's Portfolio was in full compliance with the diversification parameters of the policy.

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the Corporation's adopted Investment Policy sets maximum maturity dates and maximum weighted average maturity limits by fund type. The weighted average maturity (WAM) of the total Corporation Portfolio is restricted to a maximum weighted average maturity of two years and a maximum maturity of five years.

As of September 30, 2017, in the Corporation's Portfolio,

- No holding had a stated maturity date beyond 08/23/19 or 691 days within the policy limits of five years maximum maturity, and
- The dollar-weighted average of the total portfolio was 251 days.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Custodial Credit Risk

To control custody and safekeeping risk, state law and the Corporation's adopted Investment Policy requires collateral for repurchase agreements be transferred delivery versus payment and held by an independent party approved by the Corporation and held in the Corporation's name.

As of September 30, 2017, in the Corporation's Portfolio,

- The portfolio contained no repurchase agreements, and
- All bank time and demand deposits were fully insured.

IV.B. Accounts Receivable

Governmental Activities

Receivables as of September 30, 2017 for the government's individual major governmental funds and aggregated nonmajor governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Improvement Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Activities
Accounts Receivables					
Ambulance Code	\$12,351,218	\$ -0-	\$ -0-	\$ -0-	\$ 12,351,218
Enforcement	878,059	-0-	2,389,746	-0-	3,267,805
COSADC	279,271	-0-	-0-	-0-	279,271
Demolition	594,659	-0-	-0-	-0-	594,659
Grants	481,107	-0-	-0-	12,369	493,476
Parks and Recreation	5,782	-0-	-0-	-0-	5,782
Permits	51,264	-0-	-0-	-0-	51,264
Program Loans	-0-	-0-	-0-	342,480	342,480
SAPAC	2,864,987	-0-	-0-	-0-	2,864,987
Miscellaneous	561,474	-0-	-0-	86,152	647,626
Gross Accounts Receivable	\$18,067,821	\$ -0-	\$ 2,389,746	\$ 441,001	\$ 20,898,568
Less: Allowance for Uncollectible	(13,021,102)	-0-	-0-	(11,886)	(13,032,988)
Net Accounts Receivable	\$ 5,046,719	\$ -0-	\$ 2,389,746	\$ 429,115	\$ 7,865,580
Miscellaneous Internal Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 287,094
Less: Allowance for Uncollectible	-0-	-0-	-0-	-0-	(116,890)
Net Internal Service Accounts Receivable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 170,204
Total	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 8,035,784

Business-Type Activities

Receivables as of September 30, 2017 for the government's individual major enterprise funds and nonmajor enterprise funds, including allowances for uncollectible accounts, are as follows:

	Water Fund	Sewer Fund	Other Enterprise Funds	Total Enterprise Funds
Utilities Receivable	\$ 8,198,676	\$ 1,888,917	\$ 1,682,461	\$ 11,770,054
Meter Deposits	1,502	-0-	-0-	1,502
Miscellaneous	1,761	242,700	562,773	807,234
Net Accounts Receivable	\$ 8,201,939	\$ 2,131,617	\$ 2,245,234	\$ 12,578,790
Less: Allowance for Uncollectible	(1,645,897)	(470,973)	(80,064)	(2,196,934)
Net Total Receivable	\$ 6,556,042	\$ 1,660,644	\$ 2,165,170	\$ 10,381,856

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

IV.C. Restricted Assets

The amounts reported as restricted assets of the governmental activities and business-type activities are comprised of assets held by trustee and depository banks for the following restricted purposes:

	Cash and Cash Equivalents	Investments	Closure and Post- Closure Trust Fund
<u>Primary Government</u>			
Governmental Activities			
Deposits Held for Debt Service	\$ 764,913	\$ 2,134,237	\$ -0-
Deposits Held for Business Development	954,433	-0-	-0-
Deposits Held for Purposes Specified by Donors	488,352	1,167,501	-0-
Deposits Held for Park Improvements	13,925	-0-	-0-
Deposits Held for Lake Nasworthy Improvements	628,066	13,522,003	-0-
Total Governmental Activities	<u>\$ 2,849,689</u>	<u>\$ 16,823,741</u>	<u>\$ -0-</u>
Business-type Activities			
Deposits Held for Debt Service	\$ 1,162,576	\$ 5,931,719	\$ -0-
Deposits Held for Capital Projects	808,628	22,794,311	-0-
Deposits Held for Airport Construction	921,209	698,312	-0-
Deposits Held for Landfill Closure and Post-Closure	-0-	-0-	5,345,672
Total Business-type Activities	<u>\$ 2,892,413</u>	<u>\$ 29,424,342</u>	<u>\$ 5,345,672</u>

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

IV.D. Capital Assets

Current year changes in capital assets are summarized below:

Governmental Activities

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<u>Assets Not Being Depreciated:</u>					
Land	\$ 4,500,105	\$ -0-	\$ -0-	\$ -0-	\$ 4,500,105
Construction in Progress	29,082,555	10,655,650	(21,568,966)	-0-	18,169,238
Total Non-Depreciable	\$ 33,582,660	\$ 10,655,650	(\$21,568,966)	\$ -0-	\$ 22,669,344
<u>Assets Being Depreciated:</u>					
Buildings	\$ 49,663,873	\$ 10,595,919	\$ -0-	\$ -0-	\$ 60,259,792
Improvements Other Than Buildings	43,585,391	172,425	-0-	-0-	43,757,813
Infrastructure	23,757,252	-0-	-0-	-0-	23,757,252
Machinery and Equipment	31,868,242	10,628,000	(526,288)	168,526	42,138,480
Total Depreciable	\$148,874,758	\$ 21,396,344	(\$ 526,288)	\$ 168,526	\$ 169,913,337
<u>Less Accumulated Depreciation:</u>					
Buildings	\$ 33,491,838	\$ 2,221,668	\$ -0-	\$ -0-	\$ 35,713,506
Improvements Other Than Buildings	16,537,568	3,462,052	-0-	-0-	19,999,620
Infrastructure	19,483,015	31,741	-0-	-0-	19,514,756
Machinery and Equipment	28,119,954	4,767,732	(510,277)	144,736	32,522,145
Total Accumulated Depreciation	\$ 97,632,375	\$ 10,483,193	(\$ 510,277)	\$ 144,736	\$ 107,750,027
Assets Being Depreciated – Net	\$ 51,242,383	\$ 10,913,151	(\$ 16,011)	\$ 23,790	\$ 62,163,313
Governmental Activities Capital Assets - Net	\$ 84,825,043	\$ 21,568,801	(\$21,584,977)	\$ 23,790	\$ 84,832,657

Business-type Activities

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<u>Assets Not Being Depreciated:</u>					
Land	\$ 7,857,995	\$ 43,922,116	\$ -0-	\$ -0-	\$ 51,780,111
Construction in Progress	134,377,297	5,062,731	(6,328,263)	-0-	133,111,765
Water Rights	36,950,835	-0-	-0-	-0-	36,950,835
Total Non- Depreciable	\$179,186,127	\$ 48,984,847	(\$ 6,328,263)	\$ -0-	\$221,842,711
<u>Assets Being Depreciated:</u>					
Buildings	\$ 29,559,965	\$ 1,871,956	\$ -0-	\$ -0-	\$ 31,431,921
Improvements Other Than Buildings	32,160,118	6,328,263	-0-	-0-	38,488,381
Infrastructure	182,290,818	-0-	-0-	-0-	182,290,818
Machinery and Equipment	28,622,279	1,881,695	(388,658)	(168,526)	29,946,790
Total Depreciable	\$272,633,180	\$ 10,081,914	(\$ 388,658)	(\$ 168,526)	\$282,157,910
<u>Less Accumulated Depreciation:</u>					
Buildings	\$ 19,697,509	\$ 633,358	\$ -0-	\$ -0-	\$ 20,330,867
Improvements Other Than Buildings	16,357,011	3,956,219	-0-	-0-	20,313,230
Infrastructure	100,092,338	4,318,890	-0-	-0-	104,411,228
Machinery and Equipment	17,833,116	1,252,190	(371,020)	(144,736)	18,569,550
Total Accumulated Depreciation	\$153,979,974	\$ 10,160,657	(\$ 371,020)	(\$ 144,736)	\$163,624,875
Assets Being Depreciated – Net	\$118,645,206	(\$ 78,743)	(\$ 17,638)	(\$ 23,790)	\$118,533,035
Business-type Activities Capital Assets - Net	\$297,839,333	\$ 48,906,104	(\$ 6,345,901)	(\$ 23,790)	\$340,375,746

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Discretely Presented Component Unit – Development Corporation

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<u>Assets Not Being Depreciated:</u>					
Land	\$ 107,027	\$ -0-	(\$ 21,299)	\$ -0-	\$ 85,728
Total Non-Depreciable	\$ 107,027	\$ -0-	(\$ 21,299)	\$ -0-	\$ 85,728
<u>Assets Being Depreciated:</u>					
Buildings	\$ 2,004,967	\$ -0-	\$ -0-	\$ -0-	\$ 2,004,967
Improvements Other Than Buildings	1,085,874	-0-	(292,891)	-0-	792,983
Total Depreciable	\$ 3,090,841	\$ -0-	(\$ 292,891)	\$ -0-	\$ 2,797,950
<u>Less Accumulated Depreciation:</u>					
Buildings	\$ 559,720	\$ 100,250	\$ -0-	\$ -0-	\$ 659,970
Improvements Other Than Buildings	-0-	-0-	-0-	-0-	-0-
Total Accumulated Depreciation	\$ 559,720	\$ 100,250	\$ -0-	\$ -0-	\$ 659,970
Assets Being Depreciated – Net	\$ 2,531,121	(\$ 100,250)	\$ -0-	\$ -0-	\$ 2,137,980
Governmental Activities Capital Assets - Net	\$ 2,638,148	(\$ 100,250)	(\$ 314,190)	\$ -0-	\$ 2,223,708

Depreciation expense was charged to functions in the statement of activities as follows:

<u>Governmental Activities:</u>	
General Government	\$ 197,860
Public Safety	1,620,374
Public Works and Transportation	643,016
Public Facilities	2,531,535
Health and Human Services	152,414
Culture, Parks, and Recreation	2,085,937
Urban Redevelopment and Housing	3,021
Capital Assets Held by the City's Internal Service Funds are Charged to the Various Functions on Their Usage of the Assets	3,249,036
Total Depreciation Expense – Governmental Activities	<u>\$ 10,483,193</u>
<u>Business-type Activities:</u>	
Water	\$ 3,843,625
Sewer	3,207,450
Stormwater	244,951
Solid Waste	113,740
Airport	2,515,189
State Office Building	235,702
Total Depreciation Expense – Business-type Activities	<u>\$ 10,160,657</u>
<u>Discretely Presented Component Unit:</u>	
Development Corporation	<u>\$ 100,250</u>

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

IV.E. Interfund Receivables, Payables, and Transfers

Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2017 consist of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service Fund	\$ 4,449,318
General Fund	Communications Fund	49,613
General Fund	Airport Fund	1,367,721
General Fund	State Office Building	627,668
Total Interfund		\$ 6,494,320

Reconciliation to Fund Financial Statements:

	Due From Other Funds	Due To Other Funds
Governmental Funds	\$ 6,494,320	\$ 4,449,318
Internal Service Funds	-0-	49,613
Enterprise Funds	-0-	1,995,389
Total	\$ 6,494,320	\$ 6,494,320

Interfund Transfers

Interfund Transfers for the year ended September 30, 2017 were as follows:

Transfer From	Transfer To	Amount	Nature of Interfund Balance
General Fund	Water Fund	\$ 6,340	Postage and Supplies
Designated Revenue Fund	General Fund	1,048,707	Hotel Occupancy Tax Funding
General Fund	Debt Service Fund	200,000	To Fund Debt Service
Sewer Fund	General Fund	675,050	Franchise Fees
Sewer Fund	General Fund	100,000	PILOT Fees
Water Fund	General Fund	1,309,411	Franchise Fees
Solid Waste Fund	General Fund	255,000	Franchise Fees
Capital Improvement Fund	Communications	4,498,736	Fixed Asset Transfer
Water Fund	Solid Waste Fund	563,704	Fixed Asset Transfer
Sewer Fund	Solid Waste Fund	66,920	Fixed Asset Transfer
Intergovernmental Fund	General Fund	89,554	Indirect Cost Allocation
Stormwater Fund	General Fund	211,710	Indirect Cost Allocation
Airport Fund	General Fund	79,829	Indirect Cost Allocation Per Plan
Water Fund	General Fund	2,214,224	Indirect Cost Allocation
Sewer Fund	General Fund	622,790	Indirect Cost Allocation
Sewer Fund	Water Fund	846,812	Maintenance, Engineering, and Billing
General Fund	Stormwater Fund	95,000	Mowing
General Fund	Intergovernmental	381,179	Local Match for Grants
Lake Nasworthy Fund	Water Fund	145,873	Investment Income for Capital Improvement
General Fund	Designated Revenue Fund	1,396,084	
		\$ 14,806,923	

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Reconciliation to Fund Financial Statements:	Transfers to Other Funds	Transfers from Other Funds		
<u>Governmental Funds:</u>				
General Fund	\$ 2,078,603	\$ 6,606,275		
Capital Improvement Fund	4,498,736	-0-		
Debt Service Fund	-0-	200,000		
Other Governmental Funds	1,284,134	1,777,263		
Total Governmental Funds	<u>\$ 7,861,473</u>	<u>\$ 8,583,538</u>		
<u>Proprietary Funds:</u>				
Enterprise Funds:				
Water Enterprise Fund	\$ 4,087,339	\$ 999,025		
Sewer Enterprise Fund	2,311,572	-0-		
Other Enterprise Funds	546,539	725,624		
Total Enterprise Funds	<u>\$ 6,945,450</u>	<u>\$ 1,724,649</u>		
Internal Service Funds	\$ -0-	\$ 4,498,736		
Total Proprietary Funds	<u>\$ 6,945,450</u>	<u>\$ 6,223,385</u>		
Totals	<u>\$ 14,806,923</u>	<u>\$ 14,806,923</u>		

Reconciliation to Statement of Activities:	Transfers to Other Funds	Transfers From Other Funds	Transfer of Capital Assets	Net Transfers
Net Transfers for Governmental Activities:				
Governmental Funds	(\$ 7,861,474)	\$ 8,583,538	\$ 23,790	\$ 745,854
Internal Service Fund	-0-	4,498,737	-0-	4,498,737
Total Net Transfers for Governmental Activities	<u>(\$ 7,861,474)</u>	<u>\$ 13,082,275</u>	<u>\$ 23,790</u>	<u>\$ 5,244,591</u>
Net Transfers for Business-type Activities:				
Enterprise Funds	(\$ 6,945,450)	\$ 1,724,649	(\$ 23,790)	(\$ 5,244,591)
Total Net Transfers for Business-type Activities	<u>(\$ 6,945,450)</u>	<u>\$ 1,724,649</u>	<u>(\$ 23,790)</u>	<u>(\$ 5,244,591)</u>

The City subsidizes the annual operations of the one discretely presented component unit. Transfers between the primary government and the component unit for the year ended September 30, 2017 were as follows:

Transfer From	Transfer To	Amount	Nature of Interfund Balance
Development Corporation	General Fund	\$ 116,841	Administrative Staff Services
Development Corporation	General Fund	387,144	Staff Services Contract
Development Corporation	General Fund	279,758	Parks Maintenance
Development Corporation	Debt Service Fund	3,610,860	Debt Service Payment for Long-Term Debt
Development Corporation	Airport Fund	73,757	Fire System Installation
Development Corporation	Water Fund	3,331,217	Debt Service Payment for Long-Term Debt
Development Corporation	Community Development Fund	61,000	Neighborhood Blitz
Development Corporation	General Fund	39,500	Voter Approved Projects
Development Corporation	Water Fund	64,762	West Texas Water Partnership
Development Corporation	Water Fund	71,174	Industrial Park Water Project
		<u>\$ 8,036,013</u>	

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

IV.F Leases

Operating Leases - City as a Lessor

The City leases out most of the space in the State Office Building, land around Lake Nasworthy, the sewer treatment plant, and certain facilities at the airport. None of the lease agreements are non-cancelable. The land cost is \$3,125,499. The depreciable facilities have total cost of \$13,995,773 with accumulated depreciation of \$9,582,154 leaving the carrying amount at \$4,413,619. Total rent received during the year was \$2,866,669.

The City leases the landfill to Republic Waste Services of Texas, Ltd. for an annual lease payment of \$573,000, which is payable in monthly payments of \$47,750 each with an annual increase of \$3,230 beginning on October 1, 2015 and each October 1st thereafter. The term of the lease ends when the landfill has reached its capacity. Lease revenue received by the City for the year ended September 30, 2017 was \$579,460.

Operating Leases - City as a Lessee

The City rents copiers on a month-to-month basis. Total rental cost for the year was \$180,537.

IV.G. Long-Term Debt

The City's long-term debt is segregated by the amounts involving governmental activities, business-type activities, and component units.

Governmental Activities Long-Term Debt

As of September 30, 2017, the governmental activities long-term debt consisted of the following:

Accrued Compensated Absences:

Current Portion	\$ 783,848
Noncurrent Portion	12,103,867
Total Accrued Compensated Absences	<u>\$ 12,887,715</u>

Bonds Payable:

General Refunding Bonds:

2012 Series General Obligation Refunding Bond, dated December 12, 2012, issued by the City of San Angelo, secured by ad valorem tax revenue, original issue amount of \$6,095,000, interest rate is 2.00%-2.50%, final maturity February 15, 2020, used for capital improvements. The bond's debt service is currently paid with ad valorem tax. \$ 4,290,000

2016 General Refunding Bond, dated February 15, 2016, issued by the City of San Angelo, secured by ad valorem tax revenue, original issue amount of \$17,720,000, interest rate is 2.00%-5.00%, final maturity February 15, 2036, used for capital improvements. The bond's debt service is currently paid with ad valorem tax. 17,720,000

Total General Refunding Bonds \$ 22,010,000

Certificates of Obligation:

2009 Series Certificate of Obligation, dated July 21, 2009, issued by the City of San Angelo, secured by combination tax and surplus revenue, original issue amount of \$14,600,000, interest rates from 2.00%-5.00%, final maturity February 15, 2029, used for capital improvements and acquisition of assets. The bond's debt service is currently paid with ad valorem tax and surplus revenue. \$ 1,470,000

2011-A Series Certificate of Obligation, dated July 6, 2011, issued by the City of San Angelo, secured by combination tax and surplus revenue, original issue

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

amount of \$13,780,000, interest rates from 2.00%-5.00%, final maturity February 15, 2036, used for capital improvements. The bond's debt service is currently paid with type B sales tax and surplus revenue. 12,815,000

2008 Series Certificate of Obligation, dated September 11, 2008, issued by the City of San Angelo, secured by pledged sales tax, original issue amount of \$10,145,000, interest rates from 3.50%-5.00%, final maturity February 15, 2025, used for capital improvements. The bond's debt service is currently paid with restricted sales tax. 100,000

2015 Series Certificate of Obligation, dated March 18, 2015, issued by the City of San Angelo, secured by pledged sales tax, original issue amount of \$13,260,000, interest rates from 2.00%-3.50%, final maturity February 15, 2035, used to promote state or local economic development. The bond's debt service is currently paid with property tax. 9,360,000

2016 Series Certificate of Obligation, dated February 15, 2016, issued by the City of San Angelo, secured by pledged sales tax, original issue amount of \$15,615,000, interest rates from 2.00%-5.00%, final maturity February 15, 2036, used for construction projects. The bond's debt service is currently paid with property tax. 10,565,000

2017 Series Certificate of Obligation, dated May 18, 2017, issued by the City of San Angelo, secured by pledged sales tax, original issue amount of \$2,185,000, interest rate at 2.00%, final maturity September 30, 2024, used for construction projects. This bond's debt service is currently paid with property tax. 2,185,000

Total Certificates of Obligation \$ 36,495,000

Total Bonds Payable \$ 58,505,000

Add: Unamortized Bond Premium 3,637,232

Total Bonds Payable, Net \$ 62,142,232

Current Portion, Net \$ 4,095,000

Noncurrent Portion, Net 58,047,232

Total Bonds Payable, Net \$ 62,142,232

Note Payable:

Section 108 HUD Guaranteed Promissory Note to U.S. Department of Housing and Urban Development, original issue amount of \$2,035,000, interest rate of 2.00%-5.00%, final maturity August 1, 2030. \$ 1,393,000

Current portion \$ 107,000

Noncurrent portion 1,286,000

Total Note Payable \$ 1,393,000

Changes in Long-Term Debt:

	Balance September 30, 2016	Additions	Deductions	Balance September 30, 2017	Amount Due in One Year
<u>Governmental Activities</u>					
Compensated Absences	\$ 12,085,869	\$ 1,268,791	\$ 466,945	\$ 12,887,715	\$ 783,848
Insurance Claims Payable	4,267,784	2,617,635	3,627,381	3,258,038	1,265,181
Bonds Payable	64,705,000	2,185,000	8,385,000	58,505,000	4,095,000
Unamortized Bond Premium	4,059,424	115,140	537,332	3,637,232	-0-
Note Payable	1,500,000	-0-	107,000	1,393,000	107,000
	<u>\$ 86,618,077</u>	<u>\$ 6,186,566</u>	<u>\$13,123,658</u>	<u>\$ 79,680,985</u>	<u>\$ 6,251,029</u>

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Debt Service Requirements to Maturity:

For the Year Ending September 30,	Principal	Interest
2018	\$ 4,202,000	\$ 2,602,840
2019	4,242,000	2,056,510
2020	4,322,000	1,940,454
2021	4,442,000	1,822,297
2022	4,612,000	1,674,555
2023-2027	16,765,000	5,975,747
2028-2032	12,083,000	2,941,024
2033-2037	9,230,000	739,144
Total	<u>\$ 59,898,000</u>	<u>\$ 19,752,571</u>

For governmental activities, compensated absences and claims and judgments payable are liquidated by the general fund.

Business-type Activities Long-Term Debt

As of September 30, 2017, the business-type activities long-term debt consisted of the following:

Accrued Compensated Absences:

Current Portion	\$ 93,185
Noncurrent Portion	1,633,155
Total Accrued Compensated Absences	<u>\$ 1,726,340</u>

Landfill Postclosure Care Liability:

Landfill Postclosure Care Liability	<u>\$ 4,134,113</u>
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Bonds Payable:

General Refunding Bonds:

2017 Series General Obligation Refunding Bond, dated May 17, 2017, issued by the City of San Angelo, secured by utility revenue, original issue amount of \$7,395,000, interest rates from 3.00%-5.00%, final maturity February 15, 2027, used for water and sewer improvements. \$ 7,395,000

2011 Series General Obligation Refunding Bond, dated April 6, 2011, issued by the City of San Angelo, secured by utility revenue, original issue amount of \$13,174,100, interest rates from 2.00%-5.00%, final maturity February 15, 2023, used for water and sewer improvements. 6,953,650

2011-B Series General Obligation Refunding Bond, dated May 3, 2011, issued by the City of San Angelo, secured by utility revenue, original issue amount of \$28,030,000, interest rates from 2.00%-5.00%, final maturity February 15, 2023, used for water and sewer improvements. 7,145,985

2011 Series General Obligation Refunding Bond, dated April 6, 2011, issued by the City of San Angelo, secured by ad valorem tax revenue, original issue amount of \$392,420, interest rates from 2.00%-5.00%, final maturity February 15, 2023, used for water and sewer improvements. 206,629

2011 Series General Obligation Refunding Bond, dated April 6, 2011, issued by the City of San Angelo, secured by ad valorem tax revenue, original issue amount of \$924,990, interest rates from 2.00%-5.00%, final maturity February 15, 2023, used for water and sewer improvements. 488,736

2014 Series General Obligation Refunding Bond, dated December 1, 2014, issued by the City of San Angelo, secured by ad valorem tax revenue, original issue amount of \$7,650,000, interest rates from 2.00% -4.00%, final maturity February 15, 2026, used for water and sewer improvements. 7,360,000

Total General Refunding Bonds	<u>\$ 29,550,000</u>
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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Certificates of Obligation:

2017 Series Certificate of Obligation, dated June 15, 2017, issued by the City of San Angelo, secured by utility revenue, original issue amount of \$48,070,000, interest rates from 4.19%, final maturity February 15, 2046, used for water and sewer improvements.

	\$ 48,070,000
Total Certificates of Obligation	<u>\$ 48,070,000</u>
 Total Bonds Payable	 \$ 77,620,000
Add: Unamortized Bond Premium	1,140,411
Total Bonds Payable, Net	<u>\$ 78,760,411</u>
 Current Portion, Net	 \$ 3,869,200
Noncurrent Portion, Net	74,891,211
Total Bonds Payable, Net	<u>\$ 78,760,411</u>

Note Payable:

2011-B Series Drinking Water SRF Promissory Note to Texas Water Development Board, original issue amount of \$120,000,000, secured by utility revenues, interest rates of 0.00%-2.07%, final maturity September 15, 2031, used to increase water supply; remaining funds left to draw are \$665,303.

	\$ 85,635,000
Promissory Note to City of San Angelo Development Corp.	230,582
	<u>\$ 85,865,582</u>
 Current Portion	 \$ 5,767,012
Noncurrent Portion, Net	80,098,570
Total Note Payable	<u>\$ 85,865,582</u>

Changes in Long-Term Debt:

	Balance September 30, 2016	Additions	Deductions	Balance September 30, 2017	Amount Due in One Year
<u>Business-type Activities</u>					
Compensated Absences	\$ 1,639,580	\$ 154,530	\$ 67,770	\$ 1,726,340	\$ 93,185
Water Rights Obligation	3,773,275	-0-	674,736	3,098,539	712,541
Landfill Postclosure	3,973,739	160,374	-0-	4,134,113	-0-
Bonds Payable	35,095,000	55,465,000	12,940,000	77,620,000	3,869,200
Unamortized Bond Premium	849,246	458,337	167,172	1,140,411	-0-
Note Payable	91,355,000	-0-	5,720,000	85,635,000	5,725,000
Promissory Note to COSADC	273,594	-0-	43,012	230,582	42,012
	<u>\$136,959,434</u>	<u>\$56,238,241</u>	<u>\$19,612,690</u>	<u>\$ 173,584,985</u>	<u>\$10,441,938</u>

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Debt Service Requirements to Maturity:

For the Year Ending September 30,	Principal	Interest
2018	\$ 11,685,000	\$ 4,459,545
2019	11,490,000	4,252,004
2020	11,745,000	4,010,603
2021	11,425,000	3,701,240
2022	9,530,000	3,405,183
2023-2027	44,105,000	13,405,193
2028-2032	33,385,000	8,308,536
2033-2037	8,655,000	5,626,267
2038-2042	10,755,000	3,531,252
2043-2047	10,480,000	947,755
Total	\$ 163,255,000	\$ 51,647,578

Advanced Refunding

On May 18, 2017, the City issued \$7,395,000 Series 2016 General Obligation Refunding Bonds with interest rates ranging from 2.0% to 5.0%. The proceeds were used to advance refund \$3,705,000 of outstanding 2007 Series Certificates of Obligation with interest rates ranging from 4.00% to 4.50% and \$4,300,000 of outstanding 2007 Series Certificates of Obligation with interest rates ranging from 4.00% to 5.25%. The net proceeds of \$8,229,231 (including a \$739,231 premium and after payment of \$124,213 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2007 Series bonds are considered defeased, and the liability on the government-wide statement of net position has decreased by \$8,005,000.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$610,000. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2027 using the effective interest method. The City completed the advance refunding to reduce its total debt service payments over the next ten years by \$635,992 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$76,936.

Defeased Bonds Outstanding

The City, through its various public trusts, has in substance defeased a number of outstanding bond issues by placing deposits in irrevocable trusts (escrow accounts) for the purchase of U.S. government securities to pay the principal and interest on the refunded bonds as they become due and payable. For financial reporting purposes, both the defeased bonds outstanding and the escrowed securities have been excluded from the financial statements. As of September 30, 2017, the balance of defeased bonds outstanding is \$30,325,000.

Landfill Closure and Post-Closure

The City accounts for its landfill closure and post-closure care costs in accordance with GASB No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs."

Federal and state laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of the closure and post-closure care costs as a liability on the Statement of Net Position in each period based on landfill capacity used as of each balance sheet date. This liability is offset by an asset recorded for a trust account established for the purpose of paying the closure and post-closure costs as more fully described below.

The landfill post-closure care liability at year-end of \$4,134,113 represents the cumulative amount to date based on the use of approximately 77.65% care of \$5,323,976 as the remaining estimated capacity is filled. These amounts are based on expected future costs to perform all post-closure activities based upon the current cost of those activities. Based upon current usage and capacity estimates, the landfill could continue accepting solid waste for approximately 20 more years. Actual costs may differ from the estimated amounts due to inflation and changes in technology and/or applicable laws and regulations between now and the actual date of closure.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

On August 1, 2014, the City entered into a contract with Republic Waste Services of Texas, Ltd. (Republic) for an operating lease of the landfill that ends when the landfill reaches capacity. The City received an initial payment of \$4,735,000 into the trust. Republic is responsible for the funding of monthly contributions to a trust account that will pay closure and post-closure costs as required by state and federal laws and regulations. Republic is in compliance with these requirements, and at September 30, 2017, investments are held for these purposes. The total contributed by Republic Services as of September 30, 2017 is \$5,345,672.

Long-term Water Purchase Contracts

The City is obligated to make specific annual payments to the contractors under three unconditional water purchase contracts, whether the City actually receives water or not. These rights are being treated as intangible assets with indefinite useful lives. The contractors obtained permits to impound water from the State of Texas and constructed three dams and reservoirs with financing obtained using water purchase contracts as a basis for obtaining credit and as a means for the payment and security of all bonds issued by the Colorado River Municipal Water District projects. The City is also obligated under these three contracts for annual operating expenses of the projects. Further details of each contract follow:

Colorado River Municipal Water District (CRMWD)

Project Name: Spence Dam and Reservoir (Spence) – By contract dated August 19, 1997; the City exercised its option to continue receiving water for the entire useful life of the dam and reservoir. Monthly payments of \$76,440 from January 1, 1996 through September 30, 2021 are required under the new contract. Payments under the prior contract and the current one will total \$3,866,330.

Project Name: Ivie Pipeline – Annual payments of \$636,101 to \$761,827 are required through the year 2021 for the retirement of the contractor's debt. Total estimated payments are approximately \$22,322,669. The City is responsible for the operation and maintenance of the pipeline system to its juncture point just north of the city limits for the entire life of the system as follows:

Central Station and System	27.78%
Minimum Electric Power Charges	31.25%
Other Electric	pro-rata for water received

The City's present value of future annual commitments under the contracts are as follows:

Fiscal Year	Spence	Ivie Pipeline	Total
2018	\$ 76,440	\$ 636,101	\$ 712,541
2019	76,440	676,984	753,424
2020	76,440	717,867	794,307
2021	76,440	761,827	838,267
Total Commitments	<u>\$ 305,760</u>	<u>\$ 2,792,779</u>	<u>\$ 3,098,539</u>

The City paid \$674,736 under all of these water purchase contracts in the current year.

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

IV.H. Fund Balances and Net Position

Fund Balances

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

	General Fund	Capital Improvement Plan	Debt Service Fund	Other Governmental Funds
Nonspendable for:				
Inventories	\$ 37,304			
Prepays	6,474			
Lake Nasworthy				\$ 14,191,260
Sante Fe Park				10,000
Total Nonspendable	<u>\$ 43,778</u>			<u>\$ 14,201,260</u>
Restricted for:				
Economic				\$ 1,674,956
Development				
Grant Expenditures				1,787,777
Santa Fe Park				3,925
Lake Nasworthy				3,658
Total Restricted				<u>\$ 3,470,316</u>
Committed for:				
Designated Purposes				\$ 1,628,571
Debt Service			\$ 875,089	
Capital		\$ 19,672,377		833,592
Improvements				
Total Committed	<u>\$ 19,672,377</u>		<u>\$ 875,089</u>	<u>\$ 2,462,163</u>

The amounts Committed for Designated Purposes include citizen donations for specific items related to Public Safety, Culture, Parks and Recreation, and Capital Outlay.

Restatements

The City restated beginning net position and fund balances as shown below:

	Government- Wide
Discretely Presented Component Unit:	
Beginning Balance as Previously Reported	\$ 16,556,329
Add: Correct for Over Accrual of Expense	(183,305)
Total Changes to Beginning Balance as Previously Reported	(\$ 183,305)
Beginning Balance as Restated	<u>\$ 16,373,024</u>

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

IV.I Segment Information

The City issued revenue bonds and certificates of obligation to finance additions and improvements to its Water and Sewer facilities and construction costs and improvements to its State Office Building. Investors in the bonds and certificates rely solely on the revenue generated by the individual activities for repayment. The Water Department operates the City's water supply system, and the Sewer Department operates the City's sewage treatment plant, sewage pumping stations, and collection systems. Financial information for the Water and Sewer funds (major funds) is reported separately in the proprietary funds statement of net position, statement of activities, and statement of cash flows. The State Office Building provides a full service lease to thirteen state agencies. Summary financial information for the State Office Building fund is presented below:

Condensed Statement of Net Position

Assets	
Current Assets	\$ 134,406
Capital Assets	2,980,891
Other Noncurrent Assets	-0-
Total Assets	<u>\$ 3,115,297</u>
Deferred Outflows of Resources	
Deferred Amounts Related to Pensions	<u>\$ 42,548</u>
Liabilities	
Current Liabilities	\$ 653,819
Noncurrent Liabilities Due Within One Year	146,640
Noncurrent Liabilities Due After One Year	736,944
Total Liabilities	<u>\$ 1,537,403</u>
Deferred Inflows of Resources	
Deferred Amounts Related to Pensions	<u>\$ 2,541</u>
Net Position	
Net Investment in Capital Assets	\$ 2,261,606
Unrestricted	(643,705)
Total Net position	<u>\$ 1,617,901</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Position

Revenues Pledged for Payment of Bonds and COs	\$ 1,232,054
Cost of Sales and Services and Administrative	(765,138)
Depreciation and Amortization	(235,702)
Operating Income	<u>\$ 231,214</u>
Non-Operating Revenues (Expenses)	
Investment Income	499
Change in Fair Value of Investments	199
Interest Expense	(31,140)
Change in Net Position	<u>\$ 200,772</u>
Net Position – Beginning	1,417,129
Net Position – Ending	<u>\$ 1,617,901</u>

Condensed Statement of Cash Flows

Net Cash Provided (Used) by:	
Operating Activities	\$ 399,883
Non-Capital Financing Activities	114,057
Capital and Related Financing Activities	(514,355)
Investing Activities	(1,070)
Net Increase (Decrease) in Cash	(\$ 1,485)
Cash and Cash Equivalents – Beginning	15,277
Cash and Cash Equivalents – Ending	<u>\$ 13,792</u>

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

V. OTHER INFORMATION

V.A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City manages these various risks of loss as follows:

Risk Category	Retained Risk	Commercial Insurance Purchased
General/Professional Liability	Deductibles up to \$500,000	Up to \$10,000,000 Less Deductible
Workers' Compensation	\$650,000/Occurrence/Person	\$1,000,000/Occur/Year Less Retained Risk
Property Damage	\$10,000 to \$25,000	Up to \$143,503,324 Less Deductibles
Employee/Retiree Health	100% of Risk	None
Pollution Liability	\$10,000	\$1,000,000

The amount of settlements for each of the past three fiscal years has not exceeded insurance coverage. Coverages have not changed from the prior year.

All of the City's funds participate in the employee/retiree health, property and casualty, and workers' compensation programs and make payments to the internal service funds based on actuarial estimates for liability and workers' compensation in amounts needed to pay prior and current year claims and to establish "reserves" for catastrophic losses. The payments for employee/retiree health were the amounts previously paid for commercial insurance coverage. The estimate calculation includes costs such as legal fees and expert witnesses but excludes general administrative and risk management services as well as costs of excess coverages and actuarial fees. The reserves (reported as unrestricted net position) at year-end were (\$122,071), \$733,693, and (\$1,191,454) for employee/retiree health, property and casualty, and workers compensation, respectively.

The claims liabilities reported in the funds are based on an actuarial estimate for property and casualty, workers compensation, and claims payments after year-end for employee/retiree health. The actuarial liabilities are discounted to present value using a 3% annual investment return on assets held in support of the liabilities and are based on industry payments modified by the City's actual experience.

Changes in the funds' liabilities for the past two fiscal years were as follows:

	Employee/ Retired Health	Property and Casualty	Workers' Compensation	Total
September 30, 2015	\$ 237,461	\$ 666,444	\$ 1,954,529	\$ 2,858,434
FY16 Incurred	3,585,987	888,179	812,737	5,286,903
FY16 Paid	(2,816,424)	(704,470)	(356,659)	(3,877,553)
September 30, 2016	\$ 1,007,024	\$ 850,153	\$ 2,410,607	\$ 4,267,784
FY17 Incurred	-0-	1,810,400	807,235	2,617,635
FY17 Paid	(927,096)	(1,884,805)	(815,480)	(3,627,381)
September 30, 2017	\$ 79,928	\$ 775,748	\$ 2,402,362	\$ 3,258,038

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

V.B. Commitments and Contingencies

Construction Commitments

At year-end, the City had the following major projects in progress:

Project Descriptions	Funding Source	Budget	Spent to Date	Balance
Hickory Well Field Expansion	Type B Sales Tax/Water Fees	\$ 7,671,565	\$ 7,668,889	\$ 2,676
2016 Water Line Improvement Project	Water Capital Funds	\$ 1,012,522	\$ 349,875	\$ 662,647
Sulphur Draw Sewer Project	Sewer Capital Funds	\$ 4,500,000	\$ -0-	\$ 4,500,000
MLK Drive Infrastructure	Water and Sewer Capital Funds Type B Sales Tax, San Angelo Area Foundation Funds, and General	\$ 2,469,974	\$ 2,002,834	\$ 467,140
Auditorium Renovation		\$ 15,392,908	\$11,119,105	\$ 4,273,803
Fort Concho Visitor Center Improvements	Type B Sales Tax Funds	\$ 1,000,000	\$ 22,564	\$ 977,436
29th Street Sports Complex	Type B Sales Tax Funds	\$ 1,750,000	\$ 68,498	\$ 1,681,502
Remediation of Drainage Ave. P Transportation Enhancement Project	Stormwater Capital & General Funds Grant/General Capital Funds (80/20)	\$ 2,440,000	\$ 21,551	\$ 2,418,449
Police Communications Upgrade		\$ 4,349,797	\$ 1,907,766	\$ 2,442,031
Public Safety Radio	General Fund Debt/Property Tax	\$ 1,500,000	\$ 1,400,195	\$ 99,805
Public Safety RMS/CAD	General Fund Debt/Property Tax	\$ 6,000,000	\$ 5,077,152	\$ 922,848
Fire Training Center	General Fund Debt/Property Tax	\$ 2,185,000	\$ 404,115	\$ 1,780,885
Fire Station #4	General Fund Debt/Property Tax	\$ 4,400,000	\$ 4,355,435	\$ 44,565
		\$ 3,624,023	\$ 120,201	\$ 3,503,822

V.C. Federal Assistance Programs

Amounts received or receivable from grantor agencies are subject to adjustments by the grantor agencies, principally the federal government, upon review of audit reports on those programs. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantors cannot be determined at this time.

V.D. Litigation

The City is a defendant in several lawsuits. Lawsuits pending on September 30, 2017 represented no material adverse financial impact to the City. Any potential judgments or awards related to these lawsuits are included in the loss reserves and estimated claims payable from the City's Self-Insurance Funds.

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

VI. EMPLOYEE RETIREMENT BENEFITS

The City contributes to a single-employer defined benefit pension plan (San Angelo Firemen's Relief and Retirement Fund), which covers fire department employees. The City also provides a non-traditional hybrid defined benefit plan through the statewide municipal retirement system (Texas Municipal Retirement System) for the remainder of the City's employees. Additionally, the City provides an alternative to Social Security for part-time, seasonal, and temporary employees and a post-employment health benefit plan.

VI.A. Defined Benefit Plan

Plan Description

The Board of Trustees of the San Angelo Firemen's Relief and Retirement Fund is the administrator of the single-employer defined benefit pension plan. This pension fund is a trust fund. The Board acts independently of the governing body of the City. The plan is established under the authority of the Texas Local Firefighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The plan covers current and former firefighters of the City of San Angelo, as well as certain beneficiaries of former firefighters.

Summary of Significant Accounting Policies

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 plan have been determined on the same basis as they are reported by the plan. Detailed information about the plan's net position is available in the separately issued by the San Angelo Firemen's Relief and Retirement Fund financial report.

Annual reports including required supplementary information can be obtained from the Board of Trustees of the San Angelo Firemen's Relief and Retirement Fund, 72 W. College, San Angelo, Texas 76903.

Benefits Provided

The Plan provides service retirement, death, disability, and withdrawal benefits. These benefits fully vest after 20 years of credited service. A partially vested deferred benefit is available for firefighters who terminate employment with at least 10 but less than 20 years of service. Employees may retire at age 50 with 20 years of credited service. A reduced early service retirement benefit is available for employees who terminate employment with 20 or more years of service regardless of age. The Plan, effective November 1, 1999, and amended September 1, 2007, provides a monthly normal service retirement benefit, payable in a Joint and 72% to Spouse form of annuity. For firefighters hired before May 1, 1986, the monthly benefit equals 67.5% of the Highest 48-Month Average Salary plus \$230 per month for each whole year of service in excess of 20 years with partial credit given based on the number of months completed in excess of whole years. For firefighters hired on or after May 1, 1986, the monthly benefit equals 66% of the Highest 48-Month Average Salary plus \$230 per month for each whole year of service in excess of 20 years with partial credit given based on the number of months completed in excess of whole years.

A firefighter has the option to participate in the Optional Retirement Program (ORP) or the Retroactive Deferred Retirement Plan (RETRO DROP) which will provide a lump sum benefit and a monthly retirement benefit upon termination of employment. A Joint and 100% to Surviving Spouse option is also available for normal service retirement, early service retirement, ORP, and RETRO DROP plans instead of the standard Joint and 72% to Surviving Spouse form. Effective January 1, 1997, the Plan was amended to provide automatic post-retirement benefit increases of 1.2% per year deferred to begin at age 61 for firefighters retiring after January 1, 1997. In addition, the Plan has the authority to provide, and has periodically in the past provided for, ad hoc postretirement benefit increases. An ad hoc postretirement benefit increase to certain retirees as of January 1, 2002, was granted. The benefit provisions of this Plan are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). The TLFFRA provides the authority and procedure to amend benefit provisions.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Employees Covered by Benefit Terms

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but Not Yet Receiving Them	147
Current Employees:	
Fully Vested	33
Partially Vested	72
Non-Vested	71
Total	<u>323</u>

Contributions

The contribution provisions of the Plan are authorized by the Texas Local Fire Fighters Retirement Act (TLFFRA). The TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the City of San Angelo.

While the contribution requirements are not actuarially determined, state law requires that each plan of benefits adopted by the Plan be approved by an eligible actuary. The actuary certifies that the contribution commitment by the firefighters and the City provides an adequate financing arrangement. Using the entry age actuarial cost method, the Plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contribution rate is used to amortize the Plan's unfunded actuarial accrued liability, and the number of years needed to amortize the Plan's unfunded actuarial accrued liability is determined using an open, level percentage of payroll method.

The funding policy of the San Angelo Firemen's Relief and Retirement Fund requires contributions equal to 14.2% of pay by the firefighters and contributions by the City based on a formula, which causes the City's contribution rate to fluctuate from year to year. The December 31, 2015 actuarial valuation assumes that the City's contribution rate will average 20.20% of payroll in the future for firefighters hired on or after May 1, 1986, and average 21.65% of payroll in the future for firefighters hired before May 1, 1986. Contributions to the pension plan from the City were \$2,173,090.

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The City reported \$5,865,843 in pension expense for the year ended September 30, 2017. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,616,414	\$ -0-
Changes of Assumptions	1,658,780	-0-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,176,134	-0-
City Contributions Subsequent to the Measurement Date	1,613,101	-0-
Total	<u>\$ 10,064,429</u>	<u>\$ -0-</u>

\$1,613,101 reported as 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 year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:

2018	\$ 2,246,114
2019	2,455,278
2020	2,192,587
2021	965,503
2022	591,846
Total	<u>\$ 8,451,328</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3.5%
Salary Increases:	3.5%, average, including inflation
Investment Rate of Return:	7.9% net of pension plan investment expense, including inflation

Mortality rates were based on the RP2000 mortality with Blue Collar adjustment with mortality improvements projected using Scale AA.

Mortality rates were based on the RP2000 mortality with Blue Collar adjustment with mortality improvements projected using Scale AA.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study as of December 31, 2009. The experience study covered the following periods:

- Historical Census data from 2000-2009
- Investment return experience 2005-2009
- Salary increase experience 2005-2009

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

- Covered payroll growth experience 1994-2009

The actuarial assumptions used in the December 31, 2015, valuation were based on the results of a bi-annual actuarial study.

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity:		6.00%
Domestic Equity	54.00%	
International Equity	6.00%	
Real Estate	6.00%	4.00%
Fixed Income	32.00%	
Cash	2.00%	0.00%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.9%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

The total pension liability was determined based on an actuarial valuation performed as of December 31, 2015 with a measurement date of December 31, 2016. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of December 31, 2016 and the City's report ending date of September 30, 2017, that would have had a significant impact on the net pension liability. The following table reports the components of changes in net pension liability:

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

SCHEDULE OF CHANGES IN NET PENSION LIABILITY			
Increase (Decrease)			
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Balances Beginning of Year	\$ 97,817,251	\$ 58,272,932	\$ 39,544,319
Changes for the Year:			
Service cost	\$ 2,160,559	\$ -0-	\$ 2,160,559
Interest expense	7,510,752	-0-	7,510,752
Differences between expected and actual experience	-0-	-0-	-0-
Changes of assumptions	-0-	-0-	-0-
Contributions - City	-0-	2,239,456	(2,239,456)
Contributions - Members	-0-	1,590,202	(1,590,202)
Net investment income	-0-	4,199,126	(4,199,126)
Benefits paid	(6,039,371)	(6,039,371)	-0-
Plan administrative expenses	-0-	(55,543)	55,543
Net Changes	<u>\$ 3,631,940</u>	<u>\$ 1,933,870</u>	<u>\$ 1,698,070</u>
Balances End of Year	<u>\$ 101,449,191</u>	<u>\$ 60,206,802</u>	<u>\$ 41,242,389</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the employers calculated using the discount rate of 7.9%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.9%) or 1-percentage-point higher (8.9%) than the current rate:

	1% Decrease (6.9%)	Current Discount Rate (7.9%)	1% Increase (8.9%)
Employers' Net Pension Liability	\$ 53,980,253	\$ 41,242,389	\$ 30,746,999

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report that can be obtained from the Board of Trustees of the San Angelo Firemen's Relief and Retirement Fund, 72 W. College, San Angelo, Texas 76903.

VI.B. Hybrid Defined Benefit Plan

Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of 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' 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.

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

Benefits Provided

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit, which is a theoretical amount. This amount, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be equal to the total monetary credits and employee contributions (accumulated with interest). This is assuming the current employee contribution rate and City matching percent have always been in existence and the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Active Employees	602
Deferred Vested Former Employees	320
Retirees or Retiree Beneficiaries	<u>727</u>
Total	<u>1,649</u>

Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 17.09% and 17.59% in calendar years 2016 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2017 were \$6,067,440 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation -	2.5% per year
Overall Payroll Growth -	3.5% to 10.5% per year, including inflation
Investment Rate of Return -	6.75%, net of pension plan investment expense, including inflation
Retirement Age -	Experience based table City specific based on the 2015 experience study

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, which male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Actuarial assumptions used in the December 31, 2016 valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2010 through December 31, 2014. Healthy postretirement 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 2016 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.

This rate 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 weighing 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	4.15%
Real Return	10.00%	4.15%
Real Estate	10.00%	4.75%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	7.75%
Total	100.00%	

Discount Rate

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

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Changes in the Net Pension Liability

	<u>SCHEDULE OF CHANGES IN NET PENSION LIABILITY</u>		
	<u>Increase (Decrease)</u>		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Balances Beginning of Year	<u>\$ 217,000,554</u>	<u>\$ 169,880,708</u>	<u>\$ 47,119,846</u>
Changes for the Year:			
Service cost	\$ 5,329,787	\$ -0-	\$ 5,329,787
Interest expense	14,439,741	-0-	14,439,741
Changes of assumptions	-0-	-0-	-0-
Difference between expected and actual experience	827,202	-0-	827,202
Contributions - City	-0-	5,856,113	(5,856,113)
Contributions - Members	-0-	2,399,261	(2,399,261)
Net investment income	-0-	11,478,572	(11,478,572)
Benefits paid	(11,486,726)	(11,486,726)	-0-
Plan administrative expenses	-0-	(129,662)	129,662
Other Charges	-0-	(11,253)	11,253
Net Changes	<u>\$ 9,110,004</u>	<u>\$ 8,106,305</u>	<u>\$ 1,003,699</u>
Balances End of Year	<u>\$ 226,110,558</u>	<u>\$ 177,987,013</u>	<u>\$ 48,123,545</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:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 78,553,112	\$ 48,123,545	\$ 23,084,190

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 at www.tmr.com.

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

For the year ended September 30, 2017, the City recognized pension expense of \$9,453,396. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 711,441	\$ 312,582
Changes of Assumptions	1,199,201	-0-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,930,231	-0-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	244,710	239,717
City Contributions Subsequent to the Measurement Date	4,635,839	-0-
Total	\$ 14,721,422	\$ 552,299

The \$4,635,839 reported as 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 year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2018	\$ 3,514,837
2019	3,496,924
2020	2,508,961
2021	12,562
	<u>\$ 9,553,284</u>

VI.C. Other Post-Employment Benefits

Plan Description

In addition to the pension benefits discussed above, the City of San Angelo offers its retirees and their dependents medical and prescription drug coverage for life. The pre-65 retirees can choose from among the three actives plans – the high, medium, or low plan. The post-65 retirees are offered a fully insured Medicare supplement plan with Hartford. The plan was frozen as of January 1, 2000 and only employees hired before then are allowed to participate in the plan and receive the City's subsidy. Thus, the group is closed at this time, and the liability will eventually decrease to zero. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate financial report.

For the pre-65 retirees, in theory, contributions are such that the City subsidizes the same amount toward coverage regardless of the tier or plan the retiree has chosen. In practice, however, the dependents are actuarially more costly than assumed. Consequently, though the intent of the City is that the dependents pay their full cost, in reality, some of that cost is subsidized by the City and thus generates a liability. This is not true with the post-65 retirees. Their cost is priced appropriately so the dependents do pay full cost, are not subsidized and therefore, there is no GASB liability for them.

Funding Policy

The plan premium rates are determined annually in collaboration with an outside employee benefits actuarial and consulting firm, and are approved by the San Angelo City Council. By providing retirees with access to the City's healthcare plans, based on the same rates it charges to active employees, the City is in effect providing a subsidy to retirees. This implied subsidy exists because on average, retiree health care costs are higher than active employee healthcare costs. By the City not contributing anything toward this

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

plan in advance, the City employs a pay-as-you-go method through paying the higher rate for active employees each year.

Beginning with the fiscal year ending September 30, 2009, the City of San Angelo is required to account for their retiree medical plan using the Governmental Standards Accounting Board Statement Number 45 (GASB 45). Whereas before, these benefits were accounted for on a “pay-as-you-go” basis, now they must be accrued not when they are paid but when they are earned, i.e. during active service. Thus, during each year of active service, a piece of the present value of the future retirement benefit must be accrued so that when the employee reaches retirement age, the benefit is fully accrued.

The key actuarial results are as follows:

Actuarial Present Value of Benefits	\$ 98,564,064
Actuarial Accrued Liability	\$ 98,183,846
Annual Required Contribution	\$ 4,279,217
Net OPEB Obligation	\$ 19,019,989

The actuarial present value of benefits is the total cost of the program in today’s dollars. The accrued liability is the piece of the present value of benefits that is allocated to prior service. It is the liability that would have been recognized had the City been accounting on a GASB 45 basis all along. That amount is being amortized over time. The annual required contribution (ARC) is the amount the City needs to accrue for the year to cover both the following year of benefit accrual (the normal cost) and the amortization of the accrued liability. The expected net benefits are the projection of medical claims and expenses net of retiree contributions expected during the year. Finally, the net OPEB obligation is the difference between the ARC and the expected benefits. It is the piece of the cumulative ARCs that has gone unfunded.

The following table shows the three components of the annual required contribution. The first component is the normal cost. This represents the accrual for the benefits that will be earned by the employees in the coming year.

The supplemental cost or unrecognized liability has two components: the initial liability when GASB 45 was first implemented and the gain/loss. The initial liability is the amount that should have been accrued to date by the City when GASB 45 was first adopted. Instead of requiring immediate recognition of this liability, GASB 45 allowed a “catch-up” amortization of this amount over several years.

A gain/loss occurs when the actual experience differs from the expected experience either from a change in the experience or a change in the assumptions, method, or plan provisions. In this case, the actual experience produced a liability that was greater than the expected liability thus producing an actuarial loss.

The third component of the ARC is the amortization of the net obligation. If the employer does not fully fund the ARC, there is an outstanding obligation at the end of the year. That obligation gets amortized over time, and the amortization then becomes a component of the ARC in the following year.

	Year Ended September 30, 2017
<u>Normal Cost Component</u>	
Normal Cost	\$ 274,517
<u>Amortization of Net OPEB Obligation</u>	
Amortization	4,004,700
<u>Annual Required Contribution</u>	<u>\$ 4,279,217</u>

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Annual OPEB Costs and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following tables show the components of the City's annual OPEB cost, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the year ended September 30, 2017:

<u>Net OPEB Obligation</u>	Year Ended September 30, 2017
Annual Required Contribution	\$ 4,279,217
Interest on Net OPEB Obligation	809,501
Adjustment to ARC	(733,728)
Annual OPEB Cost	\$ 4,354,991
Employer Contribution	(3,323,920)
Increase in Net OPEB Obligation	\$ 1,031,071
Net Obligation (Beginning of Year)	17,988,918
Net Obligation (Ending of Year)	<u>\$ 19,019,989</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net unfunded OPEB obligation were as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
September 30, 2015	\$5,266,428	\$3,168,268	60.2%	\$15,839,905
September 30, 2016	\$5,055,063	\$2,906,050	57.5%	\$17,988,918
September 30, 2017	\$4,354,991	\$3,323,920	76.3%	\$19,019,989

Funded Status

The following table shows what percent of the liability is funded and what percent of the covered payroll the unfunded liability represents. Since there is no additional funding required, there are no assets, and consequently, the funded ratio is 0.0%.

Actuarial Valuation Date	September 30, 2017
Actuarial Accrued Liability (AAL)	\$ 98,183,846
Actuarial Value of Assets	\$ -0-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 98,183,846
Funded Ratio	0.0%
Estimated Covered Payroll	\$ 46,819,904
UAAL as a Percentage of Payroll	209.7%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as Required Supplementary Information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan understood by the employer and plan members) and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the City and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce the short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial valuations are performed on a bi-annual basis. Significant methods and assumptions used for this fiscal year's valuation are as follows:

Actuarial Methods:

Actuarial Valuation Date	September 30, 2017
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Payroll
Amortization Period	30 Years (Open)
Asset Valuation Method	5 Year Smoothed Market

Actuarial Assumptions:

Discount rate	4.5%
Projected Salary Increases	3.0%
Healthcare Cost Trend Rate	10.0%
No inflation rate provided by actuary.	

VI.D. Part-Time, Seasonal, and Temporary Employees Alternatives to Social Security

Starting May 1, 2007, employees not eligible to participate in TMRS began participating in an alternative to Social Security. Under the Part-Time Alternative Retirement System (PARS), City part-time staff no longer contribute 6.2% of their salary to Social Security. Rather, they contribute 6.2% of their salary into PARS. The City contributes 1.3% of the employee's salary to that same PARS. The employee's PARS deduction is pre-tax and the contributions are kept in a trust that can either be paid out (with tax penalty) when the employee's employment with the City ends, or rolled into an individual retirement account (IRA). The City's contributions to the PARS accounts in the current year were \$10,221.

VII. TAX ABATEMENTS

As of September 30, 2017, the City provides tax abatements through two programs subject to the requirements of GASB Statement No. 77: the abatements awarded through the City of San Angelo Development Corporation (COSADC) and those awarded through the Tax Increment Reinvestment Zone (TIRZ).

The COSADC awards property tax abatements as part of incentive agreements which are agreed upon and adopted first by the COSADC board and then through ratification by the City Council. The purpose of these abatements is to encourage the growth and/or expansion of eligible entities that commit to make certain capital investments, to create a certain number of jobs, and/or to maintain those employment levels depending on the terms of the agreement. The amount and length of the abatements vary by agreement. If the recipient entity does not conform to the terms of the agreement, the abated taxes must be returned to the COSADC.

The TIRZ also awards property tax abatements as part of incentive agreements which are agreed upon and adopted first by the TIRZ board and then through ratification by the City Council. The purpose of these abatements is to encourage the growth and/or expansion of eligible entities that commit to make certain capital investments depending on the terms of the agreement. The amounts and lengths of the abatements vary by agreement. If the recipient entity does not conform to the terms of the agreement, the abated taxes must be returned to the TIRZ.

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

The amount of taxes abated during the year ended September 30, 2017 are:

Program	Amount Abated
COSADC	\$ 117,904
TIRZ	13,450
Total	<u>\$ 131,354</u>

VIII. NEW PRONOUNCEMENTS

The GASB has issued several new accounting pronouncements, which will be effective in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the City's consideration of the impact of these pronouncements are described below:

Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans - GASB No. 74 was issued in June 2015 and replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The City has not yet determined the impact that implementation of GASB 74 will have on its net position.

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions - GASB No. 75 was issued in June 2015 and addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For a defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for fiscal years beginning after June 15, 2017. The City has not yet determined the impact that implementation of GASB 75 will have on its net position, although it may be material.

GASB Statement No. 77, Tax Abatement Disclosures - GASB 77 was issued in August 2015 and establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. At this time, the impact to the City is unknown.

GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans - GASB 78 was issued in December 2015 and amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. At this time, the impact to the City is unknown.

GASB Statement No. 80, Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14 - GASB 80 was issued January 2016 and amends the blending requirements for the

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. At this time, the impact to the City is unknown.

GASB Statement No. 81, Irrevocable Split-Interest Agreements – GASB 81 was issued in March 2016 and addresses the accounting and financial reporting for irrevocable split-interest agreements by provided recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interest in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interest. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. At this time, the impact to the City is unknown.

GASB Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73 – GASB 82 was issued in March 2016 and addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. At this time, the impact to the City is unknown.

GASB Statement No. 83, Certain Asset Retirement Obligations – GASB 83 was issued in November 2016 and establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. This Statement also requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. Additionally, this Statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. It also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. At this time, the impact to the City is unknown.

GASB Statement 84, Fiduciary Activities – GASB 84 was issued January 2017, and this Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City has not yet determined the impact that implementation of GASB 84 will have on its net position.

GASB Statement 85, Omnibus 2017 – GASB 85 was issued March 2017, and this Statement address a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The City has not yet determined the impact that implementation of GASB 85 will have on its net position.

GASB Statement 86, Certain Debt Extinguishment Issues – GASB 86 issued May 2017, and the primary objective of this Statement is to improve the consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary

CITY OF SAN ANGELO, TEXAS

Notes to the Basic Financial Statements

For the Year Ended September 30, 2017

assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt substance. The City has not yet determined the impact that implementation of GASB 86 will have on its net position.

GASB Statement 87, Leases – GASB 87 was issued June 2017, and the primary objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about activities. The City has not yet determined the impact that implementation of GASB 87 will have on its net position.

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements – GASB 88 was issued in April 2018 and improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. At this time, the impact to the City is unknown.

VIII. SUBSEQUENT EVENTS

The following event occurred after the fiscal year end and is disclosed for reporting purposes:

- In January 2018, the City Council adopted an ordinance directing publication of a notice of intention to issue combination tax and revenue certificates of obligation to provide funds for street improvement projects. These bonds were subsequently issued on April 10, 2018 in the amount of \$16,500,000.



CITY OF SAN ANGELO, TEXAS

Budgetary Comparison Schedule - General Fund

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Modified Accrual	Adjustments	Budget Basis	
REVENUES						
Taxes:						
Property	\$ 32,160,271	\$ 32,160,271	\$ 32,201,382	\$ -0-	\$ 32,201,382	\$ 41,111
Sales	18,057,295	17,461,440	17,676,790	(296,007)	17,380,783	(80,657)
Franchise	4,517,446	4,562,446	5,012,040	(395,259)	4,616,781	54,335
Motel	1,857,500	-0-	-0-	-0-	-0-	-0-
Mixed Drink	371,936	371,936	411,981	(85,847)	326,134	(45,802)
Bingo	42,381	42,381	44,647	-0-	44,647	2,266
Licenses and Permits	980,479	893,120	864,151	-0-	864,151	(28,969)
Intergovernmental	-0-	39,500	39,500	-0-	39,500	-0-
Charges for Services	6,567,638	6,651,343	8,294,024	(1,536,655)	6,757,369	106,026
Fines and Forfeitures	2,823,369	2,827,169	2,848,276	-0-	2,848,276	21,107
Investment Income:						
Interest	162,508	160,508	315,002	-0-	315,002	154,494
Change in Fair Value of Investments	-0-	-0-	59,218	-0-	59,218	59,218
Miscellaneous:						
Gifts and Contributions	57,550	7,296,339	147,129	-0-	147,129	(7,149,210)
Other Miscellaneous	400,739	1,581,859	1,628,060	-0-	1,628,060	46,201
Total Revenues	\$ 67,999,112	\$ 74,048,312	\$ 69,542,200	(\$ 2,313,768)	\$ 67,228,432	(\$ 6,819,880)
EXPENDITURES						
Current:						
General Government:						
City Council	\$ 156,989	\$ 160,306	\$ 145,066	\$ -0-	\$ 145,066	\$ 15,240
City Manager	706,956	717,243	690,888	-0-	690,888	26,355
Legal	1,128,309	1,192,484	1,115,507	-0-	1,115,507	76,977
Public Information	202,397	198,540	188,672	-0-	188,672	9,868
Construction Management	661,578	680,878	583,701	-0-	583,701	97,177
Finance	2,284,597	2,317,878	2,270,012	-0-	2,270,012	47,866
Information Services	546,969	597,774	534,643	-0-	534,643	63,131
Purchasing	158,724	161,388	155,818	-0-	155,818	5,570
Personnel	406,148	379,963	386,358	-0-	386,358	(6,395)
Non-Departmental	5,999,225	4,244,308	3,874,490	-0-	3,874,490	369,818
Total General Government	\$ 12,251,892	\$ 10,650,762	\$ 9,945,155	\$ -0-	\$ 9,945,155	\$ 705,607
Public Safety:						
Municipal Court	\$ 2,414,677	\$ 3,250,573	\$ 2,280,696	\$ -0-	\$ 2,280,696	\$ 969,877
Police	17,461,133	18,062,582	18,255,344	-0-	18,255,344	(192,762)
Fire	16,418,262	17,127,626	20,142,813	-0-	20,142,813	(3,015,187)
Communications	1,463,527	1,487,479	1,420,529	-0-	1,420,529	66,950
School Crossing Guards	122,000	164,433	131,665	-0-	131,665	32,768
Total Public Safety	\$ 37,879,599	\$ 40,092,693	\$ 42,231,047	\$ -0-	\$ 42,231,047	(\$ 2,138,354)
Public Works and Transportation:						
Public Works	\$ 350,170	\$ 371,556	\$ 361,829	\$ -0-	\$ 361,829	\$ 9,727
Signal Control	820,626	818,585	762,316	-0-	762,316	56,269
Streets and Bridges	7,209,238	8,416,677	5,920,672	-0-	5,920,672	2,496,005
Planning and Zoning	2,238,057	2,193,898	1,986,882	-0-	1,986,882	207,016
Permits and Inspections	838,663	891,364	876,616	-0-	876,616	14,748
Total Public Works and Transportation	\$ 11,456,754	\$ 12,692,080	\$ 9,908,315	\$ -0-	\$ 9,908,315	\$ 2,783,765

CITY OF SAN ANGELO, TEXAS

Budgetary Comparison Schedule - General Fund

For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Modified Accrual	Adjustments	Budget Basis	
Public Facilities:						
City Hall	\$ 631,801	\$ 639,957	\$ 609,687	\$ -0-	\$ 609,687	\$ 30,270
Fairmount Cemetery	428,898	434,107	357,483	-0-	357,483	76,624
Total Public Facilities	\$ 1,060,699	\$ 1,074,064	\$ 967,170	\$ -0-	\$ 967,170	\$ 106,894
Health and Human Services:						
Health Department	\$ 173,922	\$ 176,133	\$ 170,925	\$ -0-	\$ 170,925	\$ 5,208
Animal Control	956,501	862,609	764,510	-0-	764,510	98,099
Code Compliance	461,179	479,832	487,603	-0-	487,603	(7,771)
Social Services	55,423	55,423	55,422	-0-	55,422	1
Total Health and Human Services	\$ 1,647,025	\$ 1,573,997	\$ 1,478,460	\$ -0-	\$ 1,478,460	\$ 95,537
Culture, Parks and Recreation:						
Parks	\$ 4,350,654	\$ 4,323,964	\$ 3,880,812	\$ -0-	\$ 3,880,812	\$ 443,152
Recreation	943,583	951,433	829,689	-0-	829,689	121,744
Swimming Pool	161,550	291,613	188,020	-0-	188,020	103,593
Fort Concho Museum	1,018,982	1,044,704	1,028,442	-0-	1,028,442	16,262
Total Culture, Parks and Recreation	\$ 6,474,769	\$ 6,611,714	\$ 5,926,963	\$ -0-	\$ 5,926,963	\$ 684,751
Total Current Expenditures	\$ 70,770,738	\$ 72,695,310	\$ 70,457,110	\$ -0-	\$ 70,457,110	\$ 2,238,200
Capital Outlay	\$ 723,683	\$ 23,380,123	\$ 6,984,321	\$ -0-	\$ 6,984,321	\$ 16,395,802
Total Expenditures	\$ 71,494,421	\$ 96,075,433	\$ 77,441,431	\$ -0-	\$ 77,441,431	\$ 18,634,002
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 3,495,309)	(\$ 22,027,121)	(\$ 7,899,231)	(\$ 2,313,768)	(\$ 10,212,999)	\$ 11,814,122
OTHER FINANCING SOURCES (USES)						
Transfers In	\$ 5,558,506	\$ 6,703,852	\$ 6,606,275	\$ -0-	\$ 6,606,275	(\$ 97,577)
Sale of Capital Assets	58,000	58,000	(2,587)	-0-	(2,587)	(60,587)
Transfers Out	(918,210)	(926,815)	(2,078,603)	-0-	(2,078,603)	(1,151,788)
Total Other Financing Sources (Uses)	\$ 4,698,296	\$ 5,835,037	\$ 4,525,085	\$ -0-	\$ 4,525,085	(\$ 1,309,952)
Net Change in Fund Balance	\$ 1,202,987	(\$ 16,192,084)	(\$ 3,374,146)	(\$ 2,313,768)	(\$ 5,687,914)	\$ 10,504,170
Fund Balance - Beginning	9,593,057	(19,889,937)	38,842,353	(7,505,257)	8,886,536	28,776,473
Fund Balance - Ending	\$ 10,796,044	(\$ 36,082,021)	\$ 35,468,207	(\$ 9,819,025)	\$ 3,198,622	\$ 39,280,643

CITY OF SAN ANGELO, TEXAS

Required Supplementary Information

For the Year Ended September 30, 2017

Required Supplementary Information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes budgetary comparison schedules for the General Fund, each major Special Revenue Fund, and the Capital Project Fund with an annual appropriated budget.

Budgetary Accounting and Control

Prior to the beginning of each fiscal year, the City Manager submits a proposed annual budget to the City Council for the general, special revenue, debt service, permanent, enterprise, and internal service funds. The budgets for the enterprise and internal service funds are for internal management purposes. Public hearings are held to obtain citizen's comments on the proposed budget. The budget is legally enacted prior to October 1 of each year by the adoption of a general appropriations ordinance. Expenditures cannot exceed the total appropriations at the fund total level. Changes in the total budget for a fund can only be made by amendments approved by City Council. Management, without City Council approval, can make changes within and between departments in a fund which does not change the total budget for that fund. Budget amounts shown in the budgetary comparison schedules represent the budget as amended.

Project-length financial plans are adopted for expenditure of grants, contributions, and/or long-term debt proceeds in the Community Development and Home Program special revenue funds and the capital projects funds. The Santa Fe Park Trust permanent fund is not budgeted.

The City utilizes encumbrances accounting under which purchase orders, contracts and other commitments for the expenditure funds are recorded in order to reserve a portion of the applicable appropriation. Encumbered appropriations at year-end are lapsed, and encumbrances to be honored are reappropriated in the following budget year.

Budgetary basis for some funds differs from GAAP in several ways. Governmental funds' budgets do not include certain revenue and expenditure accruals and deferrals. Budgets for the proprietary funds are substantially on a governmental funds modified accrual basis, which differs from the accrual basis required by GAAP. A column for adjustments from GAAP basis to the budgetary basis, where applicable, is provided for the budgetary comparisons.

CITY OF SAN ANGELO, TEXAS

Required Supplementary Information

For the Year Ended September 30, 2017

Texas Municipal Retirement Fund Schedule of Changes in Net Pension Liability and Related Ratios	Last Fiscal Year		
	2015	2016	*2017
Total pension liability			
Service cost	\$ 4,231,932	\$ 4,877,309	\$ 5,329,787
Interest	13,765,927	14,190,598	14,439,741
Differences between expected and actual experience	(1,528,383)	253,147	827,202
Changes of assumptions	-0-	2,707,629	-0-
Benefit payments, including refunds of member contributions	(10,826,257)	(10,624,607)	(11,486,726)
Net change in total pension liability	<u>\$ 5,643,219</u>	<u>\$ 11,404,076</u>	<u>\$ 9,110,004</u>
Total pension liability - beginning	199,953,259	205,596,478	217,000,554
Total pension liability - ending (a)	<u><u>\$ 205,596,478</u></u>	<u><u>\$ 217,000,554</u></u>	<u><u>\$ 226,110,558</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 5,576,688	\$ 5,728,465	\$ 5,856,113
Contributions - member	2,132,065	2,265,505	2,399,261
Net investment income	9,503,498	254,398	11,478,572
Benefit payments, including refunds of member contributions	(10,826,257)	(10,624,607)	(11,486,726)
Administrative expense	(99,229)	(154,965)	(129,662)
Other	(8,158)	(7,652)	(11,253)
Net change in plan fiduciary net position	<u>\$ 6,278,607</u>	<u>(\$ 2,538,856)</u>	<u>\$ 8,106,305</u>
Plan fiduciary net position - beginning	166,140,957	172,419,564	169,880,708
Plan fiduciary net position - ending (b)	<u><u>\$ 172,419,564</u></u>	<u><u>\$ 169,880,708</u></u>	<u><u>\$ 177,987,013</u></u>
Net pension liability - ending (a) - (b)	<u><u>\$ 33,176,914</u></u>	<u><u>\$ 47,119,846</u></u>	<u><u>\$ 48,123,545</u></u>
Plan fiduciary net position as a percentage of the total pension liability	83.86%	78.29%	78.72%
Covered employee payroll	\$ 30,458,079	\$ 31,518,849	\$ 34,655,009
Net pension liability as a percentage of covered-employee payroll	108.93%	149.50%	138.86%

Notes to Schedule:

Only the current and prior fiscal years are presented because 10-year data is not yet available.

*The information presented for fiscal year 2017 are based on a measurement date of 12/31/2016.

A change in assumption occurred during fiscal year 2016. This change is a result of a reduction in discount rate from 7.00% to 6.75%.

CITY OF SAN ANGELO, TEXAS

Required Supplementary Information

For the Year Ended September 30, 2017

**Texas Municipal Retirement Fund
Schedule of Employer Contributions**

Last Fiscal Year

	2015	2016	2017
Actuarially determined contribution	\$ 5,688,038	\$ 5,974,012	\$ 6,067,440
Contributions in relation to the actuarially determined contribution	5,688,038	5,974,012	6,067,440
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered employee payroll	\$ 31,518,849	\$ 34,655,009	\$ 34,745,984
Contributions as a percentage of covered-employee payroll	18.05%	17.24%	17.46%

Only the current and prior fiscal years are presented because 10-year data is not yet available.

Notes to Schedule:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Contributions	17.09% for Calendar Year 2016 17.59% for Calendar Year 2017
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Only the current and prior fiscal years are presented because 10-year data is not yet available.

CITY OF SAN ANGELO, TEXAS

Required Supplementary Information

For the Year Ended September 30, 2017

San Angelo Firemen's Relief and Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios

Last Fiscal Year

	2015	2016	*2017
Total pension liability			
Service cost	\$ 2,438,145	\$ 2,002,372	\$ 2,160,559
Interest	6,609,094	6,772,296	7,510,752
Differences between expected and actual experience	-0-	3,449,753	-0-
Changes of assumptions	-0-	2,215,105	-0-
Benefit payments, including refunds of member contributions	(4,391,400)	(4,695,087)	(6,039,371)
Net change in total pension liability	\$ 4,655,839	\$ 9,744,439	\$ 3,631,940
Total pension liability - beginning	83,416,973	88,072,812	97,817,251
Total pension liability - ending (a)	\$ 88,072,812	\$ 97,817,251	\$ 101,449,191
Plan fiduciary net position			
Contributions - employer	\$ 2,044,568	\$ 2,086,618	\$ 2,239,456
Contributions - member	1,432,875	1,462,906	1,590,202
Net investment income	3,264,867	(1,262,749)	4,199,126
Benefit payments, including refunds of member contributions	(4,391,400)	(4,695,087)	(6,039,371)
Administrative expense	(62,491)	(48,866)	(55,543)
Net change in plan fiduciary net position	\$ 2,288,419	(\$ 2,457,178)	\$ 1,933,870
Plan fiduciary net position - beginning	58,441,691	60,730,110	58,272,932
Plan fiduciary net position - ending (b)	\$ 60,730,110	\$ 58,272,932	\$ 60,206,802
Net pension liability - ending (a) - (b)	\$ 27,342,702	\$ 39,544,319	\$ 41,242,389
Plan fiduciary net position as a percentage of the total pension liability	68.95%	59.57%	59.35%
Covered employee payroll	\$ 10,090,669	\$ 10,246,197	\$ 10,965,035
Net pension liability as a percentage of covered-employee payroll	270.97%	385.94%	376.13%

Notes to Schedule:

Only the current and prior fiscal years are presented because 10-year data is not yet available.

*The information presented for fiscal year 2017 are based on a measurement date of 12/31/2016.

CITY OF SAN ANGELO, TEXAS

Required Supplementary Information

For the Year Ended September 30, 2017

**San Angelo Firemen's Relief and Retirement Fund
Schedule of Employer Contributions**

Last Fiscal Year

	2015	2016	2017
Actuarially determined contribution	\$ 2,075,551	\$ 2,219,315	\$ 2,173,090
Contributions in relation to the actuarially determined contribution	2,075,551	2,219,315	2,173,090
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered employee payroll	\$ 10,246,197	\$ 10,965,035	\$ 10,754,438
Contributions as a percentage of covered-employee payroll	20.26%	20.24%	20.21%

Only the current and prior fiscal years are presented because 10-year data is not yet available.

Notes to Schedule:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Open period, level percentage of projected payroll
Amortization Period	98.8 years
Contributions	20.20% -Firefighters hired on or after May 1, 1986
	21.65% -Firefithers hired before May 1, 1986
Asset Valuation Method	5 Year smoothed market
Inflation	4.00%
Salary Increases	Graduated scale based on firefighter age
Investment Rate of Return	7.90%
Projected Payroll Growth	3.50%
Mortality	RP2014 Combined Mortality Table with Blue Collar Adjustment with generational projection using Scale MP2015

CITY OF SAN ANGELO, TEXAS

Schedule of Funding Progress

For the Year Ended September 30, 2017

OTHER POST EMPLOYMENT BENEFITS

Schedule of Funding Progress (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a percentage of Covered Payroll
	1	2	3	4	5	6
			(1 / 2)	(2 - 1)		(4 / 5)
09/30/2015	\$-0-	\$88,835,475	0%	\$88,835,475	\$42,793,514	207.60%
09/30/2013	\$-0-	\$95,683,246	0%	\$95,683,246	\$39,509,623	242.20%
09/30/2011	\$-0-	\$82,236,000	0%	\$82,236,000	\$33,053,000	248.80%

CITY OF SAN ANGELO, TEXAS

General Fund Descriptions

For the Year Ended September 30, 2017

GENERAL FUND

To account for all financial resources not legally or administratively required to be reported in another fund. It is always a major governmental fund.

Under GASB Statement 54, certain funds no longer meet the definition to be presented as special revenue funds. Those funds became accounts of the general fund for reporting purposes.

The General Fund contains the following subfund accounts:

Texas Sports Complex Subfund – To account for the revenue and expenses associated with the City's sports complex.

Civic Events Subfund – To account for the expenditure of a designated portion of the motel tax and rental and concessions generated by the coliseum and fairgrounds, city auditorium, and convention center.

Equipment Replacement Subfund – To account for the purchase of capital equipment for the general fund.

General Capital Project Subfund – To account for large capital projects in the general fund.

Fort Concho Museum Subfund – To account for the operation of old Fort Concho as a museum.

Fairmount Cemetery Subfund – To account for funds received from cemetery lot sales and care and for contributions from a trust.

Payroll Subfund – To process payroll and benefits for the entire City.

CITY OF SAN ANGELO, TEXAS

Combining Balance Sheet - General Fund Accounts

For the Year Ended September 30, 2017

	General	Texas Sports Complex	Civic Events	Equipment Replacement	Street Capital Project	Fort Concho	Fairmount Cemetery	Payroll	Total General Fund
ASSETS									
Assets:									
Cash and Cash Equivalents	\$ 7,345,597	\$ 659,366	\$ 660,542	\$ 500,522	\$ 2,890,219	\$ 290,590	\$ 100	\$ 715,018	\$ 13,061,954
Investments	2,991,258	-0-	389,591	52,804	8,064,008	105	-0-	-0-	11,497,766
Receivables:									
Accrued Interest	3,058	1,207	-0-	1,066	15,402	992	-0-	-0-	21,725
Property Taxes	1,191,553	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,191,553
Accounts	17,933,924	8,551	-0-	1,382	95,471	-0-	24,877	3,616	18,067,821
Less: Allowance for Uncollectibles	(13,021,102)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(13,021,102)
Due from Other Governments	3,072,731	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,072,731
Due from Other Funds (Interfund)	7,950,169	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,950,169
Due from Other Funds	6,494,320	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,494,320
Inventories	19,915	-0-	-0-	-0-	-0-	17,389	-0-	-0-	37,304
Prepays	6,474	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,474
Total Assets	<u>\$ 33,987,897</u>	<u>\$ 669,124</u>	<u>\$ 1,050,133</u>	<u>\$ 555,774</u>	<u>\$ 11,065,100</u>	<u>\$ 309,076</u>	<u>\$ 24,977</u>	<u>\$ 718,634</u>	<u>\$ 48,380,715</u>
DEFERRED OUTFLOWS OF RESOURCES									
Deferred Charges	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Deferred Outflows of Resources	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
LIABILITIES									
Current Liabilities:									
Accounts Payable	\$ 2,883,779	\$ 36,878	\$ 255,411	\$ 83,752	\$ 47,741	\$ 54,463	\$ 48,237	\$ -0-	\$ 3,410,261
Deposits	277,264	-0-	-0-	-0-	-0-	39,079	-0-	-0-	316,343
Due to Other Funds (Interfund)	-0-	-0-	-0-	-0-	7,142,038	-0-	89,497	718,634	7,950,169
Due to Other Governments	71,829	-0-	-0-	-0-	-0-	-0-	-0-	-0-	71,829
Unearned Revenue	-0-	116,250	59,609	-0-	-0-	-0-	(1,050)	-0-	174,809
Arbitrage Rebates Payable	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Liabilities	<u>\$ 3,232,872</u>	<u>\$ 153,128</u>	<u>\$ 315,020</u>	<u>\$ 83,752</u>	<u>\$ 7,189,779</u>	<u>\$ 93,542</u>	<u>\$ 136,684</u>	<u>\$ 718,634</u>	<u>\$ 11,923,411</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue - Property Taxes	\$ 933,126	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 933,126
Deferred Revenues	-0-	-0-	-0-	-0-	55,971	-0-	-0-	-0-	55,971
Total Deferred Inflows of Resources	<u>\$ 933,126</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 55,971</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 989,097</u>
FUND BALANCES									
Nonspendable	\$ 26,389	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 17,389	\$ -0-	\$ -0-	\$ 43,778
Unassigned	29,795,510	515,996	735,113	472,022	3,819,350	198,145	(111,707)	-0-	35,424,429
Total Fund Balances	<u>\$ 29,821,899</u>	<u>\$ 515,996</u>	<u>\$ 735,113</u>	<u>\$ 472,022</u>	<u>\$ 3,819,350</u>	<u>\$ 215,534</u>	<u>(\$ 111,707)</u>	<u>\$ -0-</u>	<u>\$ 35,468,207</u>

CITY OF SAN ANGELO, TEXAS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund Accounts

For the Year Ended September 30, 2017

	General	Texas Sports Complex	Civic Events	Equipment Replacement	Street Capital Project	Fort Concho Museum	Fairmount Cemetery	Payroll	Total General Fund
REVENUES									
Taxes:									
Property	\$ 32,201,382	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 32,201,382
Sales	17,676,790	-0-	-0-	-0-	-0-	-0-	-0-	-0-	17,676,790
Franchise	5,012,040	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,012,040
Mixed Drink	411,981	-0-	-0-	-0-	-0-	-0-	-0-	-0-	411,981
Bingo	44,647	-0-	-0-	-0-	-0-	-0-	-0-	-0-	44,647
Licenses and Permits	864,151	-0-	-0-	-0-	-0-	-0-	-0-	-0-	864,151
Intergovernmental	-0-	-0-	-0-	-0-	39,500	-0-	-0-	-0-	39,500
Charges for Services	6,575,502	176,322	635,322	35,047	-0-	607,858	263,973	-0-	8,294,024
Fines and Forfeits	2,848,276	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,848,276
Investment Income:									
Interest	275,990	4,150	13,855	1,562	15,622	1,886	1,937	-0-	315,002
Change in Fair Value of Investments	15,174	-0-	1,984	272	41,787	1	-0-	-0-	59,218
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	-0-	101,000	5,328	40,801	-0-	147,129
Other Miscellaneous	1,449,874	4	49,628	110,760	-0-	10,419	7,375	-0-	1,628,060
Total Revenues	\$ 67,375,807	\$ 180,476	\$ 700,789	\$ 147,641	\$ 197,909	\$ 625,492	\$ 314,086	\$ -0-	\$ 69,542,200
EXPENDITURES									
Current:									
General Government	\$ 8,733,274	\$ -0-	\$ 1,211,881	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 9,945,155
Public Safety	42,231,047	-0-	-0-	-0-	-0-	-0-	-0-	-0-	42,231,047
Public Works and Transportation	9,786,680	-0-	-0-	-0-	121,635	-0-	-0-	-0-	9,908,315
Public Facilities	609,687	-0-	-0-	-0-	-0-	-0-	357,483	-0-	967,170
Health and Human Services	1,478,460	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,478,460
Culture, Parks and Recreation	4,236,695	661,826	-0-	-0-	-0-	1,028,442	-0-	-0-	5,926,963
Total Current Expenditures	\$ 67,075,843	\$ 661,826	\$ 1,211,881	\$ -0-	\$ 121,635	\$ 1,028,442	\$ 357,483	\$ -0-	\$ 70,457,110
Capital Outlay	598,023	22,688	443,851	1,307,153	4,612,606	-0-	-0-	-0-	6,984,321
Total Expenditures	\$ 67,673,866	\$ 684,514	\$ 1,655,732	\$ 1,307,153	\$ 4,734,241	\$ 1,028,442	\$ 357,483	\$ -0-	\$ 77,441,431
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	(\$ 298,059)	(\$ 504,038)	(\$ 954,943)	(\$ 1,159,512)	(\$ 4,536,332)	(\$ 402,950)	(\$ 43,397)	\$ -0-	(\$ 7,899,231)
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ 5,557,568	\$ 50,000	\$ 948,707	\$ -0-	\$ -0-	\$ 50,000	\$ -0-	\$ -0-	\$ 6,606,275
Transfer In (Interfund)	2,969,219	704,143	-0-	1,201,373	244,295	360,862	82,902	-0-	5,562,794
Sale of Capital Assets	106	-0-	-0-	-0-	(2,693)	-0-	-0-	-0-	(2,587)
Transfers Out	(682,519)	-0-	(1,396,084)	-0-	-0-	-0-	-0-	-0-	(2,078,603)
Transfer Out (Interfund)	(2,598,575)	-0-	(99,232)	-0-	(2,864,987)	-0-	-0-	-0-	(5,562,794)
Total Other Financing Sources (Uses)	\$ 5,245,799	\$ 754,143	(\$ 546,609)	\$ 1,201,373	(\$ 2,623,385)	\$ 410,862	\$ 82,902	\$ -0-	\$ 4,525,085
Net Change in Fund Balances	\$ 4,947,740	\$ 250,105	(\$ 1,501,552)	\$ 41,861	(\$ 7,159,717)	\$ 7,912	\$ 39,505	\$ -0-	(\$ 3,374,146)
Fund Balances - Beginning	24,874,159	265,891	2,236,665	430,161	10,979,067	207,622	(151,212)	-0-	38,842,353
Fund Balances - Ending	\$ 29,821,899	\$ 515,996	\$ 735,113	\$ 472,022	\$ 3,819,350	\$ 215,534	(\$ 111,707)	\$ -0-	\$ 35,468,207

CITY OF SAN ANGELO, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - General Fund Accounts

For the Year Ended September 30, 2017

	General			Texas Sports Complex			Civic Events		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes:									
Property	\$ 32,160,271	\$ 32,201,382	\$ 41,111	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sales	17,461,440	17,676,790	215,350	-0-	-0-	-0-	-0-	-0-	-0-
Franchise	4,562,446	5,012,040	449,594	-0-	-0-	-0-	-0-	-0-	-0-
Mixed Drink	371,936	411,981	40,045	-0-	-0-	-0-	-0-	-0-	-0-
Bingo	42,381	44,647	2,266	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and Permits	893,120	864,151	(28,969)	-0-	-0-	-0-	-0-	-0-	-0-
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Charges for Services	4,956,057	6,575,502	1,619,445	145,000	176,322	31,322	581,486	635,322	53,836
Fines and Forfeits	2,827,169	2,848,276	21,107	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	125,776	275,990	150,214	426	4,150	3,724	8,262	13,855	5,593
Change in Fair Value of Investments	-0-	15,174	15,174	-0-	-0-	-0-	-0-	1,984	1,984
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other Miscellaneous	1,513,159	1,449,874	(63,285)	-0-	4	4	50,700	49,628	(1,072)
Total Revenues	<u>\$ 64,913,755</u>	<u>\$ 67,375,807</u>	<u>\$ 2,462,052</u>	<u>\$ 145,426</u>	<u>\$ 180,476</u>	<u>\$ 35,050</u>	<u>\$ 640,448</u>	<u>\$ 700,789</u>	<u>\$ 60,341</u>
EXPENDITURES									
Current:									
General Government	\$ 9,373,973	\$ 8,733,274	\$ 640,699	\$ -0-	\$ -0-	\$ -0-	\$ 1,276,789	\$ 1,211,881	\$ 64,908
Public Safety	40,092,693	42,231,047	(2,138,354)	-0-	-0-	-0-	-0-	-0-	-0-
Public Works and Transportation	12,520,462	9,786,680	2,733,782	-0-	-0-	-0-	-0-	-0-	-0-
Public Facilities	639,932	609,687	30,245	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	1,573,997	1,478,460	95,537	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	4,667,441	4,236,695	430,746	899,569	661,826	237,743	-0-	-0-	-0-
Total Current Expenditures	<u>\$ 68,868,498</u>	<u>\$ 67,075,843</u>	<u>\$ 1,792,655</u>	<u>\$ 899,569</u>	<u>\$ 661,826</u>	<u>\$ 237,743</u>	<u>\$ 1,276,789</u>	<u>\$ 1,211,881</u>	<u>\$ 64,908</u>
Capital Outlay	2,563,575	598,023	1,965,552	66,709	22,688	44,021	673,990	443,851	230,139
Total Expenditures	<u>\$ 71,432,073</u>	<u>\$ 67,673,866</u>	<u>\$ 3,758,207</u>	<u>\$ 966,278</u>	<u>\$ 684,514</u>	<u>\$ 281,764</u>	<u>\$ 1,950,779</u>	<u>\$ 1,655,732</u>	<u>\$ 295,047</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 6,518,318)</u>	<u>(\$ 298,059)</u>	<u>(\$ 6,220,259)</u>	<u>(\$ 820,852)</u>	<u>(\$ 504,038)</u>	<u>(\$ 316,814)</u>	<u>(\$ 1,310,331)</u>	<u>(\$ 954,943)</u>	<u>(\$ 355,388)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ 5,712,252	\$ 5,557,568	\$ 154,684	\$ 50,000	\$ 50,000	\$ -0-	\$ 891,600	\$ 948,707	(\$ 57,107)
Transfer In (Interfund)	-0-	2,969,219	2,969,219	704,143	704,143	-0-	-0-	-0-	-0-
Sale of Capital Assets	3,000	106	2,894	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	(926,815)	(682,519)	(244,296)	-0-	-0-	-0-	-0-	(1,396,084)	1,396,084
Transfers Out (Interfund)	(2,354,280)	(2,598,575)	244,295	-0-	-0-	-0-	(99,232)	(99,232)	-0-
Total Other Financing Sources (Uses)	<u>\$ 2,434,157</u>	<u>\$ 5,245,799</u>	<u>\$ 3,126,796</u>	<u>\$ 754,143</u>	<u>\$ 754,143</u>	<u>\$ -0-</u>	<u>\$ 792,368</u>	<u>(\$ 546,609)</u>	<u>\$ 1,338,977</u>
Net Change in Fund Balance	<u>(\$ 4,084,161)</u>	<u>\$ 4,947,740</u>	<u>\$ 9,031,901</u>	<u>(\$ 66,709)</u>	<u>\$ 250,105</u>	<u>\$ 316,814</u>	<u>(\$ 517,963)</u>	<u>(\$ 1,501,552)</u>	<u>(\$ 983,589)</u>
Fund Balance - Beginning	-0-	24,874,159	24,874,159	-0-	265,891	265,891	-0-	2,236,665	2,236,665
Fund Balance - Ending	<u>(\$ 4,084,161)</u>	<u>\$ 29,821,899</u>	<u>\$ 33,906,060</u>	<u>(\$ 66,709)</u>	<u>\$ 515,996</u>	<u>\$ 582,705</u>	<u>(\$ 517,963)</u>	<u>\$ 735,113</u>	<u>\$ 1,253,076</u>

(Continued)

CITY OF SAN ANGELO, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - General Fund Accounts

For the Year Ended September 30, 2017

	Equipment Replacement			Street Capital Project			Fort Concho Museum		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes:									
Property	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sales	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Franchise	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Mixed Drink	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Bingo	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and Permits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Intergovernmental	-0-	-0-	-0-	39,500	39,500	-0-	-0-	-0-	-0-
Charges for Services	40,000	35,047	(4,953)	-0-	-0-	-0-	603,850	607,858	4,008
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	301	1,562	1,261	22,801	15,622	(7,179)	942	1,886	944
Change in Fair Value of Investments	-0-	272	272	-0-	41,787	41,787	-0-	1	1
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	7,238,789	101,000	(7,137,789)	7,550	5,328	(2,222)
Other Miscellaneous	-0-	110,760	110,760	-0-	-0-	-0-	13,000	10,419	(2,581)
Total Revenues	\$ 40,301	\$ 147,641	\$ 107,340	\$ 7,301,090	\$ 197,909	(\$ 7,103,181)	\$ 625,342	\$ 625,492	\$ 150
EXPENDITURES									
Current:									
General Government	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Public Safety	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Public Works and Transportation	-0-	-0-	-0-	171,618	121,635	49,983	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-	1,044,704	1,028,442	16,262
Total Current Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 171,618	\$ 121,635	\$ 49,983	\$ 1,044,704	\$ 1,028,442	\$ 16,262
Capital Outlay	1,599,022	1,307,153	291,869	18,476,827	4,612,606	13,864,221	-0-	-0-	-0-
Total Expenditures	\$ 1,599,022	\$ 1,307,153	\$ 291,869	\$ 18,648,445	\$ 4,734,241	\$ 13,914,204	\$ 1,044,704	\$ 1,028,442	\$ 16,262
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 1,558,721)	(\$ 1,159,512)	(\$ 399,209)	(\$ 11,347,355)	(\$ 4,536,332)	(\$ 6,811,023)	(\$ 419,362)	(\$ 402,950)	(\$ 16,412)
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 50,000	\$ 50,000	\$ -0-
Transfer In (Interfund)	1,201,373	1,201,373	-0-	244,295	244,295	-0-	360,862	360,862	-0-
Sale of Capital Assets	55,000	-0-	55,000	-0-	(2,693)	2,693	-0-	-0-	-0-
Transfers Out	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out (Interfund)	-0-	-0-	-0-	-0-	(2,864,987)	2,864,987	-0-	-0-	-0-
Total Other Financing Sources (Uses)	\$ 1,256,373	\$ 1,201,373	\$ 55,000	\$ 244,295	(\$ 2,623,385)	\$ 2,867,680	\$ 410,862	\$ 410,862	\$ -0-
Net Change in Fund Balance	(\$ 302,348)	\$ 41,861	\$ 344,209	(\$ 11,103,060)	(\$ 7,159,717)	\$ 3,943,343	(\$ 8,500)	\$ 7,912	\$ 16,412
Fund Balance - Beginning	-0-	430,161	430,161	-0-	10,979,067	10,979,067	-0-	207,622	207,622
Fund Balance - Ending	(\$ 302,348)	\$ 472,022	\$ 774,370	(\$ 11,103,060)	\$ 3,819,350	\$ 14,922,410	(\$ 8,500)	\$ 215,534	\$ 224,034

(Continued)

CITY OF SAN ANGELO, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - General Fund Accounts

For the Year Ended September 30, 2017

	Fairmount Cemetery			Payroll			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes:									
Property	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 32,160,271	\$ 32,201,382	\$ 41,111
Sales	-0-	-0-	-0-	-0-	-0-	-0-	17,461,440	17,676,790	215,350
Franchise	-0-	-0-	-0-	-0-	-0-	-0-	4,562,446	5,012,040	449,594
Mixed Drink	-0-	-0-	-0-	-0-	-0-	-0-	371,936	411,981	40,045
Bingo	-0-	-0-	-0-	-0-	-0-	-0-	42,381	44,647	2,266
Licenses and Permits	-0-	-0-	-0-	-0-	-0-	-0-	893,120	864,151	(28,969)
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-	39,500	39,500	-0-
Charges for Services	324,950	263,973	(60,977)	-0-	-0-	-0-	6,651,343	8,294,024	1,642,681
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	2,827,169	2,848,276	21,107
Investment Income:									
Interest	2,000	1,937	(63)	-0-	-0-	-0-	160,508	315,002	154,494
Change in Fair Value of Investments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	59,218	59,218
Miscellaneous:									
Gifts and Contributions	50,000	40,801	(9,199)	-0-	-0-	-0-	7,296,339	147,129	(7,149,210)
Other Miscellaneous	5,000	7,375	2,375	-0-	-0-	-0-	1,581,859	1,628,060	46,201
Total Revenues	<u>\$ 381,950</u>	<u>\$ 314,086</u>	<u>(\$ 67,864)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 74,048,312</u>	<u>\$ 69,542,200</u>	<u>(\$ 4,506,112)</u>
EXPENDITURES									
Current:									
General Government	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,650,762	\$ 9,945,155	\$ 705,607
Public Safety	-0-	-0-	-0-	-0-	-0-	-0-	40,092,693	42,231,047	(2,138,354)
Public Works and Transportation	-0-	-0-	-0-	-0-	-0-	-0-	12,692,080	9,908,315	2,783,765
Public Facilities	434,132	357,483	76,649	-0-	-0-	-0-	1,074,064	967,170	106,894
Health and Human Services	-0-	-0-	-0-	-0-	-0-	-0-	1,573,997	1,478,460	95,537
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-	6,611,714	5,926,963	684,751
Total Current Expenditures	<u>\$ 434,132</u>	<u>\$ 357,483</u>	<u>\$ 76,649</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 72,695,310</u>	<u>\$ 70,457,110</u>	<u>\$ 2,238,200</u>
Capital Outlay	-0-	-0-	-0-	-0-	-0-	-0-	23,380,123	6,984,321	16,395,802
Total Expenditures	<u>\$ 434,132</u>	<u>\$ 357,483</u>	<u>\$ 76,649</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 96,075,433</u>	<u>\$ 77,441,431</u>	<u>\$ 18,634,002</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 52,182)</u>	<u>(\$ 43,397)</u>	<u>(\$ 8,785)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(\$ 22,027,121)</u>	<u>(\$ 7,899,231)</u>	<u>(\$ 14,127,890)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 6,703,852	\$ 6,606,275	\$ 97,577
Transfer In (Interfund)	82,902	82,902	-0-	-0-	-0-	-0-	2,593,575	5,562,794	2,969,219
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	58,000	(2,587)	60,587
Transfers Out	-0-	-0-	-0-	-0-	-0-	-0-	(926,815)	(2,078,603)	1,151,788
Transfers Out (Interfund)	-0-	-0-	-0-	-0-	-0-	-0-	(2,453,512)	(5,562,794)	3,109,282
Total Other Financing Sources (Uses)	<u>\$ 82,902</u>	<u>\$ 82,902</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 5,975,100</u>	<u>\$ 4,525,085</u>	<u>\$ 7,388,453</u>
Net Change in Fund Balance	<u>\$ 30,720</u>	<u>\$ 39,505</u>	<u>\$ 8,785</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(\$ 16,052,021)</u>	<u>(\$ 3,374,146)</u>	<u>\$ 12,677,875</u>
Fund Balance - Beginning	-0-	(151,212)	(151,212)	-0-	-0-	-0-	-0-	38,842,353	38,842,353
Fund Balance - Ending	<u>\$ 30,720</u>	<u>(\$ 111,707)</u>	<u>(\$ 142,427)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(\$ 16,052,021)</u>	<u>\$ 35,468,207</u>	<u>\$ 51,520,228</u>

(Continued)

CITY OF SAN ANGELO, TEXAS

Nonmajor Governmental Fund Descriptions

For the Year Ended September 30, 2017

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources that are normally restricted or committed to expenditures for specified purposes.

Community Development Fund – To account for the expenditure of funds received from the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant program.

Intergovernmental Fund – To account for funds received from the various federal and state grants.

HOME Program Fund – To account for funds received from HUD under the housing rehabilitation and assistance program.

Designated Revenue Fund – To account for the expenditure of funds contributed by San Angelo citizens for special purposes.

Tax Increment Reinvestment Zone Fund – To account for expenditure of property taxes on the increments in real property values over the base values established on January 1, 2006, for public improvements in the Zone or payment of debt service on bonds issued for public improvements.

CAPITAL PROJECTS FUND

To account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Sales Tax Project - To account for certificate of obligation proceeds to accomplish projects specified on the ballots in the elections adopting the type B economic development sales tax.

PERMANENT FUNDS

To report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Santa Fe Park Trust Fund – To account for trust principal and related investment income. Net earnings up to 7% can be paid to the City to be used for the upkeep and beautification of the park. Earnings in excess of 7% become part of principal.

Lake Nasworthy Trust Fund – To account for trust principal, consisting of 20% of all lake lot lease income and the proceeds from the sale of lake lots plus 10% of the annual interest income. None of the principal can be expended without the approval of a majority of the voters in an election for such purpose.

CITY OF SAN ANGELO, TEXAS

Combining Balance Sheet - Nonmajor Governmental Funds

As of September 30, 2017

	Special Revenue Funds						Capital Projects Funds	Permanent Funds			Total Nonmajor Governmental Funds
	Community Development	Intergovern- mental	HOME Program	Designated Revenue	Tax Increment Reinv. Zone	Total	Sales Tax Projects	Santa Fe Park Trust	Lake Nasworthy Trust	Total	
ASSETS											
Assets:											
Cash and Cash Equivalents	\$ 171,223	\$ 361,651	\$ 281,015	\$ -0-	\$ -0-	\$ 813,889	\$ 19,231	\$ -0-	\$ -0-	\$ -0-	\$ 833,120
Investments	49	242	-0-	-0-	540,306	540,597	820,342	-0-	-0-	-0-	1,360,939
Receivables:											
Accrued Interest	1,377	906	-0-	2,489	1,327	6,099	(5,663)	-0-	44,849	44,849	45,285
Property Taxes	-0-	-0-	-0-	-0-	304,271	304,271	-0-	-0-	-0-	-0-	304,271
Accounts	252,978	278	187,745	-0-	-0-	441,001	-0-	-0-	-0-	-0-	441,001
Less: Allowance for Uncollectibles	(11,886)	-0-	-0-	-0-	-0-	(11,886)	-0-	-0-	-0-	-0-	(11,886)
Due from Other Governments	21,929	556,198	-0-	-0-	-0-	578,127	-0-	-0-	-0-	-0-	578,127
Restricted Assets:											
Cash and Cash Equivalents	-0-	-0-	-0-	488,352	954,433	1,442,785	-0-	13,925	628,066	641,991	2,084,776
Investments	-0-	-0-	-0-	1,167,501	-0-	1,167,501	-0-	-0-	13,522,003	13,522,003	14,689,504
Total Assets	<u>\$ 435,670</u>	<u>\$ 919,275</u>	<u>\$ 468,760</u>	<u>\$ 1,658,342</u>	<u>\$ 1,800,337</u>	<u>\$ 5,282,384</u>	<u>\$ 833,910</u>	<u>\$ 13,925</u>	<u>\$ 14,194,918</u>	<u>\$ 14,208,843</u>	<u>\$ 20,325,137</u>
DEFERRED OUTFLOWS OF RESOURCES											
Deferred Charges on Refunding	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Deferred Outflows of Resources	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
LIABILITIES											
Liabilities:											
Accounts Payable	\$ 9,526	\$ 22,360	\$ 2,342	\$ 29,771	\$ 125,381	\$ 189,380	\$ 318	\$ -0-	\$ -0-	\$ -0-	\$ 189,698
Due to Other Funds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Deposits	-0-	-0-	1,700	-0-	-0-	1,700	-0-	-0-	-0-	-0-	1,700
Total Liabilities	<u>\$ 9,526</u>	<u>\$ 22,360</u>	<u>\$ 4,042</u>	<u>\$ 29,771</u>	<u>\$ 125,381</u>	<u>\$ 191,080</u>	<u>\$ 318</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 191,398</u>
DEFERRED INFLOWS OF RESOURCES											
Unavailable Revenue - Property Taxes	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Deferred Outflows of Resources	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
FUND BALANCES											
Nonspendable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,000	\$ 14,191,260	\$ 14,201,260	\$ 14,201,260
Restricted	426,144	896,915	464,718	-0-	1,674,956	3,462,733	-0-	3,925	3,658	7,583	3,470,316
Committed	-0-	-0-	-0-	1,628,571	-0-	1,628,571	833,592	-0-	-0-	-0-	2,462,163
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Fund Balances	<u>\$ 426,144</u>	<u>\$ 896,915</u>	<u>\$ 464,718</u>	<u>\$ 1,628,571</u>	<u>\$ 1,674,956</u>	<u>\$ 5,091,304</u>	<u>\$ 833,592</u>	<u>\$ 13,925</u>	<u>\$ 14,194,918</u>	<u>\$ 14,208,843</u>	<u>\$ 20,133,739</u>

CITY OF SAN ANGELO, TEXAS

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds**

For the Year Ended September 30, 2017

	Special Revenue Funds						Capital Projects Funds	Permanent Funds			Total Nonmajor Governmental Funds
	Community Development	Intergovern- mental	HOME Program	Designated Revenue	Tax Increment Reinv. Zone	Total	Sales Tax Projects	Santa Fe Park Trust	Lake Nasworthy Trust	Total	
REVENUES											
Taxes:											
Property	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 742,980	\$ 742,980	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 742,980
Motel	-0-	-0-	-0-	1,976,473	-0-	1,976,473	-0-	-0-	-0-	-0-	1,976,473
Licenses and Permits	-0-	90,006	-0-	-0-	-0-	90,006	-0-	-0-	-0-	-0-	90,006
Intergovernmental	658,556	2,810,484	287,394	-0-	-0-	3,756,434	-0-	-0-	-0-	-0-	3,756,434
Charges for Services	-0-	140,614	-0-	-0-	-0-	140,614	-0-	-0-	35,616	35,616	176,230
Investment Income:											
Interest	61,376	-0-	-0-	8,698	13,105	83,179	9,914	-0-	162,081	162,081	255,174
Change in Fair Value of Investments	-0-	-0-	-0-	6,050	2,788	8,838	4,186	-0-	-0-	-0-	13,024
Miscellaneous:											-0-
Gifts and Contributions	-0-	208,813	-0-	52,475	-0-	261,288	-0-	-0-	-0-	-0-	261,288
Program Income	(1,336)	-0-	3,071	-0-	-0-	1,735	-0-	-0-	-0-	-0-	1,735
Other Miscellaneous	-0-	87,280	85,622	-0-	-0-	172,902	-0-	-0-	(457)	(457)	172,445
Total Revenues	\$ 718,596	\$ 3,337,197	\$ 376,087	\$ 2,043,696	\$ 758,873	\$ 7,234,449	\$ 14,100	\$ -0-	\$ 197,240	\$ 197,240	\$ 7,445,789
EXPENDITURES											
Current:											
Public Safety	\$ -0-	\$ 186,270	\$ -0-	\$ 41,174	\$ -0-	\$ 227,444	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 227,444
Public Works and Transportation	30,256	119,853	-0-	-0-	-0-	150,109	-0-	-0-	-0-	-0-	150,109
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	38,000	1,577,186	-0-	4,343	-0-	1,619,529	-0-	-0-	-0-	-0-	1,619,529
Culture, Parks and Recreation	-0-	-0-	-0-	923,731	-0-	923,731	28,109	-0-	-0-	-0-	951,840
Economic Development	-0-	-0-	-0-	-0-	609,428	609,428	-0-	-0-	-0-	-0-	609,428
Urban Redevelopment and Housing	557,110	-0-	335,652	-0-	-0-	892,762	-0-	-0-	-0-	-0-	892,762
Total Current Expenditures	\$ 625,366	\$ 1,883,309	\$ 335,652	\$ 969,248	\$ 609,428	\$ 4,423,003	\$ 28,109	\$ -0-	\$ -0-	\$ -0-	\$ 4,451,112
Capital Outlay	500	934,002	803	18,242	-0-	953,547	292,246	-0-	-0-	-0-	1,245,793
Debt Service:											
Principal	107,000	-0-	-0-	-0-	-0-	107,000	-0-	-0-	-0-	-0-	107,000
Interest and Fiscal Charges	40,695	-0-	-0-	-0-	-0-	40,695	-0-	-0-	-0-	-0-	40,695
Total Expenditures	\$ 773,561	\$ 2,817,311	\$ 336,455	\$ 987,490	\$ 609,428	\$ 5,524,245	\$ 320,355	\$ -0-	\$ -0-	\$ -0-	\$ 5,844,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 54,965)	\$ 519,886	\$ 39,632	\$ 1,056,206	\$ 149,445	\$ 1,710,204	(\$ 306,255)	\$ -0-	\$ 197,240	\$ 197,240	\$ 1,601,189
OTHER FINANCING SOURCES (USES)											
Transfers In	\$ -0-	\$ 381,179	\$ -0-	\$ 1,396,084	\$ -0-	\$ 1,777,263	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,777,263
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	571,061	571,061	571,061
Proceeds from Long-Term Debt	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	-0- (89,554)	-0- (1,048,707)	-0- (1,048,707)	-0- (1,138,261)	-0- (1,138,261)	-0- (1,138,261)	-0-	-0- (145,873)	-0- (145,873)	-0- (145,873)	(1,284,134)
Total Other Financing Sources (Uses)	\$ -0-	\$ 291,625	\$ -0-	\$ 347,377	\$ -0-	\$ 639,002	\$ -0-	\$ -0-	\$ 425,188	\$ 425,188	\$ 1,064,190
Net Change in Fund Balances	(\$ 54,965)	\$ 811,511	\$ 39,632	\$ 1,403,583	\$ 149,445	\$ 2,349,206	(\$ 306,255)	\$ -0-	\$ 622,428	\$ 622,428	\$ 2,665,379
Fund Balances - Beginning	481,109	85,404	425,086	224,988	1,525,511	2,742,098	1,139,847	13,925	13,572,490	13,586,415	17,468,360
Fund Balances - Ending	\$ 426,144	\$ 896,915	\$ 464,718	\$ 1,628,571	\$ 1,674,956	\$ 5,091,304	\$ 833,592	\$ 13,925	\$ 14,194,918	\$ 14,208,843	\$ 20,133,739

CITY OF SAN ANGELO, TEXAS

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
(Non-GAAP Budgetary Basis) - Nonmajor Governmental Funds**

For the Year Ended September 30, 2017

	Community Development			Intergovernmental Special Revenue Fund			HOME Program		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes:									
Property	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Motel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and Permits	-0-	-0-	-0-	89,000	90,006	1,006	-0-	-0-	-0-
Intergovernmental	748,754	658,556	(90,198)	3,674,662	2,810,484	(864,178)	421,193	287,394	(133,799)
Charges for Services	-0-	-0-	-0-	177,423	140,614	(36,809)	-0-	-0-	-0-
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	61,000	61,376	376	-0-	-0-	-0-	-0-	-0-	-0-
Change in Fair Value of Investments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Miscellaneous:									
Gifts and Contributions	-0-	-0-	-0-	215,542	208,813	(6,729)	-0-	-0-	-0-
Program Income	76,462	(1,336)	(77,798)	-0-	-0-	-0-	113,008	3,071	(109,937)
Other Miscellaneous	-0-	-0-	-0-	90,300	87,280	(3,020)	68,728	85,622	16,894
Total Revenues	<u>\$ 886,216</u>	<u>\$ 718,596</u>	<u>(\$ 167,620)</u>	<u>\$ 4,246,927</u>	<u>\$ 3,337,197</u>	<u>(\$ 909,730)</u>	<u>\$ 602,929</u>	<u>\$ 376,087</u>	<u>(\$ 226,842)</u>
EXPENDITURES									
Current:									
Public Safety	\$ -0-	\$ -0-	\$ -0-	\$ 277,616	\$ 186,270	\$ 91,346	\$ -0-	\$ -0-	\$ -0-
Public Works and Transportation	41,000	30,256	10,744	460,545	119,853	340,692	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	38,000	38,000	-0-	2,247,711	1,577,186	670,525	-0-	-0-	-0-
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Economic Development	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Urban Redevelopment and Housing	587,981	557,110	30,871	-0-	-0-	-0-	549,020	335,652	213,368
Total Current Expenditures	<u>\$ 666,981</u>	<u>\$ 625,366</u>	<u>\$ 41,615</u>	<u>\$ 2,985,872</u>	<u>\$ 1,883,309</u>	<u>\$ 1,102,563</u>	<u>\$ 549,020</u>	<u>\$ 335,652</u>	<u>\$ 213,368</u>
Capital Outlay	500	500	-0-	1,599,878	934,002	665,876	803	803	-0-
Debt Service:									
Principal	147,695	107,000	40,695	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	40,695	(40,695)	-0-	-0-	-0-	-0-	-0-	-0-
Total Debt Service	<u>\$ 147,695</u>	<u>\$ 147,695</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Expenditures	<u>\$ 815,176</u>	<u>\$ 773,561</u>	<u>\$ 41,615</u>	<u>\$ 4,585,750</u>	<u>\$ 2,817,311</u>	<u>\$ 1,768,439</u>	<u>\$ 549,823</u>	<u>\$ 336,455</u>	<u>\$ 213,368</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 71,040</u>	<u>(\$ 54,965)</u>	<u>\$ 126,005</u>	<u>(\$ 338,823)</u>	<u>\$ 519,886</u>	<u>(\$ 858,709)</u>	<u>\$ 53,106</u>	<u>\$ 39,632</u>	<u>\$ 13,474</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ 381,180	\$ 381,179	\$ 1	\$ -0-	\$ -0-	\$ -0-
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	-0-	-0-	-0-	(94,720)	(89,554)	(5,166)	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 286,460</u>	<u>\$ 291,625</u>	<u>(\$ 5,165)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Net Change in Fund Balance	<u>\$ 71,040</u>	<u>(\$ 54,965)</u>	<u>\$ 126,005</u>	<u>(\$ 52,363)</u>	<u>\$ 811,511</u>	<u>(\$ 863,874)</u>	<u>\$ 53,106</u>	<u>\$ 39,632</u>	<u>\$ 13,474</u>
Fund Balance - Beginning	-0-	481,109	(481,109)	-0-	85,404	(85,404)	-0-	425,086	(425,086)
Fund Balance - Ending	<u>\$ 71,040</u>	<u>\$ 426,144</u>	<u>(\$ 355,104)</u>	<u>(\$ 52,363)</u>	<u>\$ 896,915</u>	<u>(\$ 949,278)</u>	<u>\$ 53,106</u>	<u>\$ 464,718</u>	<u>(\$ 411,612)</u>

(Continued)

CITY OF SAN ANGELO, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
(Non-GAAP Budgetary Basis) - Nonmajor Governmental Funds

For the Year Ended September 30, 2017

	Designated Revenue Special Revenue Fund			Tax Increment Reinvestment Zone Special Revenue Fund (TIRZ)			Sales Tax Projects		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES									
Taxes:									
Property	\$ -0-	\$ -0-	\$ -0-	\$ 709,056	\$ 742,980	\$ 33,924	\$ -0-	\$ -0-	\$ -0-
Motel	-0-	1,976,473	1,976,473	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and Permits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Charges for Services	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:									
Interest	2,250	8,698	6,448	4,334	13,105	8,771	-0-	9,914	9,914
Change in Fair Value of Investments	-0-	6,050	6,050	-0-	2,788	2,788	-0-	4,186	4,186
Miscellaneous:									
Gifts and Contributions	50,280	52,475	2,195	-0-	-0-	-0-	-0-	-0-	-0-
Program Income	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other Miscellaneous	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Revenues	<u>\$ 52,530</u>	<u>\$ 2,043,696</u>	<u>\$ 1,991,166</u>	<u>\$ 713,390</u>	<u>\$ 758,873</u>	<u>\$ 45,483</u>	<u>\$ -0-</u>	<u>\$ 14,100</u>	<u>\$ 14,100</u>
EXPENDITURES									
Current:									
Public Safety	\$ 83,105	\$ 41,174	\$ 41,931	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Public Works and Transportation	11,301	-0-	11,301	-0-	-0-	-0-	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	18,966	4,343	14,623	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	992,837	923,731	69,106	-0-	-0-	-0-	-0-	28,109	(28,109)
Economic Development	-0-	-0-	-0-	1,875,211	609,428	1,265,783	-0-	-0-	-0-
Urban Redevelopment and Housing	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Current Expenditures	<u>\$ 1,106,209</u>	<u>\$ 969,248</u>	<u>\$ 136,961</u>	<u>\$ 1,875,211</u>	<u>\$ 609,428</u>	<u>\$ 1,265,783</u>	<u>\$ -0-</u>	<u>\$ 28,109</u>	<u>(\$ 28,109)</u>
Capital Outlay	41,629	18,242	23,387	-0-	-0-	-0-	-0-	292,246	(292,246)
Debt Service:									
Principal	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Debt Service	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Expenditures	<u>\$ 1,147,838</u>	<u>\$ 987,490</u>	<u>\$ 160,348</u>	<u>\$ 1,875,211</u>	<u>\$ 609,428</u>	<u>\$ 1,265,783</u>	<u>\$ -0-</u>	<u>\$ 320,355</u>	<u>(\$ 320,355)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$ 1,095,308)</u>	<u>\$ 1,056,206</u>	<u>(\$ 2,151,514)</u>	<u>(\$ 1,161,821)</u>	<u>\$ 149,445</u>	<u>(\$ 1,311,266)</u>	<u>\$ -0-</u>	<u>(\$ 306,255)</u>	<u>\$ 306,255</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -0-	\$ 1,396,084	(\$ 1,396,084)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers Out	(991,600)	(1,048,707)	57,107	-0-	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>(\$ 991,600)</u>	<u>\$ 347,377</u>	<u>(\$ 1,338,977)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Net Change in Fund Balance	<u>(\$ 2,086,908)</u>	<u>\$ 1,403,583</u>	<u>(\$ 3,490,491)</u>	<u>(\$ 1,161,821)</u>	<u>\$ 149,445</u>	<u>(\$ 1,311,266)</u>	<u>\$ -0-</u>	<u>(\$ 306,255)</u>	<u>\$ 306,255</u>
Fund Balance - Beginning	-0-	224,988	(224,988)	-0-	1,525,511	(1,525,511)	-0-	1,139,847	(1,139,847)
Fund Balance - Ending	<u>(\$ 2,086,908)</u>	<u>\$ 1,628,571</u>	<u>(\$ 3,715,479)</u>	<u>(\$ 1,161,821)</u>	<u>\$ 1,674,956</u>	<u>(\$ 2,836,777)</u>	<u>\$ -0-</u>	<u>\$ 833,592</u>	<u>(\$ 833,592)</u>

(Continued)

CITY OF SAN ANGELO, TEXAS

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
(Non-GAAP Budgetary Basis) - Nonmajor Governmental Funds**

For the Year Ended September 30, 2017

	Sante Fe Park Trust			Lake Nasworthy Trust Permanent Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes:						
Property	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Motel	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and Permits	-0-	-0-	-0-	-0-	-0-	-0-
Intergovernmental	-0-	-0-	-0-	-0-	-0-	-0-
Charges for Services	-0-	-0-	-0-	84,000	35,616	(48,384)
Fines and Forfeits	-0-	-0-	-0-	-0-	-0-	-0-
Investment Income:						
Interest	-0-	-0-	-0-	144,441	162,081	17,640
Change in Fair Value of Investments	-0-	-0-	-0-	-0-	-0-	-0-
Miscellaneous:						
Gifts and Contributions	-0-	-0-	-0-	-0-	-0-	-0-
Program Income	-0-	-0-	-0-	-0-	-0-	-0-
Other Miscellaneous	-0-	-0-	-0-	-0-	(457)	(457)
Total Revenues	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 228,441</u>	<u>\$ 197,240</u>	<u>(\$ 31,201)</u>
EXPENDITURES						
Current:						
Public Safety	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Public Works and Transportation	-0-	-0-	-0-	-0-	-0-	-0-
Public Facilities	-0-	-0-	-0-	-0-	-0-	-0-
Health and Human Services	-0-	-0-	-0-	-0-	-0-	-0-
Culture, Parks and Recreation	-0-	-0-	-0-	-0-	-0-	-0-
Economic Development	-0-	-0-	-0-	-0-	-0-	-0-
Urban Redevelopment and Housing	-0-	-0-	-0-	-0-	-0-	-0-
Total Current Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Capital Outlay	-0-	-0-	-0-	-0-	-0-	-0-
Debt Service:						
Principal	-0-	-0-	-0-	-0-	-0-	-0-
Interest and Fiscal Charges	-0-	-0-	-0-	-0-	-0-	-0-
Total Debt Service	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 228,441</u>	<u>\$ 197,240</u>	<u>\$ 31,201</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Sale of Capital Assets	-0-	-0-	-0-	650,000	571,061	78,939
Transfers Out	-0-	-0-	-0-	(286,797)	(145,873)	(140,924)
Total Other Financing Sources (Uses)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 363,203</u>	<u>\$ 425,188</u>	<u>(\$ 61,985)</u>
Net Change in Fund Balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 591,644</u>	<u>\$ 622,428</u>	<u>(\$ 30,784)</u>
Fund Balance - Beginning	-0-	13,925	(13,925)	-0-	13,572,490	(13,572,490)
Fund Balance - Ending	<u>\$ -0-</u>	<u>\$ 13,925</u>	<u>(\$ 13,925)</u>	<u>\$ 591,644</u>	<u>\$ 14,194,918</u>	<u>(\$ 13,603,274)</u>

CITY OF SAN ANGELO, TEXAS

Major Governmental Capital Projects Fund Description

For the Year Ended September 30, 2017

CAPITAL PROJECTS FUND

To account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital Improvement Fund – To account for the authorized expenditure of the proceeds of certificates of obligation.

CITY OF SAN ANGELO, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Major Governmental Capital Projects Funds

For the Year Ended September 30, 2017

	Capital Improvement Fund		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment Income:			
Interest	\$ 1,623	\$ 132,003	\$ 130,380
Change in Fair Value of Investments	-0-	93,949	93,949
Taxes:			
Property	-0-	-0-	-0-
Other Miscellaneous	-0-	-0-	-0-
Total Revenues	\$ 1,623	\$ 225,952	\$ 224,329
EXPENDITURES			
Current:			
Public Safety	\$ -0-	\$ 43,449	(\$ 43,449)
Total Current Expenditures	\$ -0-	\$ 43,449	(\$ 43,449)
Capital Outlay	22,314,535	4,782,240	17,532,295
Debt Service:			
Principal	-0-	-0-	-0-
Interest and Fiscal Charges	56,365	56,365	-0-
Total Expenditures	\$ 22,370,900	\$ 4,882,054	\$ 17,488,846
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 22,369,277)	(\$ 4,656,102)	\$ 17,713,175
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt	\$ 2,116,365	\$ 2,185,000	(\$ 68,635)
Issuance of Debt Premium	-0-	31,365	(31,365)
Settlement Proceeds	-0-	1,000,000	(1,000,000)
Transfer Out	-0-	(4,498,737)	4,498,737
Total Other Financing Sources (Uses)	\$ 2,116,365	(\$ 1,282,372)	\$ 3,398,737
Net Change in Fund Balance	(\$ 20,252,912)	(\$ 5,938,474)	\$ 14,314,438
 Fund Balance - Beginning	-0-	25,610,851	25,610,851
Fund Balance - Ending	(\$ 20,252,912)	\$ 19,672,377	\$ 39,925,289

CITY OF SAN ANGELO, TEXAS

Major Governmental Debt Service Fund Description

For the Year Ended September 30, 2017

DEBT SERVICE FUND

To record the accumulation of resources for, and the payment of, long-term debt principal and interest not serviced by the proprietary funds.

Debt Service Fund – To account for the accumulation of resources and payment of principal and interest on general obligation bonds and certificates of obligation and sales tax supported certificates of obligations. Resources are provided by an ad valorem tax levy and transfer of type B sales tax proceeds from the Development Corporation.

CITY OF SAN ANGELO, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Major Governmental Debt Service Fund

For the Year Ended September 30, 2017

	Debt Service Fund		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment Income:			
Interest	\$ 12,000	\$ 3,937	(\$ 8,063)
Change in Fair Value of Investments	-0-	11,059	11,059
Taxes:			
Property	4,615,513	4,621,235	5,722
Other Miscellaneous	-0-	3,610,860	3,610,860
Total Revenues	\$ 4,627,513	\$ 8,247,091	\$ 3,619,578
EXPENDITURES			
Current:			
General Government	\$ -0-	\$ -0-	\$ -0-
Total Current Expenditures	\$ -0-	\$ -0-	\$ -0-
Capital Outlay	-0-	-0-	-0-
Debt Service:			
Principal	8,385,000	8,385,000	-0-
Interest and Fiscal Charges	2,415,481	2,405,104	10,377
Total Expenditures	\$ 10,800,481	\$ 10,790,104	\$ 10,377
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$ 6,172,968)	(\$ 2,543,013)	\$ 3,629,955
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt	\$ -0-	\$ -0-	\$ -0-
Transfer In (Out)	200,000	200,000	-0-
Total Other Financing Sources (Uses)	\$ 200,000	\$ 200,000	\$ -0-
Net Change in Fund Balance	(\$ 5,972,968)	(\$ 2,343,013)	\$ 3,629,955
Fund Balance - Beginning	-0-	3,218,102	3,218,102
Fund Balance - Ending	(\$ 5,972,968)	\$ 875,089	\$ 6,848,057

CITY OF SAN ANGELO, TEXAS

Nonmajor Enterprise Fund Description

For the Year Ended September 30, 2017

ENTERPRISE FUNDS

To account for any activity for which a fee is charged to external users for goods or services.

The City operates six enterprise funds. The Water and Sewer enterprise funds are reported as major funds. The remaining enterprise funds are reported as nonmajor and include the following:

Airport Fund – To account for the operation of the airport.

State Office Building Fund – To account for the operation of a building, acquired and renovated, primarily to provide a facility for lease to the State of Texas in order for all state offices to be in one location.

Solid Waste Fund – To account for the City's portion of operating the landfill.

Stormwater Fund – To account for the operation of stormwater treatment and management.

CITY OF SAN ANGELO, TEXAS

Combining Statement of Net Position - Nonmajor Enterprise Funds

As of September 30, 2017

	Airport	State Office Building	Solid Waste	Stormwater	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 55,908	\$ 13,792	\$ 1,656,842	\$ 1,169,088	\$ 2,895,630
Investments	156,661	38,648	4,122,261	2,740,805	7,058,375
Receivables:					
Accrued Interest	2,782	82	21,671	9,853	34,388
Accounts	145,361	81,884	1,547,960	470,029	2,245,234
Less: Allowance for Uncollectibles	-0-	-0-	-0-	(80,064)	(80,064)
Restricted Assets:					
Cash and Cash Equivalents	921,208	-0-	-0-	-0-	921,208
Investments	698,312	-0-	-0-	-0-	698,312
Closure and Post-Closure Trust Fund	-0-	-0-	5,345,672	-0-	5,345,672
Total Current Assets	\$ 1,980,232	\$ 134,406	\$ 12,694,406	\$ 4,309,711	\$ 19,118,755
Noncurrent Assets:					
Capital Assets:					
Land	\$ 1,568,591	\$ 275,412	\$ 480,310	\$ 59,869	\$ 2,384,182
Buildings	15,692,780	6,051,542	-0-	145,607	21,889,929
Improvements Other Than Buildings	17,307,536	467,576	-0-	431,089	18,206,201
Infrastructure	19,207,178	-0-	-0-	-0-	19,207,178
Machinery and Equipment	1,226,446	19,589	1,214,880	2,696,328	5,157,243
Construction in Progress	9,144,076	-0-	-0-	-0-	9,144,076
Less: Accumulated Depreciation	(40,268,558)	(3,833,228)	(1,201,086)	(1,233,138)	(46,536,010)
Net Capital Assets	\$ 23,878,049	\$ 2,980,891	\$ 494,104	\$ 2,099,755	\$ 29,452,799
Total Noncurrent Assets	\$ 23,878,049	\$ 2,980,891	\$ 494,104	\$ 2,099,755	\$ 29,452,799
Total Assets	\$ 25,858,281	\$ 3,115,297	\$ 13,188,510	\$ 6,409,466	\$ 48,571,554
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amounts Related to Pensions	\$ 196,069	\$ 42,548	\$ 109,429	\$ 337,622	\$ 685,668
Total Deferred Outflows of Resources	\$ 196,069	\$ 42,548	\$ 109,429	\$ 337,622	\$ 685,668
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 66,357	\$ 21,565	\$ 599,009	\$ 4,624	\$ 691,555
Accrued Interest Payable	-0-	4,586	1,031	-0-	5,617
Due to Other Funds	1,367,721	627,668	-0-	-0-	1,995,389
Non Current Liabilities Due Within One Year	43,604	146,640	-0-	5,477	195,721
Total Current Liabilities	\$ 1,477,682	\$ 800,459	\$ 600,040	10,101	\$ 2,888,282
Noncurrent Liabilities:					
Net Pension Liability	\$ 650,911	\$ 125,870	\$ 223,583	\$ 1,098,266	\$ 2,098,630
Unfunded OPEB Obligation	194,217	-0-	-0-	128,261	322,478
Non Current Liabilities Due After One Year	352,225	611,074	4,207,842	182,634	5,353,775
Total Noncurrent Liabilities	\$ 1,197,353	\$ 736,944	\$ 4,431,425	\$ 1,409,161	\$ 7,774,883
Total Liabilities	\$ 2,675,035	\$ 1,537,403	\$ 5,031,465	\$ 1,419,262	\$ 10,663,165
DEFERRED INFLOWS OF RESOURCES					
Deferred Amounts Related to Pensions	\$ 10,477	\$ 2,541	\$ 1,452	\$ 26,824	\$ 41,294
Total Deferred Inflows of Resources	\$ 10,477	\$ 2,541	\$ 1,452	\$ 26,824	\$ 41,294
NET POSITION					
Net Investment in Capital Assets	\$ 23,878,049	\$ 2,261,606	\$ 606,812	\$ 2,099,755	\$ 28,846,222
Restricted	-0-	-0-	-0-	-0-	-0-
Unrestricted	(509,211)	(643,705)	7,658,210	3,201,247	9,706,541
Total Net Position	\$ 23,368,838	\$ 1,617,901	\$ 8,265,022	\$ 5,301,002	\$ 38,552,763

CITY OF SAN ANGELO, TEXAS

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position -
Nonmajor Enterprise Funds**

For the Year Ended September 30, 2017

	Airport	State Office Building	Solid Waste	Stormwater	Total
OPERATING REVENUES					
Charges for Sales and Services:					
Pledged for Payment of Revenue Bonds:					
Stormwater Fee	\$ -0-	\$ -0-	\$ -0-	\$ 2,556,864	\$ 2,556,864
Solid Waste Service	-0-	-0-	1,864,760	-0-	1,864,760
Rents, Leases and Fees	-0-	1,232,054	-0-	-0-	1,232,054
Other	45,995	-0-	-0-	-0-	45,995
Unpledged:					
Rents, Leases, and Fees	1,482,746	-0-	-0-	-0-	1,482,746
Other	27,204	-0-	198,808	7,339	233,351
Total Operating Revenues	\$ 1,555,945	\$ 1,232,054	\$ 2,063,568	\$ 2,564,203	\$ 7,415,770
OPERATING EXPENSES					
Cost of Sales and Services	\$ 1,768,185	\$ 759,214	\$ 647,204	\$ 1,527,433	\$ 4,702,036
Administrative	-0-	5,924	169,455	-0-	175,379
Depreciation	2,515,189	235,702	113,740	244,951	3,109,582
Total Operating Expenses	\$ 4,283,374	\$ 1,000,840	\$ 930,399	\$ 1,772,384	\$ 7,986,997
Operating Income (Loss)	(\$ 2,727,429)	\$ 231,214	\$ 1,133,169	\$ 791,819	(\$ 571,227)
NON-OPERATING REVENUES (EXPENSES)					
Investment Income:					
Interest	\$ 10,855	\$ 499	\$ 38,115	\$ 28,315	\$ 77,784
Gain (Loss) on Sale of Capital Assets	-0-	-0-	-0-	(14,505)	(14,505)
Change in Fair Value of Investments	4,421	199	21,364	14,189	40,173
Interest Expense and Fiscal Agent Fees	-0-	(31,140)	-0-	-0-	(31,140)
Total Non-Operating Revenues (Expenses)	\$ 15,276	(\$ 30,442)	\$ 59,479	\$ 27,999	\$ 72,312
Income (Loss) Before Contributions and Transfers	(\$ 2,712,153)	\$ 200,772	\$ 1,192,648	\$ 819,818	(\$ 498,915)
Contributions:					
Federal Grants	\$ 970,516	\$ -0-	\$ -0-	\$ -0-	\$ 970,516
Total Contributions	\$ 970,516	\$ -0-	\$ -0-	\$ -0-	\$ 970,516
Transfers In (Out)	(79,829)	-0-	375,624	(116,710)	179,085
Total Contributions and Transfers	\$ 890,687	\$ -0-	\$ 375,624	(\$ 116,710)	\$ 1,149,601
Change in Net Position	(\$ 1,821,466)	\$ 200,772	\$ 1,568,272	\$ 703,108	\$ 650,686
Net Position - Beginning	25,190,304	1,417,129	6,696,750	4,597,894	37,902,077
Net Position - Ending	\$ 23,368,838	\$ 1,617,901	\$ 8,265,022	\$ 5,301,002	\$ 38,552,763

CITY OF SAN ANGELO, TEXAS

Combining Statement of Cash Flows - Nonmajor Enterprise Funds

For the Year Ended September 30, 2017

	Airport	State Office Building	Solid Waste	Stormwater	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 1,511,740	\$ 1,172,383	\$ 860,407	\$ 2,523,784	\$ 6,068,314
Cash Paid to Suppliers for Goods and Services	(1,518,281)	(647,302)	(627,577)	(267,906)	(\$ 3,061,066)
Cash Paid for Employee Services and Benefits	(693,642)	(125,198)	(215,589)	(1,181,852)	(2,216,281)
Interfund Receipts/Payments	217,508	-0-	-0-	-0-	217,508
Net Cash Provided (Used) by Operating Activities	(\$ 482,675)	\$ 399,883	\$ 17,241	\$ 1,074,026	\$ 1,008,475
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	\$ -0-	\$ -0-	\$ 630,624	\$ 95,000	\$ 725,624
Transfers Out	(79,829)	-0-	(255,000)	(211,710)	(546,539)
Short-term Interfund Loans Received	-0-	114,057	-0-	-0-	114,057
Short-term Interfund Loans Paid	-0-	-0-	-0-	-0-	-0-
Net Cash Provided (Used) by Noncapital Financing Activities	(\$ 79,829)	\$ 114,057	\$ 375,624	(\$ 116,710)	\$ 293,142
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(\$ 58,617)	\$ -0-	\$ -0-	(\$ 854,857)	(\$ 913,474)
Proceeds from Sale of Assets	-0-	-0-	-0-	-0-	-0-
Capital Contributions Received	970,516	-0-	-0-	-0-	970,516
Contractual Revenue	-0-	-0-	-0-	-0-	-0-
Principal Paid on Debt	(44,235)	(477,670)	-0-	-0-	(521,905)
Interest Paid on Debt	-0-	(36,685)	-0-	-0-	(36,685)
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ 867,664	(\$ 514,355)	\$ -0-	(\$ 854,857)	(\$ 501,548)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments	(\$ 32,380)	(\$ 1,485)	(\$ 153,736)	(\$ 102,975)	(\$ 290,576)
Interest Received on Investments	10,616	415	37,203	26,461	74,695
Net Cash Provided (Used) by Investing Activities	(\$ 21,764)	(\$ 1,070)	(\$ 116,533)	(\$ 76,514)	(\$ 215,881)
Net Increase (Decrease) in Cash	\$ 283,396	(\$ 1,485)	\$ 276,332	\$ 25,945	\$ 584,188
Cash - Beginning	693,720	15,277	1,380,510	1,143,143	3,232,650
Cash - Ending	\$ 977,116	\$ 13,792	\$ 1,656,842	\$ 1,169,088	\$ 3,816,838
CASH ON STATEMENT OF NET POSITION					
Current Assets	\$ 55,908	\$ 13,792	\$ 1,656,842	\$ 1,169,088	\$ 2,895,630
Restricted Assets	921,208	-0-	-0-	-0-	921,208
Total	\$ 977,116	\$ 13,792	\$ 1,656,842	\$ 1,169,088	\$ 3,816,838
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	(\$ 2,727,429)	\$ 231,214	\$ 1,133,169	\$ 791,819	(\$ 571,227)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation	2,515,189	235,702	113,740	244,951	3,109,582
(Increase) Decrease in:					
Accounts Receivable	-0-	(59,671)	(995,919)	(40,419)	(1,096,009)
Other Receivable	(44,205)	-0-	(207,242)	-0-	(251,447)
Deferred Outflows	38,292	-0-	-0-	-0-	38,292
Increase (Decrease) in:					
Accounts Payable	(516,390)	(17,134)	(239,291)	(31,317)	(804,132)
Due To Other Funds	217,508	-0-	-0-	-0-	217,508
Due To Component Unit	1,224	-0-	-0-	-0-	1,224
Compensated Absences	17,985	1,659	18,095	19,352	57,091
Pension Liability	13,158	8,113	34,315	73,283	128,869
OPEB Obligation	10,032	-0-	-0-	16,357	26,389
Deferred Inflows	(8,039)	-0-	-0-	-0-	(8,039)
Landfill Postclosure Liability	-0-	-0-	160,374	-0-	160,374
Net Cash Provided (Used) by Operating Activities	(\$ 482,675)	\$ 399,883	\$ 17,241	\$ 1,074,026	\$ 1,008,475
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Loss on Disposal of Capital Assets	\$ -0-	\$ -0-	\$ -0-	(\$ 14,505)	(\$ 14,505)
Amortization of Premiums and Discounts	\$ -0-	(\$ 5,545)	\$ -0-	\$ -0-	(\$ 5,545)
Change in Fair Value of Investments	\$ 4,421	\$ 199	\$ 21,364	\$ 14,189	\$ 40,173

CITY OF SAN ANGELO, TEXAS

Internal Service Fund Descriptions

For the Year Ended September 30, 2017

INTERNAL SERVICE FUNDS

To report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units on a cost-reimbursement basis.

Vehicle Maintenance Fund – To account for fuel, oil, and the maintenance and upkeep on City and school district vehicles.

Employee/Retiree Health Fund – To account for health insurance claims and the cost of medical treatment of employees, retirees, and their dependents.

Property and Casualty Insurance Fund – To account for general and automobile liability and property damage coverage for City property and vehicles.

Workers Compensation Insurance Fund – To account for workers compensation coverage for City employees.

Communications Fund – To account for the operations of the City's radio communications system.

CITY OF SAN ANGELO, TEXAS

Combining Statement of Net Position - Internal Service Funds

As of September 30, 2017

	Vehicle Maintenance	Employee/ Retiree Health	Property and Casualty Insurance	Workers' Compensation Insurance	Communications	Total
ASSETS AND DEFERRED OUTFLOWS						
Assets:						
Current Assets:						
Cash and Cash Equivalents	\$ 698,441	\$ 92,515	\$ 248,805	\$ 548,421	\$ 58	\$ 1,588,240
Investments	79,708	5,821	1,334,076	1,111,972	162	2,531,739
Receivables:						
Accrued Interest	1,559	-0-	-0-	-0-	1,605	3,164
Accounts	65,554	221,540	-0-	-0-	-0-	287,094
Less: Allowance for Uncollectibles	-0- (	116,890)	-0-	-0-	-0- (	116,890)
Due from Other Funds	-0-	-0-	-0-	-0-	-0-	-0-
Inventories	43,835	-0-	-0-	-0-	1,559	45,394
Total Current Assets	\$ 889,097	\$ 202,986	\$ 1,582,881	\$ 1,660,393	\$ 3,384	\$ 4,338,741
Noncurrent Assets						
Capital Assets:						
Buildings	\$ 390,269	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 390,269
Improvements Other Than Buildings	66,093	-0-	-0-	-0-	5,237,312	5,303,405
Machinery and Equipment	1,671,824	-0-	-0-	1,278	8,158,118	9,831,220
Construction in Progress	-0-	-0-	-0-	-0-	-0-	-0-
Less: Accumulated Depreciation	(2,016,506)	-0-	-0- (	1,278)	(6,191,696)	(8,209,480)
Total Noncurrent Assets	\$ 111,680	\$ -0-	\$ -0-	\$ -0-	\$ 7,203,734	\$ 7,315,414
Total Assets	\$ 1,000,777	\$ 202,986	\$ 1,582,881	\$ 1,660,393	\$ 7,207,118	\$ 11,654,155
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amounts Related to Pensions	\$ 263,432	\$ 33,986	\$ -0-	\$ 137,236	\$ 54,486	\$ 489,140
Total Deferred Outflows of Resources	\$ 263,432	\$ 33,986	\$ -0-	\$ 137,236	\$ 54,486	\$ 489,140
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 138,710	\$ 48,521	\$ 28,700	\$ 10,426	\$ 134,093	\$ 360,450
Due to Other Funds	-0-	-0-	-0-	-0-	49,613	49,613
Noncurrent Liabilities Due Within One Year	3,061	79,928	224,268	960,985	-0-	1,268,242
Total Current Liabilities	\$ 141,771	\$ 128,449	\$ 252,968	\$ 971,411	\$ 183,706	\$ 1,678,305
Noncurrent Liabilities Due After One Year						
Unfunded OPEB Obligation	123,937	20,708	589,337	1,480,078	48,274	2,262,334
Net Pension Obligation	493,798	94,905	-0-	157,060	-0-	745,763
Net Pension Obligation	814,755	111,075	-0-	349,228	169,663	1,444,721
Total Liabilities	\$ 1,574,261	\$ 355,137	\$ 842,305	\$ 2,957,777	\$ 401,643	\$ 6,131,123
DEFERRED INFLOWS OF RESOURCES						
Deferred Amounts Related to Pensions	\$ 5,293	\$ 3,904	\$ -0-	\$ 25,569	\$ 31,440	\$ 66,206
Total Deferred Inflows of Resources	\$ 5,293	\$ 3,904	\$ -0-	\$ 25,569	\$ 31,440	\$ 66,206
NET POSITION						
Net Investment in Capital Assets	\$ 111,680	\$ -0-	\$ -0-	\$ -0-	\$ 7,203,734	\$ 7,315,414
Unrestricted	(427,025)	(122,069)	740,576	(1,185,717)	(375,212)	(1,369,447)
Total Net Position	(\$ 315,345)	(\$ 122,069)	\$ 740,576	(\$ 1,185,717)	\$ 6,828,522	\$ 5,945,967

CITY OF SAN ANGELO, TEXAS

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position -
Internal Service Funds**

For the Year Ended September 30, 2017

	Vehicle Maintenance	Employee/ Retiree Health	Property and Casualty Insurance	Workers' Compensation Insurance	Communications	Total
OPERATING REVENUES						
Charges for Sales and Services:						
Sales and Service	\$ 3,726,770	\$ 8,225,479	\$ 836,353	\$ 1,350,410	\$ 638,288	\$ 14,777,300
Other	124,312	540,496	-0-	-0-	166,844	831,652
Total Operating Revenues	<u>\$ 3,851,082</u>	<u>\$ 8,765,975</u>	<u>\$ 836,353</u>	<u>\$ 1,350,410</u>	<u>\$ 805,132</u>	<u>\$ 15,608,952</u>
OPERATING EXPENSES						
Cost of Sales and Services:						
Administrative	\$ 3,858,842	\$ 7,555,056	\$ 1,063,421	\$ 1,395,387	\$ 685,630	\$ 14,558,336
Depreciation	47,593	-0-	-0-	-0-	3,201,443	3,249,036
Total Operating Expenses	<u>\$ 3,906,435</u>	<u>\$ 7,555,056</u>	<u>\$ 1,063,421</u>	<u>\$ 1,395,387</u>	<u>\$ 3,887,073</u>	<u>\$ 17,807,372</u>
Operating Income (Loss)	<u>(\$ 55,353)</u>	<u>\$ 1,210,919</u>	<u>(\$ 227,068)</u>	<u>(\$ 44,977)</u>	<u>(\$ 3,081,941)</u>	<u>(\$ 2,198,420)</u>
NONOPERATING REVENUES (EXPENSES)						
Investment Income:						
Interest	\$ 511	\$ 189	\$ 12,253	\$ 2,407	\$ 2,407	\$ 17,767
Change in Fair Value of Investments	411	2	6,883	5,737	-0-	13,033
Gain (Loss) on Sale of Capital Assets	-0-	-0-	-0-	-0-	-0-	-0-
Total Nonoperating Revenues (Expenses)	<u>\$ 922</u>	<u>\$ 191</u>	<u>\$ 19,136</u>	<u>\$ 8,144</u>	<u>\$ 2,407</u>	<u>\$ 30,800</u>
Income (Loss) Before Contributions, Special Items, and Transfers	<u>(\$ 54,431)</u>	<u>\$ 1,211,110</u>	<u>(\$ 207,932)</u>	<u>(\$ 36,833)</u>	<u>(\$ 3,079,534)</u>	<u>(\$ 2,167,620)</u>
CONTRIBUTIONS AND TRANSFERS						
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 4,498,737	\$ 4,498,737
Transfers Out	-0-	-0-	-0-	-0-	-0-	-0-
Total Contributions and Transfers	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 4,498,737</u>	<u>\$ 4,498,737</u>
Change in Net Position	<u>(\$ 54,431)</u>	<u>\$ 1,211,110</u>	<u>(\$ 207,932)</u>	<u>(\$ 36,833)</u>	<u>\$ 1,419,203</u>	<u>\$ 2,331,117</u>
Net Position - Beginning	(260,914)	(1,333,179)	948,508	(1,148,884)	5,409,318	3,614,849
Net Position - Ending	<u>(\$ 315,345)</u>	<u>(\$ 122,069)</u>	<u>\$ 740,576</u>	<u>(\$ 1,185,717)</u>	<u>\$ 6,828,521</u>	<u>\$ 5,945,966</u>

CITY OF SAN ANGELO, TEXAS

Combining Statement of Cash Flows -
Internal Service Funds

For the Year Ended September 30, 2017

	Vehicle Maintenance	Employee/ Retiree Health	Property & Casualty Insurance	Workers' Compensation Insurance	Communications	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	\$ 3,858,862	\$ 8,661,325	\$ -0-	\$ -0-	\$ 805,132	\$ 13,325,319
Cash Received from Reinsurance	-0-	-0-	836,353	1,350,410	-0-	2,186,763
Cash Paid to Suppliers for Goods and Services	(2,877,817)	(1,098,457)	(943,845)	(72,286)	(507,667)	(5,500,072)
Cash Paid for Insurance Claims and Premiums	-0-	(7,331,938)	-0-	(1,161,078)	-0-	(8,493,016)
Cash Paid for Employee Services and Benefits	(892,539)	(45,660)	(140,431)	(189,879)	(77,462)	(1,345,971)
Net Cash Provided (Used) by Operating Activities	\$ 88,506	\$ 185,270	(\$ 247,923)	(\$ 72,833)	\$ 220,003	\$ 173,023
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers In	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 4,498,737	\$ 4,498,737
Short-Term Interfund Loans Received	-0-	(93,078)	-0-	8	-0-	(93,070)
Short-Term Interfund Loans Paid	-0-	-0-	-0-	-0-	(4,649,557)	(4,649,557)
Net Cash Provided (Used) by Non-Capital Financing Activities	\$ -0-	(\$ 93,078)	\$ -0-	\$ 8	(\$ 150,820)	(\$ 243,890)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of Capital Assets	(\$ 76,323)	\$ -0-	\$ -0-	\$ -0-	(\$ 71,189)	(\$ 147,512)
Capital Grants Received	-0-	-0-	-0-	-0-	-0-	-0-
Proceeds from Sale of Assets	-0-	-0-	-0-	-0-	-0-	-0-
Net Cash Provided (Used) by Capital and Related Financing Activities	(\$ 76,323)	\$ -0-	\$ -0-	\$ -0-	(\$ 71,189)	(\$ 147,512)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Investments	(\$ 3,062)	(\$ 1,604)	(\$ 51,243)	(\$ 42,712)	(\$ 7)	(\$ 98,628)
Interest Received on Investments	1,568	190	12,253	2,613	2,007	18,631
Net Cash Provided (Used) by Investing Activities	(\$ 1,494)	(\$ 1,414)	(\$ 38,990)	(\$ 40,099)	\$ 2,000	(\$ 79,997)
Net Increase (Decrease) in Cash	\$ 10,689	\$ 90,778	(\$ 286,913)	(\$ 112,924)	(\$ 6)	(\$ 298,376)
Cash - Beginning	687,752	1,737	535,718	661,345	64	1,886,616
Cash - Ending	\$ 698,441	\$ 92,515	\$ 248,805	\$ 548,421	\$ 58	\$ 1,588,240
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	(\$ 55,353)	\$ 1,210,919	(\$ 227,068)	(\$ 44,977)	(\$ 3,081,941)	(\$ 2,198,420)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation	47,593	-0-	-0-	-0-	3,201,443	3,249,036
(Increase) Decrease in Accounts Receivable	7,780	(104,650)	-0-	-0-	-0-	(96,870)
(Increase) Decrease in Inventories	7,252	-0-	-0-	-0-	213	7,465
(Increase) Decrease in Deferred Outflows	44,908	7,793	-0-	(32,808)	24,683	44,576
Increase (Decrease) in Accounts Payable	(8,813)	(11,897)	15,693	(29,527)	92,567	58,023
Increase (Decrease) in Insurance Claims Payable	-0-	(927,096)	(74,405)	(8,146)	-0-	(1,009,647)
Increase (Decrease) in OPEB Obligation	22,791	8,178	-0-	4,795	-0-	35,764
Increase (Decrease) in Net Pension Liability	19,724	(2,616)	-0-	65,055	(45,775)	36,388
Increase (Decrease) in Compensated Absences	9,443	3,338	37,857	(17,656)	7,154	40,136
Increase (Decrease) in Deferred Inflows	(6,819)	1,301	-0-	(9,569)	21,659	6,572
Net Cash Provided (Used) by Operating Activities	\$ 88,506	\$ 185,270	(\$ 247,923)	(\$ 72,833)	\$ 220,003	\$ 173,023
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Gain on Disposal of Capital Assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Loss on Disposal of Capital Assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Amortization of Premiums and Discounts	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Change in Fair Value of Investments	\$ 411	\$ 2	\$ 6,883	\$ 5,737	\$ -0-	\$ 13,033

CITY OF SAN ANGELO, TEXAS

Agency Funds Description

For the Year Ended September 30, 2017

FIDUCIARY FUNDS

To report assets held in a trust or agency capacity for others and, therefore, cannot be used to support the government's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CJC Agency Fund – To account for fines and fees collected on behalf of the State of Texas.

CITY OF SAN ANGELO, TEXAS

Statement of Changes in Assets and Liabilities -
CJC Agency Fund

For the Year Ended September 30, 2017

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash	\$ 324,689	\$ 1,380,853	\$ 1,400,725	\$ 304,817
Total Assets	<u>\$ 324,689</u>	<u>\$ 1,380,853</u>	<u>\$ 1,400,725</u>	<u>\$ 304,817</u>
LIABILITIES				
Accounts Payable	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Due to Other Governments	324,689	1,379,884	1,399,756	304,817
Total Liabilities	<u>\$ 324,689</u>	<u>\$ 1,379,884</u>	<u>\$ 1,399,756</u>	<u>\$ 304,817</u>

CITY OF SAN ANGELO, TEXAS

Discretely Presented Component Unit Description

For the Year Ended September 30, 2017

DISCRETELY PRESENTED COMPONENT UNIT

Additional information for the discretely presented component unit referred to in the notes to the financial statements is provided:

Development Corporation - To administer funds received under the type B City sales tax for economic development.

CITY OF SAN ANGELO, TEXAS

Combining Balance Sheet -
Discretely Presented Component Unit

As of September 30, 2017

	Development Corporation
ASSETS	
Assets:	
Cash and Cash Equivalents	\$ 2,499,067
Investments	15,967,437
Accounts Receivable	20,650
Due from Other Governments	1,536,366
Advances to Other Funds	230,583
Prepays	29,633
Total Assets	<u>\$ 20,283,736</u>
LIABILITIES	
Accounts Payable	\$ 4,711,281
Total Liabilities	<u>\$ 4,711,281</u>
FUND BALANCES	
Nonspendable	\$ 29,633
Restricted	15,542,822
Committed	-0-
Assigned	-0-
Unassigned	-0-
Total Fund Balances	<u>\$ 15,572,455</u>
Total Liabilities and Fund Balances	<u>\$ 20,283,736</u>

**RECONCILIATION OF THE COMPONENT UNIT'S BALANCE SHEETS TO THE
STATEMENT OF NET POSITION**

Fund Balances - Component Units	\$ 15,572,455
Capital assets used in component units are not financial resources, and therefore, are not reported in the balance sheets. The net effect - increases (decrease) in net position - of including capital assets are:	
Beginning of the Year Cost	3,197,868
Beginning of the Year Accumulated Depreciation	(559,720)
Current Year Depreciation	(100,250)
Capital Asset Disposal	(314,190)
Net Position of Component Units	<u>\$ 17,796,163</u>

CITY OF SAN ANGELO, TEXAS

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Discretely Presented Component Unit**

For the Year Ended September 30, 2017

	Development Corporation
REVENUES	
Taxes:	
Sales	\$ 8,390,902
Charges for Services	1,254,220
Investment Income - Interest	86,432
Total Revenues	<u>\$ 9,731,554</u>
EXPENDITURES	
Operating Expenditures	\$ 9,710,146
(Gain) or Loss on Sale of Capital Assets	(1,816,169)
Total Expenditures	<u>\$ 7,893,977</u>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<u>\$ 1,837,577</u>
Net Change in Fund Balances	\$ 1,837,577
Fund Balances - Beginning	13,918,183
Restatement of Beginning Fund Balance	(183,305)
Fund Balances - Ending	<u><u>\$ 15,572,455</u></u>

**RECONCILIATION OF THE COMPONENT UNIT'S STATEMENT OF REVENUES, TO
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF
ACTIVITIES**

Total Net Change in Fund Balances - Component Units	\$ 1,837,577
Depreciation does not require the use of current financial resources, and therefore, is not reported as an expenditure. The current year's depreciation decreases Net Position.	(100,248)
Capital Asset Disposal	<u>(314,190)</u>
Change in Net Position of Component Units	<u><u>\$ 1,423,139</u></u>

CITY OF SAN ANGELO, TEXAS

Statistical Section Narrative

For the Year Ended September 30, 2017

STATISTICAL SECTION

This part of the City of San Angelo'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.

Such statistical information includes:

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

Revenue Capacity – These schedules contain information to help the reader assess the City's most significant local revenue sources, gas, and sales tax revenues.

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

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information – 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.

STATISTICAL SECTION
(UNAUDITED - for Analytical Purposes Only)

This part of City of San Angelo'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.

TABLE	CONTENTS
	Financial Trends
	<i>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>
	Entity-wide information:
1	Net assets by component, last ten fiscal years
2	Changes in net assets, last ten fiscal years
	Governmental Funds Information:
3	Fund balances, last ten fiscal years
4	Changes in fund balances, last ten fiscal years
	Revenue Capacity
	<i>These tables contain information to help the reader assess the City's most significant local revenue source, the property tax. Also included is some additional information on sales tax revenue.</i>
5	Assessed value and actual value of taxable property, last ten fiscal years
6	Direct and overlapping property tax rates, last ten fiscal years
7	Principal property taxpayers, current year and nine years ago
8	Property tax levies and collections, last ten fiscal years
9	Direct and overlapping sales tax rates, last ten fiscal years
10	Sales tax revenue by industry, last ten fiscal years
	Debt Capacity
	<i>These tables 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.</i>
11	Ratios of outstanding debt by type, last ten fiscal years
12	Ratios of net general bonded debt outstanding, last ten fiscal years
13	Direct and overlapping governmental activities debt
14	Pledged revenue coverage, last ten fiscal years
	Demographic and Economic Information
	<i>These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.</i>
15	Demographic and economic statistics, last ten calendar years
16	Principal employers, current year and nine years ago
	Operating Information
	<i>These tables contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and activities it performs.</i>
17	Full-time equivalent city employees by department, last ten fiscal years
18	Operating indicators, last ten fiscal years
19	Capital asset statistics, last ten fiscal years

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

CITY OF SAN ANGELO
NET ASSETS BY COMPONENT,
LAST TEN FISCAL YEARS
(UNAUDITED - accrual basis of accounting)

	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 40,735,612	\$ 47,251,737	\$ 22,683,705	\$ 36,872,153	\$ 37,922,031	\$ 27,779,895	\$ 33,286,143	\$ 28,137,141	\$ 29,944,984	\$ 30,724,967
Restricted	16,874,203	34,668,116	16,248,477	11,346,760	11,346,760	21,358,553	24,796,775	24,383,653	20,074,040	19,037,199
Unrestricted	(44,678,753)	(63,955,519)	(16,545,241)	18,705,893	1,809,832	11,860,302	12,762	(4,917,254)	8,244,853	6,957,095
Total Governmental Activities Net Assets	<u>\$ 12,931,062</u>	<u>\$ 17,964,334</u>	<u>\$ 22,386,941</u>	<u>\$ 66,924,806</u>	<u>\$ 51,078,623</u>	<u>\$ 60,998,750</u>	<u>\$ 58,095,680</u>	<u>\$ 47,603,540</u>	<u>\$ 58,263,877</u>	<u>\$ 56,719,261</u>
Business-Type Activities:										
Invested in capital assets, net of related debt	\$ 190,198,520	\$ 168,098,952	\$ 161,562,185	\$ 137,816,767	\$ 59,580,126	\$ 111,718,102	\$ 133,918,235	\$ 135,862,187	\$ 74,764,222	\$ 92,803,487
Restricted	34,722,814	25,759,916	59,362,529	23,471,674	23,485,718	57,337,080	9,934,203	7,845,711	10,566,326	13,865,935
Unrestricted	(6,224,795)	9,725,257	(28,886,311)	25,651,846	91,981,182	(4,216,773)	13,994,167	10,016,280	59,078,105	31,563,088
Total Business-Type Activities Net Assets	<u>\$ 218,696,539</u>	<u>\$ 203,584,125</u>	<u>\$ 192,038,403</u>	<u>\$ 186,940,287</u>	<u>\$ 175,047,026</u>	<u>\$ 164,838,409</u>	<u>\$ 157,846,605</u>	<u>\$ 153,724,178</u>	<u>\$ 144,408,653</u>	<u>\$ 138,232,510</u>
Primary Government:										
Invested in capital assets, net of related debt	\$ 230,934,132	\$ 215,350,689	\$ 184,245,890	\$ 174,688,920	\$ 97,502,157	\$ 139,497,997	\$ 167,204,378	\$ 163,999,328	\$ 104,709,206	\$ 123,528,454
Restricted	51,597,017	60,428,032	75,611,006	34,818,434	34,832,478	78,695,633	34,730,978	32,229,364	30,640,366	32,903,134
Unrestricted	(50,903,548)	(54,230,262)	(45,431,552)	44,357,739	93,791,014	7,643,529	14,006,929	5,099,026	67,322,958	38,520,183
Total Primary Government Net Assets	<u>\$ 231,627,601</u>	<u>\$ 221,548,459</u>	<u>\$ 214,425,344</u>	<u>\$ 253,865,093</u>	<u>\$ 226,125,649</u>	<u>\$ 225,837,159</u>	<u>\$ 215,942,285</u>	<u>\$ 201,327,718</u>	<u>\$ 202,672,530</u>	<u>\$ 194,951,771</u>

CITY OF SAN ANGELO
CHANGES IN NET ASSETS,
LAST TEN FISCAL YEARS
(UNAUDITED - accrual basis of accounting)

	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Expenses										
Governmental Activities:										
General Government	\$ 11,617,429	\$ 15,503,820	\$ 14,693,548	\$ 9,351,776	\$ 12,180,551	\$ 10,863,197	\$ 10,965,462	\$ 7,619,436	\$ 6,646,545	\$ 7,373,754
Public Safety	53,883,378	45,843,672	40,093,771	37,912,268	36,925,673	36,379,803	33,867,601	37,296,403	33,647,466	30,224,043
Public Works and Transportation	10,088,428	12,554,602	10,151,004	7,271,354	9,379,877	8,123,640	7,863,396	10,034,118	11,465,247	10,379,312
Public Facilities	3,571,629	3,790,497	2,742,085	2,574,982	2,616,279	2,468,554	2,261,854	4,315,945	3,451,101	3,135,275
Health and Human Services	3,455,935	3,697,454	3,222,433	2,989,869	3,033,911	3,288,315	4,112,967	4,202,814	3,811,667	4,289,756
Culture Parks and Recreation	10,941,795	8,076,896	7,147,927	6,513,566	7,619,225	5,999,809	4,534,751	6,016,419	5,495,089	4,738,321
Economic Development	609,428	392,494	368,283	495,557	1,211,080	3,463,923	4,193,681	4,974,088	2,284,947	2,683,897
Urban Redevelopment and Housing	926,648	1,051,058	938,418	970,756	1,552,520	2,163,356	3,084,266	2,491,213	1,079,130	1,338,756
Interest and Fiscal Charges	2,235,720	2,153,962	2,350,993	2,539,485	840,512	1,878,828	1,371,616	2,110,568	1,650,181	1,202,158
Total Governmental Activities Expenses	\$ 97,330,390	\$ 93,064,455	\$ 81,708,462	\$ 70,619,613	\$ 75,359,628	\$ 74,629,425	\$ 72,255,594	\$ 79,061,004	\$ 69,531,373	\$ 65,365,272
Business-Type Activities:										
Water	\$ 18,722,506	\$ 17,183,317	\$ 16,783,235	\$ 16,064,612	\$ 15,711,368	\$ 18,985,682	\$ 15,680,907	\$ 17,863,109	\$ 16,841,412	\$ 15,429,289
Sewer	8,778,915	8,873,695	8,170,739	7,268,532	7,564,628	10,742,627	9,732,614	10,820,699	9,238,932	8,545,263
Transit	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	105
Airport	4,283,374	4,506,411	3,813,818	3,783,952	2,938,311	4,171,162	3,665,909	2,824,518	3,881,134	3,070,025
State Office Building	1,031,980	1,127,308	993,803	1,140,737	1,061,772	1,272,338	1,671,974	1,046,448	1,205,244	1,049,558
Solid Waste	930,399	786,709	491,075	1,876,321	-0-	-0-	-0-	-0-	-0-	-0-
Stormwater	1,772,384	2,032,021	1,952,448	2,069,601	1,454,672	-0-	-0-	-0-	-0-	-0-
Total Business-Type Activities Expenses	\$ 35,519,558	\$ 34,509,461	\$ 32,205,118	\$ 32,203,755	\$ 28,730,751	\$ 35,171,809	\$ 30,751,404	\$ 32,554,774	\$ 31,166,722	\$ 28,094,240
Total Primary Government Expenses	\$ 132,849,948	\$ 127,573,916	\$ 113,913,580	\$ 102,823,368	\$ 104,090,379	\$ 109,801,234	\$ 103,006,998	\$ 111,615,778	\$ 100,698,095	\$ 93,459,512
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,470,249	\$ 1,263,453	\$ 1,175,801	\$ 1,127,007	\$ 1,255,367	\$ 1,341,469	\$ 1,231,983	\$ 3,261,098	\$ 365,176	\$ 311,837
Public Safety	7,459,560	6,503,328	6,027,415	5,777,959	6,436,072	6,877,504	6,316,188	6,078,350	6,520,317	5,133,992
Public Works and Transportation	1,264,891	1,096,279	1,011,878	971,276	1,081,898	1,156,103	1,061,746	1,355,554	1,779,392	1,861,205
Public Facilities	744,368	642,393	591,151	567,979	632,669	676,062	620,884	410,061	691,555	673,038
Health and Human Services	1,110,551	902,281	793,706	773,866	862,005	921,127	845,948	426,735	363,074	322,506
Culture, Parks and Recreation	466,090	403,454	372,065	357,236	397,923	425,215	390,511	286,462	451,051	347,718
Economic Development	295,237	257,524	238,744	228,843	254,907	272,390	250,159	35,336	-0-	-0-
Urban Redevelopment and Housing	22,021	19,077	17,603	16,898	18,823	20,114	18,472	-0-	-0-	186,105
Operating Grants and Contributions	3,857,901	3,443,621	3,243,424	3,093,348	3,445,662	3,681,990	3,381,480	5,413,539	3,236,474	4,297,830
Capital Grants and Contributions	372,387	5,167,884	279,866	266,916	297,316	317,708	291,777	1,311,784	190,823	259,401
Total Governmental Activities Program Revenues	\$ 17,063,255	\$ 19,699,294	\$ 13,751,653	\$ 13,181,328	\$ 14,682,642	\$ 15,689,682	\$ 14,409,148	\$ 17,358,919	\$ 13,597,862	\$ 13,393,632
Business-Type Activities:										
Water	\$ 32,891,977	\$ 28,438,454	\$ 24,155,233	\$ 25,255,292	\$ 25,539,687	\$ 27,301,830	\$ 23,324,070	\$ 20,818,217	\$ 20,719,288	\$ 19,609,055
Sewer	13,944,617	11,808,606	11,062,765	11,169,732	11,282,467	13,435,701	15,033,265	13,585,101	11,721,899	11,555,165
Transit	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Airport	1,555,945	1,664,125	1,330,236	1,246,710	2,287,792	1,437,400	1,418,125	1,455,673	1,777,390	1,965,685
State Office Building	1,232,054	1,276,717	1,220,429	1,201,085	1,191,259	1,161,119	1,157,281	1,160,080	1,409,987	1,121,358
Solid Waste	2,063,568	2,235,398	1,928,017	7,642,056	-0-	-0-	-0-	-0-	-0-	-0-
Stormwater	2,564,203	2,590,375	2,545,923	2,665,234	2,588,676	-0-	-0-	-0-	-0-	-0-
Operating Grants and Contributions	150	-0-	-0-	-0-	1,984	1,658	350	4,530	3,700,086	-0-
Capital Grants and Contributions	970,516	1,024,628	876,929	1,527,019	980,899	1,117,448	1,715,694	4,228,460	-0-	5,344,583
Total Business-Type Activities Program Revenues	\$ 55,223,030	\$ 49,038,303	\$ 43,119,532	\$ 50,707,128	\$ 43,872,764	\$ 44,455,156	\$ 42,648,785	\$ 41,252,061	\$ 39,328,650	\$ 39,595,846
Total Primary Government Program Revenues	\$ 72,286,285	\$ 68,737,597	\$ 56,871,185	\$ 63,888,456	\$ 58,555,406	\$ 60,144,838	\$ 57,057,933	\$ 58,610,980	\$ 52,926,512	\$ 52,989,478
Net (Expense) / Revenue										
Governmental Activities	(\$ 80,267,135)	(\$ 73,365,162)	(\$ 67,956,809)	(\$ 57,438,285)	(\$ 60,676,986)	(\$ 58,939,743)	(\$ 57,846,446)	(\$ 61,702,085)	(\$ 55,933,511)	(\$ 51,971,640)
Business-Type Activities	19,703,472	14,528,842	10,914,414	18,503,373	15,142,013	9,283,347	11,897,381	8,697,287	8,161,928	11,501,606
Total Primary Government Net Expense	(\$ 60,563,663)	(\$ 58,836,320)	(\$ 57,042,395)	(\$ 38,934,912)	(\$ 45,534,973)	(\$ 49,656,396)	(\$ 45,949,065)	(\$ 53,004,798)	(\$ 47,771,583)	(\$ 40,470,034)

CITY OF SAN ANGELO
CHANGES IN NET ASSETS,
LAST TEN FISCAL YEARS
(UNAUDITED - accrual basis of accounting)

	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 36,675,045	\$ 38,061,931	\$ 36,040,174	\$ 35,886,552	\$ 31,726,116	\$ 28,675,344	\$ 28,515,143	\$ 27,818,552	\$ 26,840,692	\$ 25,598,986
Sales Taxes	17,676,790	17,147,214	19,253,436	18,948,114	17,257,554	22,633,111	20,200,646	18,757,222	19,638,399	19,425,593
Franchise Taxes	5,012,040	4,349,480	4,472,891	4,362,554	3,934,338	3,885,969	3,841,056	4,947,607	4,988,087	3,769,280
Other Taxes	2,433,101	2,334,928	2,780,823	3,599,661	3,168,436	2,489,412	1,908,202	1,709,757	1,743,442	1,812,447
Penalty, Interest and Fees on Delinquent Taxes	890,555	337,978	-0-	336,332	372,288	223,844	342,355	321,794	281,677	253,465
Investment Income	914,166	691,470	446,208	222,538	149,045	264,080	589,133	382,714	1,146,836	1,834,249
Miscellaneous	5,411,365	1,235,450	975,710	1,299,586	1,983,470	677,892	239,334	3,252,130	1,900,396	3,475,404
Settlement Proceeds	1,000,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Gain (Loss) on Sale of Capital Assets	-0-	-0-	-0-	519,315	(3,357)	694,080	(154,962)	162,906	704,084	588,859
Transfers	5,220,801	4,800,468	5,825,678	3,775,844	4,197,654	2,299,082	7,389,201	273,971	(1,663,614)	2,358,788
Total Governmental Activities	\$ 75,233,863	\$ 68,958,919	\$ 69,794,920	\$ 68,950,496	\$ 62,785,544	\$ 61,842,814	\$ 62,870,108	\$ 57,626,653	\$ 55,579,999	\$ 59,117,071
Business-Type Activities:										
Investment Income	\$ 612,318	\$ 582,468	\$ 411,913	\$ 147,684	\$ 118,321	\$ 183,002	\$ 129,755	\$ 249,049	\$ 772,953	\$ 1,498,511
Unrestricted Grants and Contributions	-0-	-0-	-0-	4,225	-0-	-0-	-0-	-0-	-0-	-0-
Gain (Loss) on Sale of Capital Assets	17,425	663,072	24,947	157,227	(30,138)	50,245	14,074	53,218	(8,736)	131,053
Special Item-Transfer Capital Assets to Concho Valley Transit District	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers	(5,220,801)	(4,800,468)	(5,825,678)	(3,775,844)	(4,197,654)	(2,299,082)	(7,389,201)	275,380	1,114,061	(2,358,788)
Total Business-Type Activities	(\$ 4,591,058)	(\$ 3,554,928)	(\$ 5,388,818)	(\$ 3,466,708)	(\$ 4,109,471)	(\$ 2,065,835)	(\$ 7,245,372)	\$ 577,647	\$ 1,878,278	(\$ 729,224)
Total Primary Government	\$ 70,642,805	\$ 65,403,991	\$ 64,406,102	\$ 65,483,788	\$ 58,676,073	\$ 59,776,979	\$ 55,624,736	\$ 58,204,300	\$ 57,458,277	\$ 58,387,847
Change in Net Assets										
Governmental Activities	(\$ 5,033,272)	(\$ 4,406,243)	\$ 1,838,111	\$ 11,512,211	\$ 2,108,558	\$ 2,903,071	\$ 5,023,662	(\$ 4,075,432)	(\$ 353,512)	\$ 7,145,431
Business-Type Activities	15,112,414	10,973,914	5,525,596	15,036,665	11,032,542	7,217,512	4,652,009	9,274,934	10,040,206	10,772,382
Total Primary Government	\$ 10,079,142	\$ 6,567,671	\$ 7,363,707	\$ 26,548,876	\$ 13,141,100	\$ 10,120,583	\$ 9,675,671	\$ 5,199,502	\$ 9,686,694	\$ 17,917,813

CITY OF SAN ANGELO
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(UNAUDITED - modified accrual basis of accounting)

	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
General Fund:										
Nonspendable	\$ 43,778	\$ 44,988	\$ 23,407	\$ 18,724	\$ 18,724	\$ -0-	\$ -0-	\$ -0-	\$ 483,839	\$ 370,128
Restricted	-0-	-0-	-0-	-0-	-0-	-0-	554,938	-0-	-0-	-0-
Committed	-0-	-0-	-0-	-0-	375,219	-0-	-0-	-0-	-0-	-0-
Assigned	-0-	13,950,805	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	35,424,429	24,846,560	35,932,736	30,347,858	21,450,995	15,552,359	12,055,562	5,936,110	6,773,819	9,387,096
Total General Fund	<u>\$ 35,468,207</u>	<u>\$ 38,842,353</u>	<u>\$ 35,956,143</u>	<u>\$ 30,366,582</u>	<u>\$ 21,844,938</u>	<u>\$ 15,552,359</u>	<u>\$ 12,610,500</u>	<u>\$ 5,936,110</u>	<u>\$ 7,257,658</u>	<u>\$ 9,757,224</u>
Development Corporation:										
Nonspendable	\$ 29,633	\$ 273,594	\$ 275,839	\$ 306,933	\$ 352,899	\$ 10,011,793	\$ 14,191,183	\$ 13,635,280	\$ 11,307,171	\$ 10,691,521
Restricted	15,542,822	13,644,589	17,537,765	13,715,612	9,896,715	-0-	-0-	-0-	-0-	-0-
Committed	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Assigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unassigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,943,620	-0-
Total Development Corporation	<u>\$ 15,572,455</u>	<u>\$ 13,918,183</u>	<u>\$ 17,813,604</u>	<u>\$ 14,022,545</u>	<u>\$ 10,249,614</u>	<u>\$ 10,011,793</u>	<u>\$ 14,191,183</u>	<u>\$ 13,635,280</u>	<u>\$ 14,250,791</u>	<u>\$ 10,691,521</u>
Other Governmental Funds:										
Nonspendable	\$ 14,201,260	\$ 12,747,748	\$ 12,747,748	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 10,845,080	\$ 10,362,082	\$ 9,888,063
Restricted	3,470,316	3,355,777	3,500,930	14,754,510	13,112,031	12,580,265	11,967,745	-0-	-0-	-0-
Committed	2,462,163	224,988	210,128	214,544	195,544	195,409	274,426	-0-	-0-	-0-
Assigned	-0-	-0-	3,876,293	2,174,422	1,383,199	701,355	501,489	-0-	-0-	-0-
Unassigned, reported in:										
Special Revenue Funds	-0-	-0-	-0-	857,949	(386,968)	(102,430)	-0-	757,627	432,407	172,308
Capital Projects Funds	20,547,466	29,968,800	16,889,602	4,312,945	5,953,205	9,690,599	19,926,627	19,140,068	24,851,206	19,199,055
Permanent Funds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,030	629,266	844,703
Total Other Governmental Funds	<u>\$ 40,681,205</u>	<u>\$ 46,297,313</u>	<u>\$ 37,224,701</u>	<u>\$ 22,314,370</u>	<u>\$ 20,257,011</u>	<u>\$ 23,065,198</u>	<u>\$ 32,670,287</u>	<u>\$ 30,750,805</u>	<u>\$ 36,274,961</u>	<u>\$ 30,104,129</u>
Total All Governmental Funds	<u>\$ 91,721,867</u>	<u>\$ 99,057,849</u>	<u>\$ 90,994,448</u>	<u>\$ 66,703,497</u>	<u>\$ 52,351,563</u>	<u>\$ 48,629,350</u>	<u>\$ 59,471,970</u>	<u>\$ 50,322,195</u>	<u>\$ 57,783,410</u>	<u>\$ 50,552,874</u>

Table 4

CITY OF SAN ANGELO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS

(UNAUDITED - modified accrual basis of accounting)

	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Revenues										
Taxes	\$ 62,687,528	\$ 62,298,826	\$ 62,509,576	\$ 63,784,662	\$ 56,905,030	\$ 58,034,537	\$ 54,701,851	\$ 53,360,648	\$ 53,174,028	\$ 50,739,596
Licenses and Permits	954,157	956,392	826,482	916,819	806,257	787,612	788,344	749,994	956,430	824,044
Intergovernmental	3,795,934	7,090,325	2,484,974	2,247,654	3,015,193	3,495,356	4,935,935	5,802,593	2,879,754	3,745,158
Charges for Services	8,470,254	8,387,995	6,609,817	6,233,192	7,522,933	7,964,663	6,587,116	6,507,228	6,259,958	4,795,470
Fines and Forfeits	2,848,276	2,621,105	2,995,256	3,209,901	2,813,772	2,994,371	3,360,423	3,376,374	2,795,338	2,963,407
Investment Income	883,366	643,833	424,050	211,041	135,729	247,146	571,502	355,807	1,082,591	1,704,198
Other Revenues	5,821,517	1,724,315	1,884,996	1,873,348	2,989,974	1,321,283	1,064,749	3,761,586	2,654,253	2,333,272
Total revenues	\$ 85,461,032	\$ 83,722,791	\$ 77,735,151	\$ 78,476,617	\$ 74,188,888	\$ 74,844,968	\$ 72,009,920	\$ 73,914,230	\$ 69,802,352	\$ 67,105,145
Expenditures										
General Government	\$ 9,945,155	\$ 10,869,576	\$ 10,011,264	\$ 9,477,008	\$ 9,366,929	\$ 9,870,672	\$ 9,213,186	\$ 6,980,931	\$ 7,262,219	\$ 7,281,505
Public Safety	42,501,940	38,904,221	36,350,918	35,320,291	34,062,079	33,814,811	32,602,167	32,343,040	31,163,741	28,830,029
Public Works and Transportation	10,058,424	11,523,740	9,540,184	6,913,690	8,767,928	7,610,698	7,424,858	9,401,330	10,743,236	9,002,408
Public Facilities	967,170	998,644	914,595	1,013,884	889,044	674,273	676,047	2,294,330	2,357,480	2,150,597
Health and Human Services	3,097,989	3,334,684	3,009,616	2,848,160	2,842,001	3,120,047	3,931,698	3,815,320	3,659,902	4,211,926
Culture, Parks and Recreation	6,878,803	6,121,336	5,414,918	5,311,249	6,292,490	4,748,136	3,902,147	4,737,786	4,699,118	4,387,184
Economic Development	609,428	392,494	368,283	495,557	747,629	3,417,503	4,158,511	4,936,385	2,269,164	2,683,061
Urban Redevelopment and Housing	892,762	1,018,949	913,145	932,510	1,498,100	2,249,530	3,003,707	2,462,664	1,025,893	1,479,027
Capital Outlay	13,012,354	9,283,468	5,738,482	4,217,544	5,795,660	17,642,496	15,097,659	9,112,226	9,180,567	14,770,926
Debt service:										
Principal	8,492,000	5,409,500	2,292,000	2,862,000	9,401,601	3,370,218	2,679,000	3,616,500	5,655,000	3,340,000
Interest and Fees	2,502,164	2,381,580	2,138,538	2,159,487	2,133,148	2,314,013	2,211,093	2,155,932	1,876,287	1,491,273
Total Expenditures	\$ 98,958,189	\$ 90,238,192	\$ 76,691,943	\$ 71,551,380	\$ 81,796,609	\$ 88,832,397	\$ 84,900,073	\$ 81,856,444	\$ 79,892,607	\$ 79,627,936
Excess Revenues Over (Under) Expenditures	(\$ 13,497,157)	(\$ 6,515,401)	\$ 1,043,208	\$ 6,925,237	(\$ 7,607,721)	(\$ 13,987,429)	(\$ 12,890,153)	(\$ 7,942,214)	(\$ 10,090,255)	(\$ 12,522,791)
Other Financing Sources (Uses)										
Transfers In	\$ 8,583,538	\$ 5,912,120	\$ 6,638,763	\$ 4,488,533	\$ 4,703,287	\$ 12,269,292	\$ 11,474,122	\$ 3,657,344	\$ 2,774,951	\$ 4,736,320
Debt Issue Proceeds	3,216,365	16,458,568	13,641,008	-0-	6,472,462	-0-	13,780,000	-0-	16,705,000	10,122,204
Capitalized Leases	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(184,620)	-0-	663,110
Sale of Capital Assets	568,474	159,447	752,083	552,491	754,582	845,727	870,727	226,361	704,084	717,043
Transfers Out	(7,861,474)	(1,172,702)	(813,085)	(896,391)	(505,633)	(9,970,210)	(4,084,921)	(3,218,086)	(4,710,195)	(3,048,240)
Total Other Financing Sources (Uses)	\$ 4,506,903	\$ 21,357,433	\$ 20,218,769	\$ 4,144,633	\$ 11,424,698	\$ 3,144,809	\$ 22,039,928	\$ 480,999	\$ 15,473,840	\$ 13,190,437
Restatement of Beginning Fund Balance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Net Change in Fund Balances	(\$ 8,990,254)	\$ 14,842,032	\$ 21,261,977	\$ 11,069,870	\$ 3,816,977	(\$ 10,842,620)	\$ 9,149,775	(\$ 7,461,215)	\$ 5,383,585	\$ 667,646
Debt Service as a Percentage of										
Noncapital Expenditures	12.0%	9.4%	6.0%	7.4%	15.2%	8.1%	7.1%	7.8%	10.8%	7.3%

CITY OF SAN ANGELO
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS;
(UNAUDITED)

Table 5

Fiscal Year	Tax Year	Actual Value					Less: Exemptions	Net Assessed Taxable Value	Total Direct Tax Rate
		Residential Property	Commercial Property	Industrial Property	Personal Property	Total			
2007-08	2007	2,286,082,615	694,262,321	34,930,650	549,218,014	3,564,493,600	534,674,610	3,029,818,990	0.84000
2008-09	2008	2,502,263,186	708,020,201	30,210,850	585,056,734	3,825,550,971	490,009,599	3,335,541,372	0.82750
2009-10	2009	2,759,315,091	724,790,790	29,811,000	589,244,647	4,103,161,528	582,142,000	3,521,019,528	0.81750
2010-11	2010	2,843,511,067	704,939,433	30,058,400	584,247,824	4,162,756,724	561,216,519	3,601,540,205	0.81750
2011-12	2011	2,982,354,709	710,198,077	29,633,750	623,792,545	4,345,979,081	584,870,033	3,761,109,048	0.78600
2012-13	2012	3,126,836,948	635,385,879	33,506,700	642,047,015	4,437,776,542	692,309,826	3,745,466,716	0.78100
2013-14	2013	3,157,788,596	662,174,170	31,250,910	704,088,330	4,555,302,006	678,705,787	3,876,596,219	0.77600
2014-15	2014	3,557,375,484	724,622,860	32,217,560	762,652,660	5,076,868,564	844,657,199	4,232,211,365	0.77600
2015-16	2015	3,881,638,165	760,948,870	32,460,990	901,606,440	5,576,654,465	975,159,581	4,601,494,884	0.77600
2016-17	2016	4,107,658,750	809,002,820	32,730,670	869,336,530	5,818,728,770	1,051,989,109	4,766,739,661	0.77600

Source: Tom Green County Appraisal District

Table 6

CITY OF SAN ANGELO
DIRECT AND OVERLAPPING PROPERTY TAX RATES,
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	City's Direct Tax Rates (Per \$100 of Assessed Value)			Overlapping Rates *	
	General Fund	Debt Service Fund	Total	Tom Green County	San Angelo School District
2007-08	0.74000	0.10000	0.84000	0.52582	1.11000
2008-09	0.73000	0.09750	0.82750	0.52582	1.11000
2009-10	0.72000	0.09750	0.81750	0.52500	1.35250
2010-11	0.73750	0.08000	0.81750	0.52500	1.31250
2011-12	0.70600	0.08000	0.78600	0.52500	1.28000
2012-13	0.70100	0.08000	0.78100	0.52500	1.26000
2013-14	0.69600	0.08000	0.77600	0.52500	1.26000
2014-15	0.69600	0.08000	0.77600	0.51500	1.24000
2015-16	0.67740	0.09860	0.77600	0.51250	1.23500
2016-17	0.67740	0.09860	0.77600	0.51250	1.22000

* Includes rates for maintenance & operations and debt service.

Source: Tom Green County Appraisal District.

Table 7

CITY OF SAN ANGELO
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	Type of Business	Fiscal Year 2016-17				Fiscal Year 2007-08			
		Assessed Value	Rank	Percent of Total Assessed Value		Assessed Value	Rank	Percent of Total Assessed Value	
Walmart/Sam's	Retail	\$ 73,041,890	1	1.53%		\$ 65,307,686	1	2.16%	
Ethicon, Inc	Mfg.	51,655,116	2	1.08%		45,686,098	2	1.51%	
AEP Texas North	Utility	44,198,010	3	0.93%		38,355,730	3	1.27%	
C & J Well Services Inc.	Petroleum	41,352,970	4	0.87%					
Envoy Air	Transportation	32,816,970	5	0.69%					
San Angelo Hospital	Hospital	31,228,490	6	0.66%		36,525,985	4	1.21%	
Frontier Communications	Utility	21,127,730	7	0.44%		33,812,290	5	1.12%	
Hirschfeld Steel & Energy	Mfg.	20,709,990	8	0.43%				0.00%	
Lithia Inc	Auto Dealer	20,568,230	9	0.43%					
Sunset Mall	Mall-Real Est.	19,071,800	10	0.40%					
Shannon Medical Center	Medical					24,617,668	6	0.81%	
Sunset Mall, Inc.	Real Estate					20,707,260	7	0.68%	
Suddenlink Communications	Cable TV					20,105,753	8	0.66%	
Town & Country Food Stores	Retail					16,216,624	9	0.54%	
Jim Bass Ford, Inc.	Automotive					13,041,256	10	0.43%	
		<u>\$ 355,771,196</u>		<u>7.46%</u>		<u>\$ 314,376,350</u>		<u>10.39%</u>	
Total Assessed Value		<u>\$ 4,766,739,661</u>				<u>\$ 3,029,818,990</u>			

Table 8

CITY OF SAN ANGELO
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Taxes Levied for the Fiscal Year	Subsequent Adjustments	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percent of Levy		Amount	Percent of Levy
2007-08	25,450,480	-0-	24,896,126	97.82%	392,691	25,288,817	99.36%
2008-09	26,714,703	-0-	25,928,360	97.06%	555,708	26,484,068	99.14%
2009-10	27,789,598	-0-	26,871,734	96.70%	502,131	27,373,865	98.50%
2010-11	28,319,334	-0-	27,606,888	97.48%	411,298	28,018,186	98.94%
2011-12	28,356,670	-0-	27,881,820	98.33%	211,413	28,093,233	99.07%
2012-13	29,278,418	-0-	28,570,061	97.58%	515,007	29,085,068	99.34%
2013-14	30,082,389	-0-	29,583,219	98.34%	404,512	29,987,731	99.69%
2014-15	32,771,396	229,083	32,290,409	98.53%	415,937	32,706,346	99.11%
2015-16	35,569,387	214,162	34,998,697	98.40%	416,701	35,415,398	98.97%
2016-17	36,864,006	198,480	36,308,219	98.49%	502,506	36,810,725	99.32%

Source: Tom Green County Appraisal District.

Table 9

CITY OF SAN ANGELO
DIRECT AND OVERLAPPING SALES TAX RATES,
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	City Direct Rate	Tom Green County	State of Texas
2007-08	1.50%	0.50%	6.25%
2008-09	1.50%	0.50%	6.25%
2009-10	1.50%	0.50%	6.25%
2010-11	1.50%	0.50%	6.25%
2011-12	1.50%	0.50%	6.25%
2012-13	1.50%	0.50%	6.25%
2013-14	1.50%	0.50%	6.25%
2014-15	1.50%	0.50%	6.25%
2015-16	1.50%	0.50%	6.25%
2016-17	1.50%	0.50%	6.25%

Source: State of Texas Comptroller

Table 10

CITY OF SAN ANGELO
SALES TAX REVENUE BY INDUSTRY
LAST TEN FISCAL YEARS

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Agriculture, Forestry, Fishing, Hunting	\$ 44,069	\$ 47,211	\$ 46,385	\$ 37,568	\$ 36,839	\$ 19,527	\$ 12,334	\$ 12,470	\$ 851,454	\$ 12,016
Mining, Oil and Gas	193,764	346,879	767,728	429,088	402,265	280,351	233,512	136,976	22,514,401	224,846
Utilities	66,739	58,381	87,880	53,777	41,687	35,275	25,453	27,833	410,908	21,356
Construction	426,851	549,393	522,345	450,768	436,994	386,899	347,833	425,429	41,583,531	449,448
Manufacturing	602,520	976,073	1,333,468	944,269	710,688	455,474	410,242	377,766	30,336,889	515,534
Wholesale Trade	1,269,721	1,609,563	1,735,430	1,219,857	1,075,020	855,832	710,629	689,171	56,836,591	779,932
Retail Trade	10,944,922	11,647,853	12,253,082	11,640,218	10,869,678	9,905,872	9,427,001	9,360,450	657,727,983	9,417,233
Transportation, Warehousing	20,127	79,455	102,107	91,993	83,802	71,069	45,011	7,083	606,940	7,635
Information	1,155,833	1,216,797	1,167,114	1,035,657	949,969	878,883	851,731	808,930	54,133,364	725,070
Finance, Insurance	36,666	36,262	41,043	35,754	34,687	35,805	31,064	29,879	2,134,859	25,338
Real Estate, Rental, Leasing	278,081	429,211	528,890	392,044	422,161	273,286	188,169	161,881	13,946,307	221,773
Professional, Scientific, Technical	487,618	352,274	300,996	190,827	181,968	142,006	231,099	149,079	12,897,724	161,776
Admin. Support, Waste Management	582,506	555,283	517,954	456,665	397,017	403,471	377,877	404,636	27,979,710	422,147
Educational Services	3,463	3,176	3,838	3,704	4,567	3,820	3,671	4,230	402,104	6,844
Health Care Social Assistance	79,449	81,637	77,685	83,371	79,529	71,754	78,101	62,061	4,323,362	92,038
Arts, Entertainment ,Recreation	193,750	186,234	170,099	162,358	157,981	139,611	134,153	139,107	9,512,943	132,267
Accommodation, Food Service	3,101,476	3,213,328	3,195,109	2,911,178	2,708,992	2,446,771	2,280,349	2,209,333	147,498,891	2,075,792
Other Services	943,391	1,005,837	899,882	784,784	708,350	631,693	535,614	533,677	37,380,247	481,069
TAX LIABILITY	<u>\$ 20,430,946</u>	<u>\$ 22,394,847</u>	<u>\$ 23,751,035</u>	<u>\$ 20,923,880</u>	<u>\$ 19,302,194</u>	<u>\$ 17,037,399</u>	<u>\$ 15,923,843</u>	<u>\$ 15,539,991</u>	<u>\$ 1,121,078,208</u>	<u>\$ 15,772,114</u>

Source: State of Texas Comptroller

Note: Calendar year 2016 is the most current year available.

CITY OF SAN ANGELO
RATIOS OF OUTSTANDING DEBT BY TYPE,
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 11

Fiscal Year	Governmental Activities:					Business-type Activities						
	General Obligation Bonds	Certificates of Obligation		Notes Payable	Capital Leases	Water and Sewer Revenue Bonds	General Obligation Debt	Notes Payable	Capital Leases	Total Primary Government	Percent of Personal Income a	Per Capita a
		Ad Valorem Tax Supported	Sales Tax Supported									
2007-08	2,520,000	10,170,000	24,290,000	-0-	663,110	18,110,000	49,260,000	-0-	-0-	105,013,110	3.59%	1,112
2008-09	2,080,329	22,615,000	23,310,000	-0-	507,996	16,545,000	47,524,671	-0-	-0-	112,582,996	3.50%	1,143
2009-10	1,595,592	20,355,000	22,300,000	-0-	345,980	14,915,000	45,649,408	-0-	-0-	105,160,980	3.68%	1,222
2010-11	1,085,608	17,310,000	29,375,000	2,035,000	-0-	-0-	50,945,000	120,496,936	-0-	221,247,544	3.06%	1,128
2011-12	555,428	15,930,000	28,065,000	1,928,000	-0-	-0-	47,125,000	114,647,114	-0-	208,250,542	6.58%	2,471
2012-13	5,895,000	14,450,000	26,710,000	1,821,000	-0-	-0-	48,565,000	108,877,820	-0-	206,318,820	4.79%	2,278
2013-14	5,820,000	13,175,000	25,305,000	1,714,000	-0-	-0-	44,900,000	103,152,899	-0-	194,066,899	4.62%	2,162
2014-15	19,000,000	12,530,000	23,845,000	1,607,000	-0-	-0-	40,145,000	97,390,827	-0-	194,517,827	3.97%	1,969
2015-16	49,355,000	2,165,000	13,185,000	1,500,000	-0-	-0-	35,095,000	91,628,594	-0-	192,928,594	3.69%	1,936
2016-17	45,572,232	3,655,000	12,915,000	1,393,000	-0-	-0-	78,760,411	85,865,582	-0-	228,161,225	4.42%	2,266

Notes: Details of the City's outstanding debt are in the notes to the financial statements.

- a. See Table 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

CITY OF SAN ANGELO
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 12

Fiscal Year	Ad Valorem Tax Supported	Percent of Actual Value of Taxable Property	Per Capita	Other General Obligation Debt		Total General Obligation Debt	Percent of Actual Value of Taxable Property	Per Capita
	Net General Bonded Debt			Sales Tax Supported	Business-type Activities Revenue Supported			
2007-08	12,690,000	0.26%	89.70	24,290,000	49,260,000	86,240,000	1.57%	953.11
2008-09	24,695,329	0.45%	171.91	23,310,000	47,524,671	95,530,000	2.39%	1,039.73
2009-10	21,950,592	0.36%	140.25	22,300,000	45,649,408	89,900,000	2.42%	975.59
2010-11	18,395,608	0.65%	268.78	29,375,000	50,945,000	98,715,608	2.50%	1,059.18
2011-12	16,485,428	0.53%	238.21	28,065,000	47,125,000	91,675,428	2.19%	977.78
2012-13	20,345,000	0.48%	213.63	26,710,000	48,565,000	95,620,000	5.57%	997.22
2013-14	18,995,000	0.41%	189.05	25,305,000	44,900,000	89,200,000	5.03%	914.95
2014-15	31,530,000	0.48%	222.08	23,845,000	40,145,000	95,520,000	4.75%	965.09
2015-16	51,520,000	0.92%	512.89	13,185,000	35,095,000	99,800,000	1.79%	993.53
2016-17	49,227,232	0.85%	488.84	12,915,000	164,395,411	226,537,643	3.89%	2,249.58

Table 13

CITY OF SAN ANGELO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT,
AS OF SEPTEMBER 30, 2017
(UNAUDITED)

Governmental Unit	Debt Outstanding	As of	Estimated Percentage Applicable a	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes				
San Angelo Independent School District	\$ 105,829,982	9/30/2017	100.00%	\$ 105,829,982
Tom Green County	59,515,000	9/30/2017	82.02%	48,814,203
Grape Creek Independent School District	2,607,587	9/30/2017	0.24%	6,258
Subtotal Overlapping Debt				154,650,443
City of San Angelo Direct Debt			b	63,535,232
Total Direct & Overlapping Debt				\$ 218,185,675

Sources: Taxable value used to estimate applicable percentages provided by Tom Green County Appraisal District.
Outstanding debt data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This table 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 City's ability to issue and repay long-term debt, the entire debt burden borne by the 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.

a The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's taxable value.

b See Table 11 for details of the City's direct governmental activities debt.

Table 14

CITY OF SAN ANGELO
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS,
(UNAUDITED)

Fiscal Year	Water and Sewer Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		<u>Coverage</u>
				Principal	Interest	
2007-08	33,679,319	19,516,252	14,163,067	1,495,000	982,416	5.72
2008-09	34,524,952	17,440,985	17,083,967	1,565,000	910,617	6.90
2009-10	37,806,196	23,878,347	13,927,849	1,630,000	835,431	5.65
2010-11	n/a	n/a	n/a	n/a	n/a	n/a
2011-12	n/a	n/a	n/a	n/a	n/a	n/a
2012-13	n/a	n/a	n/a	n/a	n/a	n/a
2013-14	n/a	n/a	n/a	n/a	n/a	n/a
2014-15	n/a	n/a	n/a	n/a	n/a	n/a
2015-16	n/a	n/a	n/a	n/a	n/a	n/a
2016-17	n/a	n/a	n/a	n/a	n/a	n/a

CITY OF SAN ANGELO
DEMOGRAPHIC AND ECONOMIC STATISTICS,
LAST TEN CALENDAR YEARS
(UNAUDITED)

Calendar Year	Population	Personal Income	Per Capita Income	Unemployment Rate
	a	b	b	c
2007	90,483	2,803,434,789	30,983	3.7%
2008	91,880	2,997,768,760	32,627	4.0%
2009	92,149	3,062,019,121	33,229	6.2%
2010	93,200	3,432,742,400	36,832	6.5%
2011	93,759	4,377,977,000	46,694	6.4%
2012	95,887	4,620,116,000	48,183	5.3%
2013	97,492	4,753,332,000	48,756	5.1%
2014	98,975	5,187,009,000	52,407	4.2%
2015	100,450	5,273,593,000	52,500	3.1%
2016	100,702	5,158,024,000	51,221	4.4%

Sources: **a** U.S. Census Bureau.

b U.S. Department of Commerce, Bureau of Economic Analysis for the San Angelo Metropolitan Statistical Area.

c San Angelo Chamber of Commerce.

Table 16

CITY OF SAN ANGELO
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Employer	Fiscal Year 2016-17			Fiscal Year 2007-08		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Goodfellow Air Force Base	5,127	1	11.67%	6,015	1	14.31%
Shannon Health System	2,712	2	6.17%	2,206	2	5.25%
San Angelo Independent School Dist.	1,973	3	4.49%	2,012	3	4.79%
Angelo State University	1,625	4	3.70%	1,360	4	3.23%
City of San Angelo	936	5	2.13%	944	7	2.25%
San Angelo State Supported Living Cener	950	6	2.16%	753	9	1.79%
San Angelo Community Medical Center	720	7	1.64%	715	10	1.70%
Ethicon (Johnson & Johnson)	650	8	1.48%	841	8	2.00%
SITEL, Inc.	602	9	1.37%	1,350	5	3.21%
Tom Green County	514	10	1.17%			0.00%
Verizon			0.00%	1,300	6	3.09%
	<u>15,809</u>		<u>35.98%</u>	<u>17,496</u>		<u>41.62%</u>
Total San Angelo Employment	<u>43,950</u>			<u>42,047</u>		

Sources: San Angelo Chamber of Commerce
Texas Workforce Commission.

CITY OF SAN ANGELO
FULL-TIME EQUIVALENT CITY EMPLOYEES BY DEPARTMENT,
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
<u>Full-time-Equivalent Employees</u>										
General Government:										
City Manager	5.0	5.0	5.0	5.0	4.0	4.0	4.0	7.0	7.0	6.0
Legal, City Clerk	7.0	7.0	7.0	9.0	9.0	8.0	8.0	9.0	10.0	10.0
Real Estate	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Information	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Development Corporation	4.0	4.0	3.0	3.0	2.0	2.0	2.0	0.0	0.0	0.0
Human Resources	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Building Maintenance	6.0	6.0	7.0	7.0	6.0	6.0	3.0	2.0	2.0	2.0
Construction Management	1.0	2.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Emergency Management	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
City Health Insurance	1.0	1.0	1.0	1.0	1.0	1.0	6.0	10.0	10.0	11.0
Risk Management	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0
Administration:										
Finance, Accounting	12.0	12.0	12.0	12.0	13.0	13.0	12.0	14.0	13.0	12.0
Information Services	7.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0
Communications	1.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	0.0
Purchasing	2.0	2.0	2.0	2.0	2.0	3.0	3.0	4.0	3.0	3.0
Municipal Court	32.0	33.0	34.0	33.0	33.0	34.0	32.0	36.0	35.5	35.5
Water Billing and Receipts	9.0	9.0	8.0	8.0	8.0	8.0	8.0	20.5	20.5	20.5
Vehicle Maintenance	17.0	17.0	18.0	17.0	17.0	19.0	19.0	19.0	19.0	20.0
Public Safety:										
Police	203.0	199.0	199.0	199.0	197.0	199.0	191.0	196.0	195.0	194.0
Public Safety Communications	25.0	25.0	25.0	25.0	25.0	25.0	25.0	26.0	26.0	26.0
Fire / Ambulance	176.0	169.0	169.0	169.0	169.0	169.0	169.0	169.0	169.0	168.0
Fire Prevention	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.5
Community Development / Planning:										
Planning	13.0	13.0	11.0	13.0	12.0	12.0	12.0	13.0	13.0	11.0
Engineering	15.0	15.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Permits and Inspection	14.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Code Compliance	6.0	6.0	7.0	9.0	7.0	7.0	7.0	7.0	7.0	5.0
911 Addressing	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Neighborhood & Family Services	4.0	4.0	4.0	5.0	6.0	6.0	6.0	6.0	6.0	8.0
Public Works:										
Operations	7.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Traffic / Signal	11.0	11.0	11.0	11.0	12.0	12.0	12.0	12.0	12.0	12.0
Street and Bridge	37.0	33.0	27.0	27.0	27.0	27.0	27.0	46.0	46.0	42.0
Airport	13.0	13.0	13.0	14.0	14.0	14.5	14.5	13.0	13.0	14.0
Water	108.0	109.0	113.0	112.0	113.0	114.0	116.0	108.0	105.0	103.0
Sewer	39.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	37.0
Storm Water	23.0	21.0	22.0	21.0	24.0	24.0	21.0	0.0	0.0	0.0
Health and Social Services:										
Administration	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Animal Control	13.0	13.0	12.0	12.0	12.0	12.0	16.0	16.0	16.0	14.0
Nursing/Immunization	2.0	2.0	3.0	3.0	4.0	5.0	5.0	5.0	6.0	6.0
Environmental Health	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
BRLHO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bioterrorism	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0
WIC	14.0	15.0	15.0	17.0	14.0	18.0	18.0	18.0	18.0	20.5
Social Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.0	6.0
Parks and Recreation:										
Parks	49.0	49.0	46.0	46.0	47.0	47.0	52.0	53.7	57.7	49.8
Texas Bank Sports Complex	9.0	9.0	9.0	9.0	10.0	9.0	7.0	0.0	0.0	0.0
Recreation	7.0	7.0	7.0	7.0	7.0	10.0	9.0	13.0	12.0	13.0
Nutrition	5.0	5.0	5.0	5.0	4.0	4.7	4.7	4.7	4.7	4.7
Golf Course	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5	3.5	3.5
Civic Events	12.0	12.0	12.0	12.0	12.0	12.0	13.0	13.0	13.0	13.0
Fort Concho	14.0	14.0	14.0	14.0	13.0	13.0	13.0	14.0	14.0	14.7
Fairmount Cemetery	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	9.5	9.5
State Office Building	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total Full-time-Equivalents	959.5	942.5	926.5	930.5	928.5	943.7	941.7	969.9	968.9	952.7

Source: City of San Angelo Operating Budget.

*Real Estate was previously reported under the Legal, City Clerk.

CITY OF SAN ANGELO
OPERATING INDICATORS BY FUNCTION / PROGRAM,
LAST TEN FISCAL YEARS
(UNAUDITED)

FUNCTION / PROGRAM	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
<u>General Government</u>										
Building Permits Issued	7,337	6,797	7,256	8,219	8,036	8,129	8,430	7,800	8,524	9,022
<u>Health and Human Services</u>										
Animals Registered	1942	2146 **	9,552	9,581 *	1,352	600	992	1,494	1,067	1,100
<u>Police</u>										
Number of Arrests	4,159	4,273	5,755	6,458	6,367	6,213	6,741	8,127	7,725	9,327
Calls for Service	92,977	95,966	97,233	102,966	98,076	89,198	89,876	101,003	106,004	98,472
<u>Fire / Ambulance</u>										
Fire responses	7,901	6,997	7,454	8,694	6,766	6,280	6,494	6,632	6,228	6,177
Ambulance Responses	13,663	12,761	12,224	12,543	12,070	11,658	11,325	10,571	10,135	9,791
Fire Marshall Inspections	2,088	2,418	2,759	3,110	2,807	3,750	4,142	3,730	3,110	2,775
<u>Municipal Court</u>										
Parking Violations	1,240	1,183	1,630	1,782	1,859	1,800	2,377	2,371	2,133	4,264
Traffic Cases	20,379	19,860	20,078	23,688	20,731	22,872	22,319	23,548	21,947	24,274
Criminal Cases	5,240	4,613	4,803	6,124	7,485	7,961	10,321	9,206	11,893	13,095
<u>Water</u>										
Number of Customers	34,829	35,320	36,269	35,373	34,175	32,845	31,885	31,721	31,618	31,381
Average Daily Consumption (millions of gallons)	11.90	10.04	8.81	9.15	9.84	11.28	14.00	13.93	13.47	11.22
<u>Sewer</u>										
Average Daily Treatment (millions of gallons)	7.67	8.42	8.55	8.20	7.94	8.46	8.35	8.22	9.08	8.44
Number of connections	42,465	37,247	33,656	31,113	30,880	30,342	29,473	28,920	28,883	30,910
<u>Parks, Recreation and Nutrition</u>										
Number of Acres Maintained	590	555	695	695	695	695	723	616	595	560
Number of Meals Served	35,994	36,013	30,696	33,709	36,945	38,873	43,061	47,316	44,478	45,631
<u>Coliseum, Auditorium, Convention Center</u>										
Number of Events-Coliseum	39	140	128	141	124	134	132	84	84	90
Number of Events-Auditorium	0	0	0	0	0	0	0	0	68	43
Number of Events-Convention Center	480	396	602	449	546	448	476	590	351	381

Source: City of San Angelo Operating Budget.

*Began reporting City Wide registrations in 2014 vs Animal Shelter only registrations.

** Began micro chip instead of registration in March 2016.

Table 19

CITY OF SAN ANGELO
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM,
LAST TEN FISCAL YEARS
(UNAUDITED)

FUNCTION / PROGRAM	Fiscal Year									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
<u>Number of Fire Stations</u>	8	8	8	8	8	8	8	8	8	8
<u>Public Works</u>										
Miles of Streets	1178	1689	1160	1149 *	707	539	533	530	526	525
Miles of Alleys	174	174	173	287	283	205	205	203	203	202
Number of Street Lights	5536	5536	5446 **	7212	7194	7214	7119	6882	n/a	n/a
<u>Water</u>										
Miles of Water Mains	757	752	756	754	750	672	656	655	653	651
Number of Fire Hydrants	3090	3051	3036	3030	2965	2933	2713	2703	2698	2651
<u>Sewer</u>										
Miles of Storm Sewers	13.8	13.5	15.91	13.02	13.02	4.9	4.9	4.9	4.9	4.9
Miles of Sanitary Sewers	491	489	484	484	481	471	457	456	456	454
<u>Parks</u>										
Number of Acres	590	555	555	555	555	695	723	616	595	560
Number of Playgrounds	17	18	18	18	18	26	37	29	29	27
Number of Tennis Courts	17	18	18	18	18	20	20	20	20	20
Number of Recreation Centers	5	5	5	5	5	5	5	5	5	5
Number of Sports Complexes	7	7	7	5	5	5	5	5	5	5

*Began reporting lane miles in 2014 vs standard miles

** Began reporting only street lights that are owned by the City in 2015 Parks.



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

CITY OF SAN ANGELO, TEXAS

Single Audit Report

For the Year Ended September 30, 2017



515 West Harris Avenue • Post Office Box 71 • San Angelo, Texas 76902-0071

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CITY OF SAN ANGELO, TEXAS

Single Audit Report

For the Year Ended September 30, 2017

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ARMSTRONG, BACKUS & CO., LLP
Certified Public Accountants

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditors' Report

Honorable Mayor
Members of the City Council
City of San Angelo, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Angelo, Texas (the City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of San Angelo, Texas' basic financial statements and have issued our report thereon dated April 27, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of San Angelo, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of San Angelo, Texas' internal control. Accordingly, we do not express an opinion of the effectiveness of City of San Angelo, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of San Angelo, Texas' basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Armstrong, Backus & Co., L.L.P.

San Angelo, Texas
April 27, 2018





ARMSTRONG, BACKUS & CO., LLP
Certified Public Accountants

Report on Compliance For Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

Honorable Mayor and City Council
City of San Angelo, Texas

Report on Compliance for Each Major Federal Program

We have audited City of San Angelo, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of San Angelo, Texas' major federal programs for the year ended September 30, 2017. City of San Angelo, Texas' major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of City of San Angelo, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of San Angelo, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of San Angelo, Texas' compliance.

Opinion on Each Major Federal Program

In our opinion, City of San Angelo, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2017.

Report on Internal Control over Compliance

Management of City of San Angelo, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of San Angelo, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of San Angelo, Texas' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of City of San Angelo, Texas as of and for the year ended September 30, 2017, and have issued our report thereon dated April 27, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Armstrong, Backus & Co., L.L.P.

San Angelo, Texas
April 27, 2018



CITY OF SAN ANGELO, TEXAS

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Grant Number	Federal CFDA Number	Pass-Through Entity Identifying Number	Disbursements/ Expenditures	Pass-Through Amount to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed-Through the Texas Department of State Health Services:</i>					
Special Supplemental Nutrition Program For Women, Infants and Children (WIC)	2014-045049-001	10.557	537	\$ 784,258	\$ -0-
				<u>\$ 784,258</u>	<u>\$ -0-</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
<i>Direct Programs:</i>					
Community Development Block Grant	B-15-MC-48-0025	14.218	n/a	\$ 14,607	\$ -0-
Community Development Block Grant	B-16-MC-48-0025	14.218	n/a	645,741	-0-
				<u>\$ 660,348</u>	<u>\$ -0-</u>
HOME Investment Partnership Program	M14-MC-48-0224	14.239	n/a	\$ 40,196	\$ 13,441
HOME Investment Partnership Program	M15-MC-48-0224	14.239	n/a	35,951	-0-
HOME Investment Partnership Program	M16-MC-48-0224	14.239	n/a	211,247	126,028
HOME Investment Partnership Program	M17-MC-48-0224	14.239	n/a	-0-	-0-
				<u>\$ 287,394</u>	<u>\$ 139,469</u>
U.S. DEPARTMENT OF TRANSPORTATION					
<i>Direct Programs:</i>					
Airport Improvement Program	3-48-0191-033-2012	20.106	n/a	\$ 403,700	\$ -0-
Airport Improvement Program	3-48-0191-034-2017	20.106	n/a	338,560	-0-
				<u>\$ 742,260</u>	<u>\$ -0-</u>
<i>Passed-Through the Texas Department of Transportation:</i>					
Highway Research, Planning and Construction	50-14XF0014	20.205	601	\$ 126,849	\$ -0-
				<u>\$ 126,849</u>	<u>\$ -0-</u>
U.S. DEPARTMENT OF JUSTICE					
<i>Direct Programs:</i>					
2016 Justice Assistance Grant	2016-DJ-BX-0206	16.738	n/a	\$ 23,661	\$ -0-
2016 Justice Assistance Grant - CSI Equipment	2016-DJ-BX-0161	16.738	n/a	33,563	-0-
				<u>\$ 57,224</u>	<u>\$ -0-</u>
U.S. DEPARTMENT OF HOMELAND SECURITY					
<i>Passed-Through the Texas Department of Public Safety:</i>					
Emergency Management Performance Grant	17TX-EMPG-0885	97.042	405	\$ 41,783	\$ -0-
				<u>\$ 41,783</u>	<u>\$ -0-</u>
<i>Passed-Through the Texas Department of Public Safety:</i>					
Emergency Management Laptop Grant	EMW-2016-SS-00056	97.067	300	\$ 16,000	\$ -0-
				<u>\$ 16,000</u>	<u>\$ -0-</u>
U.S. DEPARTMENT OF COMMERCE - NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION					
<i>Passed-Through Adaptation International:</i>					
Rain Capture System Project at El Bosque	NA14OAR4310248	11.431	27-2361601	\$ 7,500	\$ -0-
				<u>\$ 7,500</u>	<u>\$ -0-</u>
<i>Passed-Through Bureau of Reclamation:</i>					
Potable Water Reuse Research Pilot Study	R16AP00204	15.504	Unknown	\$ 300,000	\$ -0-
				<u>\$ 300,000</u>	<u>\$ -0-</u>
<i>Passed-Through the Economic Development Administration:</i>					
Investments for Public Works and Economic Development Facilities	08-79-04799	11.300	Unknown	\$ 1,200,000	\$ -0-
				<u>\$ 1,200,000</u>	<u>\$ -0-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
<i>Passed-Through the Texas Department of State Health Services:</i>					
CPS Hazards Public Health Emergency Preparedness (PHEP)	2015-001269-00	93.283	537	\$ 98,608	\$ -0-
				<u>\$ 98,608</u>	<u>\$ -0-</u>
Preventive Health and Health Services Block Grant	2016-001291-00	93.991	537	\$ 116,906	\$ -0-
				<u>\$ 116,906</u>	<u>\$ -0-</u>
Texas Healthy Communities	2016-003839-00	93.991	537	\$ 49,174	\$ -0-
				<u>\$ 49,174</u>	<u>\$ -0-</u>
Total Federal Expenditures				<u>\$ 4,488,304</u>	<u>\$ 139,469</u>

CITY OF SAN ANGELO, TEXAS

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2017

NOTE A: GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all applicable federal awards of the City of San Angelo for the year ended September 30, 2017. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the Schedule. Federal awards include expenditures funded with program income but exclude expenditures funded with City matching funds.

Federal programs were accounted for in Special Revenue and Capital Projects governmental fund types and the Enterprise proprietary fund type.

The City has not made the election to use the 10% de minimis cost rate as covered in Uniform Guidance Section 200.414 Indirect (F&A) costs.

NOTE B: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting (accrual basis for proprietary funds) to the extent grants are approved and applicable government cost principles specified by each grant, contract, and agreement are allowed. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. The City does not recover indirect costs unless expressly allowed by each award.

Federal grant revenues are generally considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

NOTE C: SUB-RECIPIENT FUNDING

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the City provided federal awards to sub-recipients totaling \$139,469. These awards were funded to various sub-recipients under the HOME Investment Partnership Program as follows:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount</u>
HOME Investment Partnership Program	14.239	\$ 139,469

NOTE D: OUTSTANDING LOANS

The City has provided loans through its various housing programs. The outstanding balance of loans at September 30, 2017 was \$342,480.

CITY OF SAN ANGELO, TEXAS

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2017

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified opinion

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified that are not
considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over financial reporting:

Material weakness identified? No

Significant deficiencies identified that are not
considered to be material weaknesses? No

Type of auditors' report issued on compliance for major
programs: Unmodified opinion

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

CFDA # 10.557 – Special Supplemental Program for Women, Infants, and Children

CFDA # 11.300 – Investments for Public Works and Economic Development Facilities

Dollar threshold used to distinguish between Type A and
Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

II. Findings Relating to the Financial Statements

None

III. Findings and Questioned Costs for Federal Awards

None

CITY OF SAN ANGELO, TEXAS
San Angelo Regional Airport/Mathis Field

Status of Prior Audit Findings

For the Year Ended September 30, 2017

2016-001 – Inventory Observation

Type of Finding: Internal Control over Financial Reporting (Material Weakness)

Condition/Context: The City's inventory observation occurred approximately 2 weeks prior to the fiscal year-end date. Activity between the observation date and the fiscal year-end was not properly captured and reflected in the inventory balance at fiscal year-end.

Recommendation: We recommend that management schedule a year-end inventory observation on September 30 of each subsequent year and maintain logs of inventory purchases and usage that occur following the observation. We also recommend that inventory reports be compared to observed and reconciled counts and that the balance be adjusted to agree to the physical inventory on hand as fiscal year end.

Current Status: The City had no subsequent finding related to this matter.

2016-002 – Accrued Expenses

Type of Finding: Internal Control over Financial Reporting (Material Weakness)

Condition/Context: In determining whether expenses meet the cut-off assertion, expenses should be recorded in the period in which the goods or service occurred. Expenses related to the year ended September 30, 2016 were recorded in the general ledger during the subsequent fiscal year period.

Recommendation: We recommend that management identify and record subsequent year disbursements that should be accrued at fiscal year-end and properly report both liabilities and expenditures in the proper accounting period.

Current Status: The City had no subsequent finding related to this matter.

2016-003 – Fixed Assets

Type of Finding: Internal Control over Financial Reporting (Material Weakness)

Condition/Context: Fixed asset activity and general ledger balances were not properly stated in accordance with accounting principles generally accepted in the United States of America.

Recommendation: We recommend that policies be developed to train staff to capture fixed asset data at least annually and to properly record fixed asset activity to the general ledger system.

Current Status: The City had no subsequent finding related to this matter.

CITY OF SAN ANGELO, TEXAS
San Angelo Regional Airport/Mathis Field

Status of Prior Audit Findings

For the Year Ended September 30, 2017

2016-004 – Accounts Receivable

Type of Finding: Internal Control over Financial Reporting (Significant Deficiency)

Condition/Context: Aged receivable details did not agree to several of their related accounts receivable balances in the general ledger.

Recommendation: We recommend that management ensure that the general ledger receivable balances are reconciled to aged receivable details at least monthly to determine that balances are properly stated.

Current Status: The City had no subsequent finding related to this matter.



REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Stephanie Collins, Office Manager, Fire Department, 325-657-4355

Meeting Date: May 1, 2018

Item type: Consent Item

Caption:

Consider authorizing the San Angelo Fire Department to be allowed to set up a Restricted Funds Account. This account would be used to cover the expenses in the cost of developing and hosting training classes held by the San Angelo Fire Department Training Academy and to build funds to purchase new props to provide more training opportunities for public safety personnel - (Presentation made by Fire Chief Brian Dunn)

Summary/History:

The San Angelo Fire Department is in the process of developing many training classes and bringing training to the Concho Valley Region. Many of the classes we wish to put on can be instructed by the San Angelo Fire Department, but there are some classes that we will have to bring outside instructors in to teach.

The department should be able to generate revenue from these classes thru participation fees. The department has set up several online training courses and has been approved to run these types of courses thru the San Angelo Fire Training Center. Many of the traditional classes last several days. A large portion of the students in these classes will come from out of town. Last year, the San Angelo Fire Department hosted an Officer 3&4 class where we had people from Idaho, Washington, Oregon, California, Hawaii and Saudi Arabia attend our class. These people stayed in San Angelo for two weeks attending the class.

The San Angelo Fire Department is asking the city council to be able to set up a restricted funds account. An account like this would allow us to run continual classes and build funds to buy more props to expand our training. This type of account would keep the excess of the revenue over the expenditure in the account at the end of each fiscal year and would just rollover into the next year. We would be able to set up a contract instructor account to have outside instructors provide classes in subjects the department isn't certified to teach.

The restricted fund account would allow funds to build up to buy more training props to bring in more classes and help the San Angelo Fire Training Center attract more students and firefighters. The people that come to the training facility from other cities will spend money eating and staying in hotels for several days at a time.

Financial Impact:

Amount of funds in the account would depend on classes being held and the revenue and expenditures generated from these classes.

Other Information/Recommendation:

Attachments:

Presentation:

Approvals/Reviews:

Stephanie Collins	Created/Initiated
Brian Dunn	Approved
Theresa James	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Kevin Pate, Project Engineer, Engineering Services, (325) 657-4263

Meeting Date: May 1, 2018

Item type: Regular Item

Caption:

Consider a resolution authorizing the City Manager to enter into an Advance Funding Agreement with the Texas Department of Transportation for Project CSJ#: 0069-07-06 - US 87 at West Concho Ave. consisting of various intersection improvements including installation of a traffic signal, sidewalk, drainage, pavement markings, and curb and gutter at the intersection of US 87 North Bound (S. Koenigheim St.) and W. Concho Ave. with State and Federal Funding limited to the improvements within the State right-of-way of US 87 - (Presentation made by City Engineer Russell Pehl)

Summary/History:

Intersection improvements are included within the larger project scope which includes widening West Concho Ave from S Randolph Ave to S Koenigheim, rehabilitation of water utilities within the S Randolph Ave intersection, adding sidewalk, curb, and gutter. Project Design has been completed by Parkhill Smith & Cooper funded primarily by TIRZ.

This resolution is required to allocate Federal and State Funds to the project.

Financial Impact:

Estimated Total Project Cost: \$1,347,000.00
Estimated TxDOT/Federal Portion: \$ 397,700.00
Estimated CoSA Street Bond Portion: \$ 867,436.00
Estimated CoSA Water Utility Fund: \$ 81,864.00

Other Information/Recommendation:

Staff recommends approval of the resolution as required in the process of securing State and Federal approvals to proceed with bid advertisement of the larger project.

Attachments:

- | | | |
|----|---|--|
| 1. | 4-17-2018 Long Form AFA Concho Ave_for CC resolution May 1 2018 | 4-17-2018 Long Form AFA Concho Ave_for CC resolution May 1 2018.docx |
| 2. | 17-753 Resolution authorizing AFA | 17-753 Resolution authorizing AFA.DOCX |

Presentation:

Russell Pehl

Approvals/Reviews:

Kevin Pate
Russell Pehl
Theresa James
Anthony Wilson

Created/Initiated
Approved
Approved
Approved

Candice Blake
Tina Dierschke
Theresa James
Becky Dunn
Bryan Kendrick

Approved
Approved
Approved
Approved
Final Approval

TxDOT:		Federal Highway Administration:	
CSJ #	0069-07-106	CFDA No.	20.205
District #	07 (SJT)	CFDA Title	Highway Planning and Construction
Code Chart 64 #	37400		
Project Name	US 87 at West Concho Ave.	AFA Not Used For Research & Development	

STATE OF TEXAS §

COUNTY OF TRAVIS §

ADVANCE FUNDING AGREEMENT

For

Installation of Traffic Control Devices and Intersection Improvements Project On-System

THIS AGREEMENT is made by and between the State of Texas, acting by and through the **Texas Department of Transportation** called the “State”, and the **City of San Angelo**, acting by and through its duly authorized officials, called the “Local Government”. The State and Local Government shall be collectively referred to as “the parties” hereinafter.

WITNESSETH

WHEREAS, federal law establishes federally funded programs for transportation improvements to implement its public purposes, and

WHEREAS, the Texas Transportation Code, Section 201.103 establishes that the State shall design, construct and operate a system of highways in cooperation with local governments, and Section 222.052 authorizes the Texas Transportation Commission to accept contributions from political subdivisions for development and construction of public roads and the state highway system within the political subdivision, and

WHEREAS, federal and state laws require local governments to meet certain contract standards relating to the management and administration of State and federal funds, and

WHEREAS, the Texas Transportation Commission passed Minute Order Number **115005** authorizing the State to undertake and complete a highway improvement generally described as **Intersection Improvements** at US 87 NB(S. Koenigheim St.) and W. Concho Ave (Project), and

WHEREAS, the Governing Body of the Local Government has approved entering into this Agreement by resolution or ordinance dated **{Enter Date of Resolution}**, which is attached to and made a part of this Agreement as Attachment A, Resolution or Ordinance, for the improvement covered by this Agreement. A map showing the Project location appears in Attachment B, Location Map Showing Project, which is attached to and made a part of this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties, to be by them respectively kept and performed as set forth in this Agreement, it is agreed as follows:

TxDOT:		Federal Highway Administration:	
CSJ #	0069-07-106	CFDA No.	20.205
District #	07 (SJT)	CFDA Title	Highway Planning and Construction
Code Chart 64 #	37400		
Project Name	US 87 at West Concho Ave.	AFA Not Used For Research & Development	

AGREEMENT

1. Responsible Parties:

The parties shall be responsible for the following work as stated in the article of the Agreement referenced in the table below:

1	Local Government	Utilities	Article 8
2.	State	Environmental Assessment and Mitigation	Article 9
3.	State	Architectural and Engineering Services	Article 11
4.	Local Government	Construction Responsibilities	Article 12
5.	State	Right of Way and Real Property	Article 14

2. Period of the Agreement

This Agreement becomes effective when signed by the last party whose signing makes the Agreement fully executed. This Agreement shall remain in effect until the Project is completed or unless terminated as provided below.

3. Scope of Work

Various intersection improvements including installation of a traffic signal, sidewalk, drainage, pavement markings, curb and gutter at the intersection of US 87 North Bound (S. Koenigheim St.) and W. Concho Ave. as shown on Attachment B. State and Federal participation is limited to the improvements within the State right-of-way of US 87.

4. Project Sources and Uses of Funds

The total estimated cost of the Project is shown in Attachment C, Project Budget, which is attached to and made a part of this Agreement.

- A. If the Local Government will perform any work under this Agreement for which reimbursement will be provided by or through the State, the Local Government must complete training. If federal funds are being used, the training must be completed before federal spending authority is obligated. Training is complete when at least one individual who is working actively and directly on the Project successfully completes and receives a certificate for the course entitled "Local Government Project Procedures and Qualification for the Texas Department of Transportation" and retains qualification in accordance with applicable TxDOT procedures. Upon request, the Local Government shall provide the certificate of qualification to the State. The individual who receives the training certificate may be an employee of the Local Government or an employee of a firm that has been contracted by the Local Government to perform oversight of the Project. The State in its discretion may deny reimbursement if the Local Government has not continuously designated in writing a qualified individual to work actively on or to directly oversee the Project.
- B. The expected cash contributions from the federal government, the State, the Local Government, or other parties are shown in Attachment C. The State will pay for only those Project costs that have been approved by the Texas Transportation Commission. The State and the federal government will not reimburse the Local Government for any

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- work performed before the federal spending authority is formally obligated to the Project by the Federal Highway Administration (FHWA). After federal funds have been obligated, the State will send to the Local Government a copy of the formal documentation showing the obligation of funds including federal award information. The Local Government is responsible for 100% of the cost of any work performed under its direction or control before the federal spending authority is formally obligated.
- C. Attachment C shows, by major cost categories, the cost estimates and the party responsible for performing the work for each category. These categories may include but are not limited to: (1) costs of real property; (2) costs of utility work; (3) costs of environmental assessment and remediation; (4) cost of preliminary engineering and design; (5) cost of construction and construction management; and (6) any other local project costs.
 - D. The State will be responsible for securing the federal and State share of the funding required for the development and construction of the local Project. If the Local Government is due funds for expenses incurred, these funds will be reimbursed to the Local Government on a cost basis.
 - E. The Local Government will be responsible for all non-federal or non-State participation costs associated with the Project, unless otherwise provided for in this Agreement or approved otherwise in an amendment to this Agreement. Where Special Approval has been granted by the State under 43 TAC §15.52, the Local Government shall only in that instance be responsible for overruns in excess of the amount specified in Attachment C to be paid by the Local Government.
 - F. If the Project has been approved for a specified percentage or a periodic payment non-standard funding or payment arrangement under 43 TAC §15.52, the budget in Attachment C will clearly state the specified percentage or the periodic payment schedule.
 - G. When Special Approval has been granted by the State so that the Local Government bears the responsibility for paying cost overruns, the Local Government shall make payment to the State within thirty (30) days from the receipt of the State's written notification of those amounts.
 - H. Prior to the performance of any engineering review work by the State, the Local Government will pay to the State the amount specified in Attachment C. At a minimum, this amount shall equal the Local Government's funding share for the estimated cost of preliminary engineering performed or reviewed by the State for the Project. At least sixty (60) days prior to the date set for receipt of the construction bids, the Local Government shall remit its remaining financial share for the State's estimated construction oversight and construction cost.
 - I. The State will not execute the contract for the construction of the Project until the required funding has been made available by the Local Government in accordance with this Agreement.
 - J. Whenever funds are paid by the Local Government to the State under this Agreement, the Local Government shall remit a check or warrant made payable to the "Texas Department of Transportation" or may use the State's Automated Clearing House (ACH) system for electronic transfer of funds in accordance with instructions provided by TxDOT's Finance Division. The funds shall be deposited and managed by the State and may only be applied by the State to the Project.

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- K. The State will not pay interest on any funds provided by the Local Government.
- L. If a waiver for the collection of indirect costs for a service project has been granted under 43 TAC §15.56, the State will not charge the Local Government for the indirect costs the State incurs on the local Project, unless this Agreement is terminated at the request of the Local Government prior to completion of the Project.
- M. If the Local government is an Economically Disadvantaged County (EDC) and if the State has approved adjustments to the standard financing arrangement, this Agreement reflects those adjustments.
- N. Where the Local Government is authorized to perform services under this Agreement and be reimbursed by the State, the Local Government is authorized to submit requests for reimbursement by submitting the original of an itemized invoice in a form and containing all items required by the State no more frequently than monthly, and no later than ninety (90) days after costs are incurred. If the Local Government submits invoices more than ninety (90) days after the costs are incurred and if federal funding is reduced as a result, the State shall have no responsibility to reimburse the Local Government for those costs.
- O. Upon completion of the Project, where Special Approval has been granted by the State under 43 TAC 15.52, the State will perform a final accounting of the Project costs. Any funds due by the Local Government, the State, or the federal government will be promptly paid by the owing party.
- P. The state auditor may conduct an audit or investigation of any entity receiving funds from the State directly under this Agreement or indirectly through a subcontract under this Agreement. Acceptance of funds directly under this Agreement or indirectly through a subcontract under this Agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.
- Q. Payment under this Agreement beyond the end of the current fiscal biennium is subject to availability of appropriated funds. If funds are not appropriated, this Agreement shall be terminated immediately with no liability to either party.

5. Termination of This Agreement

This Agreement shall remain in effect until the Project is completed and accepted by all parties, unless:

- A. The Agreement is terminated in writing with the mutual consent of the parties;
- B. The Agreement is terminated by one party because of a breach, in which case any costs incurred because of the breach shall be paid by the breaching party;
- C. The Local Government elects not to provide funding after the completion of preliminary engineering, specifications, and estimates (PS&E) and the Project does not proceed because of insufficient funds, in which case the Local Government agrees to reimburse the State for its reasonable actual costs incurred during the Project; or
- D. The Project is inactive for thirty-six (36) consecutive months or longer and no expenditures have been charged against federal funds, in which case the State may in its discretion terminate this Agreement.

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6. Amendments

Amendments to this Agreement due to changes in the character of the work, terms of the Agreement, or responsibilities of the parties relating to the Project may be enacted through a mutually agreed upon, written amendment.

7. Remedies

This Agreement shall not be considered as specifying the exclusive remedy for any agreement default, but all remedies existing at law and in equity may be availed of by either party to this Agreement and shall be cumulative.

8. Utilities

The party named in Article 1, Responsible Parties, under AGREEMENT shall be responsible for the adjustment, removal, or relocation of utility facilities in accordance with applicable state laws, regulations, rules, policies, and procedures, including any cost to the State of a delay resulting from the Local Government's failure to ensure that utility facilities are adjusted, removed, or relocated before the scheduled beginning of construction. The Local Government will not be reimbursed with federal or State funds for the cost of required utility work. The Local Government must obtain advance approval for any variance from established procedures. Before a construction contract is let, the Local Government shall provide, at the State's request, a certification stating that the Local Government has completed the adjustment of all utilities that must be adjusted before construction is completed.

9. Environmental Assessment and Mitigation

Development of a transportation project must comply with the National Environmental Policy Act and the National Historic Preservation Act of 1966, which require environmental clearance of federal-aid projects. The party named in Article 1, Responsible Parties, under AGREEMENT is responsible for the following:

- A. The identification and assessment of any environmental problems associated with the development of a local project governed by this Agreement.
- B. The cost of any environmental problem's mitigation and remediation.
- C. Providing any public meetings or public hearings required for the environmental assessment process. Public hearings will not be held prior to the approval of the Project schematic.
- D. The preparation of the NEPA documents required for the environmental clearance of this Project.

If the Local Government is responsible for the environmental assessment and mitigation, before the advertisement for bids, the Local Government shall provide to the State written documentation from the appropriate regulatory agency or agencies that all environmental clearances have been obtained.

10. Compliance with Texas Accessibility Standards and ADA

All parties to this Agreement shall ensure that the plans for and the construction of all projects subject to this Agreement are in compliance with standards issued or approved by the Texas

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Department of Licensing and Regulation (TDLR) as meeting or consistent with minimum accessibility requirements of the Americans with Disabilities Act (P.L. 101-336) (ADA).

11. Architectural and Engineering Services

The party named in Article 1, Responsible Parties, under AGREEMENT has responsibility for the performance of architectural and engineering services. The engineering plans shall be developed in accordance with the applicable State's *Standard Specifications for Construction and Maintenance of Highways, Streets and Bridges* and the special specifications and special provisions related to it. For projects on the State highway system, the design shall, at a minimum conform to applicable State manuals. For projects not on the State highway system, the design shall, at a minimum, conform to applicable American Association of State Highway and Transportation Officials (AASHTO) design standards.

In procuring professional services, the parties to this Agreement must comply with federal requirements cited in 23 CFR Part 172 if the Project is federally funded and with Texas Government Code 2254, Subchapter A, in all cases. Professional contracts for federally funded projects must conform to federal requirements, specifically including the provision for participation by Disadvantaged Business Enterprises (DBEs), ADA, and environmental matters. If the Local Government is the responsible party, the Local Government shall submit its procurement selection process for prior approval by the State. All professional services contracts must be reviewed and approved by the State prior to execution by the Local Government.

12. Construction Responsibilities

The party named in Article 1, Responsible Parties, under AGREEMENT is responsible for the following:

- A. Advertise for construction bids, issue bid proposals, receive and tabulate the bids, and award and administer the contract for construction of the Project. Administration of the contract includes the responsibility for construction engineering and for issuance of any change orders, supplemental agreements, amendments, or additional work orders that may become necessary subsequent to the award of the construction contract. In order to ensure federal funding eligibility, projects must be authorized by the State prior to advertising for construction.
- B. If the State is the responsible party, the State will use its approved contract letting and award procedures to let and award the construction contract.
- C. If the Local Government is the responsible party, the Local Government shall submit its contract letting and award procedures to the State for review and approval prior to letting.
- D. If the Local Government is the responsible party, the State must concur with the low bidder selection before the Local Government can enter into a contract with the vendor.
- E. Upon completion of the Project, the party constructing the Project will issue and sign a "Notification of Completion" acknowledging the Project's construction completion and submit certification(s) sealed by a professional engineer(s) licensed in the State of Texas.

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- F. For federally funded contracts, the parties to this Agreement will comply with federal construction requirements cited in 23 CFR Part 635 and with requirements cited in 23 CFR Part 633, and shall include the latest version of Form "FHWA-1273" in the contract bidding documents. If force account work will be performed, a finding of cost effectiveness shall be made in compliance with 23 CFR 635, Subpart B.

13. Project Maintenance

The Local Government shall be responsible for maintenance of locally owned roads and locally owned facilities after completion of the work. The State shall be responsible for maintenance of the State highway system after completion of the work if the work was on the State highway system, unless otherwise provided for in existing maintenance agreements with the Local Government.

14. Right of Way and Real Property

The party named in Article 1, Responsible Parties, under AGREEMENT is responsible for the provision and acquisition of any needed right of way or real property.

15. Insurance

If this Agreement authorizes the Local Government or its contractor to perform any work on State right of way, before beginning work, the entity performing the work shall provide the State with a fully executed copy of the State's Form 1560 Certificate of Insurance verifying the existence of coverage in the amounts and types specified on the Certificate of Insurance for all persons and entities working on State right of way. This coverage shall be maintained until all work on the State right of way is complete. If coverage is not maintained, all work on State right of way shall cease immediately, and the State may recover damages and all costs of completing the work.

16. Notices

All notices to either party shall be delivered personally or sent by certified or U.S. mail, postage prepaid, addressed to that party at the following address:

Local Government:	State:
City of San Angelo ATTN: City Manager 72 W. College Ave. San Angelo, TX 76903	Texas Department of Transportation ATTN: Director of Contract Services 125 E. 11 th Street Austin, TX 78701

All notices shall be deemed given on the date delivered in person or deposited in the mail, unless otherwise provided by this Agreement. Either party may change the above address by sending written notice of the change to the other party. Either party may request in writing that notices shall be delivered personally or by certified U.S. mail, and that request shall be carried out by the other party.

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17. Legal Construction

If one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions and this Agreement shall be construed as if it did not contain the invalid, illegal, or unenforceable provision.

18. Responsibilities of the Parties

The State and the Local Government agree that neither party is an agent, servant, or employee of the other party, and each party agrees it is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.

19. Ownership of Documents

Upon completion or termination of this Agreement, all documents prepared by the State shall remain the property of the State. All data prepared under this Agreement shall be made available to the State without restriction or limitation on their further use. All documents produced or approved or otherwise created by the Local Government shall be transmitted to the State in the form of photocopy reproduction on a monthly basis as requested by the State. The originals shall remain the property of the Local Government. At the request of the State, the Local Government shall submit any information required by the State in the format directed by the State.

20. Compliance with Laws

The parties to this Agreement shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this Agreement. When required, the Local Government shall furnish the State with satisfactory proof of this compliance.

21. Sole Agreement

This Agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings or written or oral agreements respecting the Agreement's subject matter.

22. Cost Principles

In order to be reimbursed with federal funds, the parties shall comply with the cost principles established in 2 CFR 200 that specify that all reimbursed costs are allowable, reasonable, and allocable to the Project.

23. Procurement and Property Management Standards

The parties to this Agreement shall adhere to the procurement standards established in Title 49 CFR §18.36, to the property management standards established in 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and to the Texas Uniform Grant Management Standards. The State must pre-approve the Local Government's procurement procedures for purchases to be eligible for state or federal funds.

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24. Inspection of Books and Records

The parties to this Agreement shall maintain all books, documents, papers, accounting records, and other documentation relating to costs incurred under this Agreement and shall make such materials available to the State, the Local Government, and, if federally funded, the FHWA and the U.S. Office of the Inspector General or their duly authorized representatives for review and inspection at its office during the Agreement period and for three (3) years from the date of final reimbursement by FHWA under this Agreement or until any impending litigation or claims are resolved. Additionally, the State, the Local Government, and the FHWA and their duly authorized representatives shall have access to all the governmental records that are directly applicable to this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions.

25. Civil Rights Compliance

The parties to this Agreement are responsible for the following:

- A. Compliance with Regulations: Both parties will comply with the Acts and the Regulations relative to Nondiscrimination in Federally-assisted programs of the U.S. Department of Transportation (USDOT), the Federal Highway Administration (FHWA), as they may be amended from time to time, which are herein incorporated by reference and made part of this Agreement.
- B. Nondiscrimination: The Local Government, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Local Government will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the Agreement covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
- C. Solicitations for Subcontracts, Including Procurement of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the Local Government for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier will be notified by the Local Government of the Local Government's obligations under this Agreement and the Acts and Regulations relative to Nondiscrimination on the grounds of race, color, or national origin.
- D. Information and Reports: The Local Government will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information, and facilities as may be determined by the State or the FHWA to be pertinent to ascertain compliance with such Acts, Regulations or directives. Where any information required of the Local Government is in the exclusive possession of another who fails or refuses to furnish this information, the Local Government will so certify to the State or the FHWA, as appropriate, and will set forth what efforts it has made to obtain the information.
- E. Sanctions for Noncompliance: In the event of the Local Government's noncompliance with the Nondiscrimination provisions of this Agreement, the State will impose such

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contract sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:

1. withholding of payments to the Local Government under the Agreement until the Local Government complies and/or
 2. cancelling, terminating, or suspending of the Agreement, in whole or in part.
- F. Incorporation of Provisions: The Local Government will include the provisions of paragraphs (A) through (F) in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Local Government will take such action with respect to any subcontract or procurement as the State or the FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Local Government becomes involved in, or is threatened with, litigation with a subcontractor or supplier because of such direction, the Local Government may request the State to enter into such litigation to protect the interests of the State. In addition, the Local Government may request the United States to enter into such litigation to protect the interests of the United States.

26. Pertinent Non-Discrimination Authorities

During the performance of this Agreement, each party, for itself, its assignees, and successors in interest agree to comply with the following nondiscrimination statutes and authorities; including but not limited to:

- A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- B. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of federal or federal-aid programs and projects).
- C. Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 et seq.), as amended, (prohibits discrimination on the basis of sex).
- D. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.) as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27.
- E. The Age Discrimination Act of 1975, as amended, (49 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age).
- F. Airport and Airway Improvement Act of 1982, (49 U.S.C. Chapter 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex).
- G. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the federal-aid recipients, subrecipients and contractors, whether such programs or activities are federally funded or not).
- H. Titles II and III of the Americans with Disabilities Act, which prohibits discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38.

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- I. The Federal Aviation Administration's Nondiscrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex).
- J. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations.
- K. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, the parties must take reasonable steps to ensure that LEP persons have meaningful access to the programs (70 Fed. Reg. at 74087 to 74100).
- L. Title IX of the Education Amendments of 1972, as amended, which prohibits the parties from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).

27. **Disadvantaged Business Enterprise (DBE) Program Requirements**

If federal funds are used:

- A. The parties shall comply with the Disadvantaged Business Enterprise Program requirements established in 49 CFR Part 26.
- B. The Local Government shall adopt, in its totality, the State's federally approved DBE program.
- C. The Local Government shall incorporate into its contracts with subproviders an appropriate DBE goal consistent with the State's DBE guidelines and in consideration of the local market, project size, and nature of the goods or services to be acquired. The Local Government shall submit its proposed scope of services and quantity estimates to the State to allow the State to establish a DBE goal for each Local Government contract with a subprovider. The Local Government shall be responsible for documenting its actions.
- D. The Local Government shall follow all other parts of the State's DBE program referenced in TxDOT Form 2395, Memorandum of Understanding Regarding the Adoption of the Texas Department of Transportation's Federally-Approved Disadvantaged Business Enterprise by Entity, and attachments found at web address http://ftp.dot.state.tx.us/pub/txdot-info/bop/dbe/mou/mou_attachments.pdf.
- E. The Local Government shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any U.S. Department of Transportation (DOT)-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Local Government shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure non-discrimination in award and administration of DOT-assisted contracts. The State's DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this Agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this Agreement. Upon notification to the Local Government of its failure to carry out its approved program, the State may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer

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the matter for enforcement under 18 U.S.C. 1001 and the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- F. Each contract the Local Government signs with a contractor (and each subcontract the prime contractor signs with a sub-contractor) must include the following assurance:
The contractor, sub-recipient, or sub-contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as the recipient deems appropriate.

28. Debarment Certifications

If federal funds are used, the parties are prohibited from making any award at any tier to any party that is debarred or suspended or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549, "Debarment and Suspension." By executing this Agreement, the Local Government certifies that it and its principals are not currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549 and further certifies that it will not do business with any party, to include principals, that is currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549. The parties to this Agreement shall require any party to a subcontract or purchase order awarded under this Agreement to certify its eligibility to receive federal funds and, when requested by the State, to furnish a copy of the certification.

If state funds are used, the parties are prohibited from making any award to any party that is debarred under the Texas Administrative Code, Title 34, Part 1, Chapter 20, Subchapter G, Rule §20.585 and the Texas Administrative Code, Title 43, Part 1, Chapter 9, Subchapter G.

29. Lobbying Certification

If federal funds are used, in executing this Agreement, each signatory certifies to the best of that signatory's knowledge and belief, that:

- A. No federal appropriated funds have been paid or will be paid by or on behalf of the parties to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal contracts, grants, loans, or cooperative agreements, the signatory for the Local Government shall complete and submit the

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Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- C. The parties shall require that the language of this certification shall be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and all sub-recipients shall certify and disclose accordingly. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31 U.S.C. §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

30. Federal Funding Accountability and Transparency Act Requirements

If federal funds are used, the following requirements apply:

- A. Any recipient of funds under this Agreement agrees to comply with the Federal Funding Accountability and Transparency Act (FFATA) and implementing regulations at 2 CFR Part 170, including Appendix A. This Agreement is subject to the following award terms: <http://www.gpo.gov/fdsys/pkg/FR-2010-09-14/pdf/2010-22705.pdf> and <http://www.gpo.gov/fdsys/pkg/FR-2010-09-14/pdf/2010-22706.pdf>.
- B. The Local Government agrees that it shall:
1. Obtain and provide to the State a System for Award Management (SAM) number (Federal Acquisition Regulation, Part 4, Sub-part 4.11) if this award provides more than \$25,000 in federal funding. The SAM number may be obtained by visiting the SAM website whose address is: <https://www.sam.gov/portal/public/SAM/>
 2. Obtain and provide to the State a Data Universal Numbering System (DUNS) number, a unique nine-character number that allows federal government to track the distribution of federal money. The DUNS may be requested free of charge for all businesses and entities required to do so by visiting the Dun & Bradstreet (D&B) on-line registration website <http://fedgov.dnb.com/webform>; and
 3. Report the total compensation and names of its top five executives to the State if:
 - i. More than 80% of annual gross revenues are from the federal government, and those revenues are greater than \$25,000,000; and
 - ii. The compensation information is not already available through reporting to the U.S. Securities and Exchange Commission.

31. Single Audit Report

If federal funds are used:

- A. The parties shall comply with the single audit report requirements stipulated in 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- B. If threshold expenditures of \$750,000 or more are met during the fiscal year, the Local Government must submit a Single Audit Report and Management Letter (if applicable) to TxDOT's Compliance Division, 125 East 11th Street, Austin, TX 78701 or contact TxDOT's Compliance Division by email at singleaudits@txdot.gov.
- C. If expenditures are less than the threshold during the Local Government's fiscal year, the Local Government must submit a statement to TxDOT's Compliance Division as follows: "We did not meet the \$ _____ expenditure threshold and therefore, are not required to have a single audit performed for FY _____."

TxDOT:		Federal Highway Administration:	
CSJ #	0069-07-106	CFDA No.	20.205
District #	07 (SJT)	CFDA Title	Highway Planning and Construction
Code Chart 64 #	37400		
Project Name	US 87 at West Concho Ave.	<i>AFA Not Used For Research & Development</i>	

- D. For each year the Project remains open for federal funding expenditures, the Local Government will be responsible for filing a report or statement as described above. The required annual filing shall extend throughout the life of the Agreement, unless otherwise amended or the Project has been formally closed out and no charges have been incurred within the current fiscal year.

32. Signatory Warranty

Each signatory warrants that the signatory has necessary authority to execute this Agreement on behalf of the entity represented.

THIS AGREEMENT IS EXECUTED by the State and the Local Government.

THE STATE OF TEXAS

Signature

Kenneth Stewart

Typed or Printed Name

Director of Contract Services

Typed or Printed Title

Date

THE LOCAL GOVERNMENT

Signature

Daniel Valenzuela

Typed or Printed Name

City Manager

Typed or Printed Title

Date

TxDOT:		Federal Highway Administration:	
CSJ #	0069-07-106	CFDA No.	20.205
District #	07 (SJT)	CFDA Title	Highway Planning and Construction
Code Chart 64 #	37400		
Project Name	US 87 at West Concho Ave.	<i>AFA Not Used For Research & Development</i>	

ATTEST:

Signature

Bryan Kendrick

Typed or Printed Name

City Clerk

Typed or Printed Title

Date

APPROVED AS TO CONTENT

Signature

Russell Pehl

Typed or Printed Name

City Engineer

Typed or Printed Title

Date

APPROVED AS TO FORM

Signature

Theresa James

Typed or Printed Name

City Attorney

Typed or Printed Title

Date

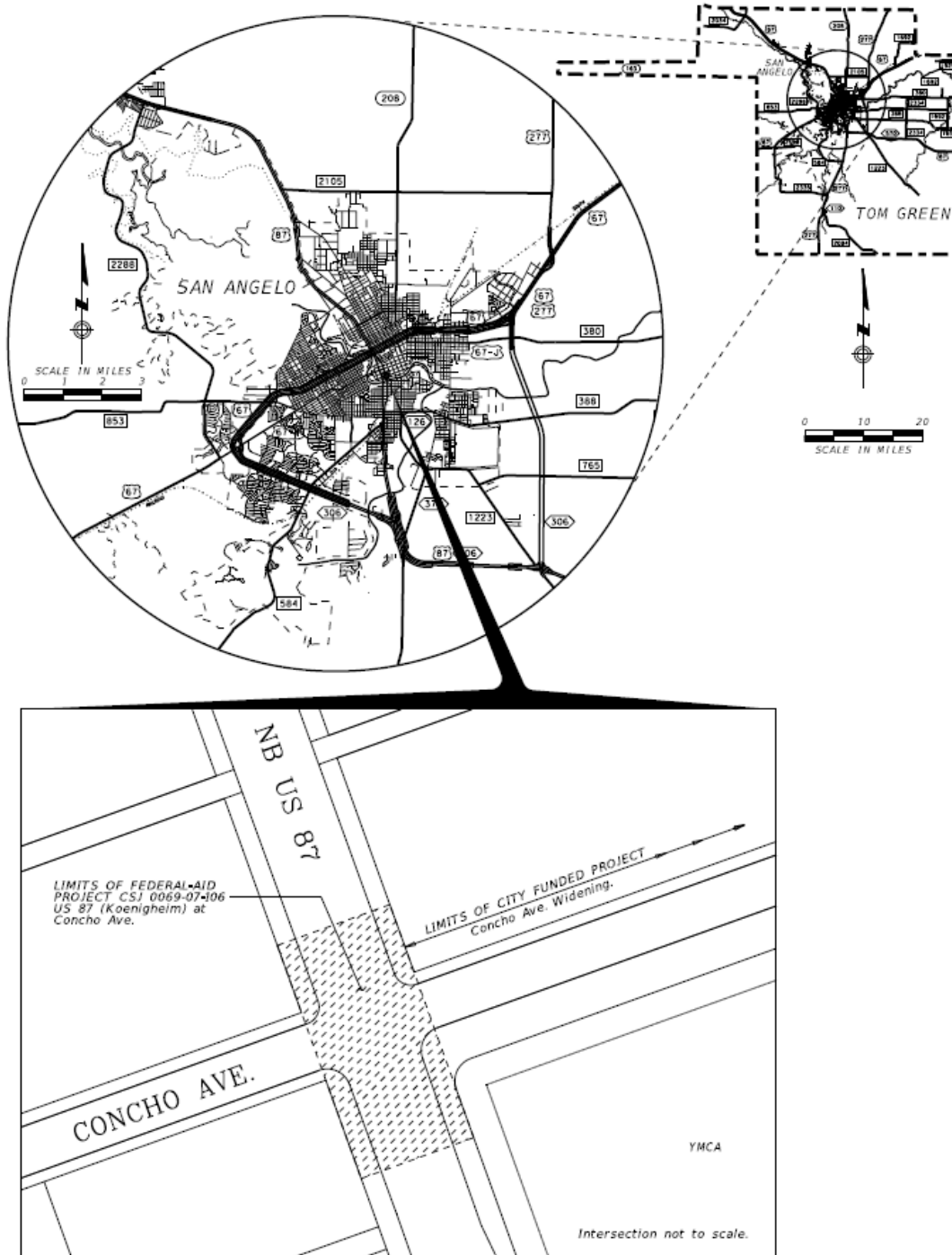
TxDOT:			Federal Highway Administration:	
CSJ #	0069-07-106		CFDA No.	20.205
District #	07 (SJT)		CFDA Title	Highway Planning and Construction
Code Chart 64 #	37400			
Project Name	US 87 at West Concho Ave.		<i>AFA Not Used For Research & Development</i>	

ATTACHMENT A
RESOLUTION OR ORDINANCE

TxDOT:		Federal Highway Administration:	
CSJ #	0069-07-106	CFDA No.	20.205
District #	07 (SJT)	CFDA Title	Highway Planning and Construction
Code Chart 64 #	37400		
Project Name	US 87 at West Concho Ave.	AFA Not Used For Research & Development	

ATTACHMENT B

LOCATION MAP SHOWING PROJECT



TxDOT:		Federal Highway Administration:	
CSJ #	0069-07-106	CFDA No.	20.205
District #	07 (SJT)	CFDA Title	Highway Planning and Construction
Code Chart 64 #	37400		
Project Name	US 87 at West Concho Ave.	AFA Not Used For Research & Development	

ATTACHMENT C

PROJECT BUDGET

Construction costs will be allocated based on applicable Federal/State funding and the Local Government shall be responsible for project letting and inspection. The State will be responsible for 100% of the Construction costs above the budgeted amount.

Description	Total Estimated Cost	Federal Participation Cost	State Participation Cost	Local Participation Cost
Environmental (by State)	\$0	\$0	\$0	\$0
Construction (Local Government)	\$350,000	\$315,000	\$35,000	\$0
Construction Engineering (by State)	\$40,000	\$0	\$40,000	\$0
Subtotal	\$390,000	\$315,000	\$75,000	\$0
Environmental Direct State Costs	\$7,000	\$0	\$7,000	\$0
Right of Way Direct State Costs	\$1	\$0	\$1	\$0
Engineering Direct State Costs	\$17,500	\$0	\$17,500	\$0
Utility Direct State Costs	\$1	\$0	\$1	\$0
Construction Direct State Costs	\$17,500	\$0	\$17,500	\$0
Indirect State Costs	\$31,986	\$0	\$31,986	\$0
TOTAL	\$463,988	\$315,000	\$148,988	\$0

Initial payment by the Local Government to the State: \$0

Payment by the Local Government to the State before construction: \$0

Total payment by the Local Government to the State: \$0

The total amount of Local Government participation shall not exceed the amount appearing above.

**A RESOLUTION BY THE SAN ANGELO CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND
EXECUTE AN ADVANCE FUNDING AGREEMENT WITH THE STATE
OF TEXAS, ACTING THROUGH THE TEXAS DEPARTMENT OF
TRANSPORTATION, FOR INSTALLATION OF TRAFFIC CONTROL
DEVICES AND INTERSECTION IMPROVEMENTS AT US 87 NB (S.
KOENINGHEIM ST.) AND W. CONCHO AVE.**

WHEREAS, the Texas Transportation Commission passed Minute Order Number 115005, authorizing the State to undertake and complete a highway improvement generally described as intersection improvements at US 87 NB (S. Koenigheim St.) and W. Concho Ave. (“Project”); and

WHEREAS, on September 20, 2015, the San Angelo City Council approved the expenditure of up to and not to exceed \$115,000.00 of TIRZ funds for design and surveying services for widening W. Concho Ave. from S. Koenigheim St. to S. Randolph St. which includes the Project area; and

WHEREAS, in accordance with City Council approval, City has completed preliminary engineering plans, specifications, and estimates for the Project which encompasses on-system Texas Department of Transportation (TxDOT) facilities; and

WHEREAS, TxDOT has assigned a Control-Section-Job number assigned to all on-system public highways in Texas of CSJ #0069-07-106; and

WHEREAS, TxDOT and City desire to enter into an Advance Funding Agreement that provides for the division of responsibilities in constructing the Project, and allocates funding for the Project; and

WHEREAS, the Advance Funding Agreement provides that City shall be responsible for managing construction of the Project, and shall obtain reimbursement from the State of Texas for approved Project costs related to construction.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF SAN ANGELO TEXAS:**

PART 1: All recitals above are correct and incorporated into this resolution for all purposes.

PART 2: The City Manager is hereby authorized to negotiate and execute an Advance Funding Agreement between the City of San Angelo and the State of Texas, acting through the Texas Department of Transportation for installation of traffic control devices and intersection improvements at US 87 NB (S. Koenigheim St.) and W. Concho Ave.

PASSED and APPROVED THIS ____th DAY OF _____, 2018.

CITY OF SAN ANGELO, TEXAS

Brenda Gunter, Mayor

ATTEST:

Bryan Kendrick, City Clerk

APPROVED AS TO FORM:

Theresa James, City Attorney

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Rebeca Guerra, Planning Manager, Planning and Development Services, 325-657-4210

Meeting Date: May 1, 2018

Item type: Regular Item

Caption:

Second reading of an ordinance approving an amendment to Case SU17-01, modifying condition of approval #4 and eliminating condition of approval #5, for an approved Special Use which allows an Automotive and Light Truck Dealership in the Neighborhood Commercial (CN) Zoning District, located at 508 West 17th Street - (Presentation by Planning & Development Services Director Jon James)

Summary/History:

SU17-01 was heard at Planning Commission on March 20, 2017, and approved at City Council on May 02, 2017. This was a Special Use to allow an Auto and Light Truck Dealership in a CN Zoning District. The subject property was zoned RS-1 at that time, and also went through a rezoning from RS-1 to CN as part of this Special Use Process. The approval was granted, subject to 14 conditions of approval.

The applicant is proposing to amend two of those 14 conditions. Condition #4 and Condition #5. Condition #4 deals with landscaping requirements and the applicant is requesting to remove the tree requirement and replace it with shrubbery. Condition #5 limits access to the property, requiring that access be off of North Bryant Boulevard. TxDOT has denied the applicant a driveway approach off of North Bryant, so Condition #5 will be eliminated in its entirety, thus allowing a driveway access from West 17th Street.

Financial Impact:

N/A

Other Information/Recommendation:

This request was considered by the Planning Commission at their regular meeting on March 19, 2018, where they recommended APPROVAL unanimously.

On April 17, 2018, City Council heard the request and voted to approve the request on first reading subject to staff researching the possibility of providing access to the subject site via the adjoining alley. Council expressed concerns regarding the impact of traffic from the proposed use on the neighboring single-family residential.

Attachments:

- | | |
|--------------------|--|
| 1. Staff Report | SU17-01 (Amendment) Staff Report_CityCouncil.pdf |
| 2. Draft Ordinance | SU17-01 (Amendment) Ordinance_FINAL.docx |

Presentation:

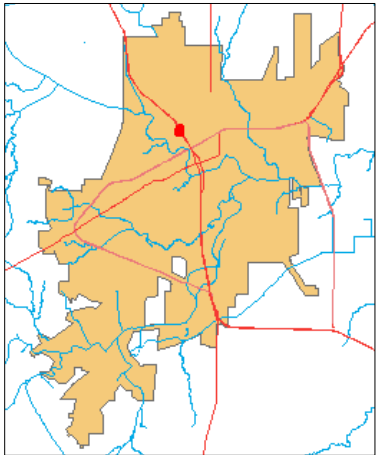
Jon James

Approvals/Reviews:

Rebeca Guerra	Created/Initiated
Jon James	Approved
Theresa James	Approved
Anthony Wilson	Approved
Jon James	Approved
Tina Dierschke	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

**CITY COUNCIL – April 17, & May 1, 2018
STAFF REPORT**



APPLICATION TYPE:		CASES:	
Amendment to a Special Use		SU17-01 (Amendment): Hargraves	
SYNOPSIS:			
SU17-01 was heard at Planning Commission on March 20, 2017, and approved at City Council on May 02, 2017. This was a Special Use to allow an Auto and Light Truck Dealership in a CN Zoning District. The subject property was currently zoned RS-1, and also went through a rezoning from RS-1 to CN as part of this Special Use Process. The approval was granted, provided that 14 Conditions of Approval be met. The applicant is proposing to amend two of those 14 conditions; Condition # 4 and Condition # 5. Condition # 4 deals with landscaping requirements and the applicant is requesting to remove the tree requirement and replace it with shrubbery. Condition # 5 limits access to the property, requiring that access be off of North Bryant Boulevard. TxDOT has denied the applicant a driveway approach off of North Bryant, so Condition #5 will be eliminated in its entirety.			
LOCATION:		LEGAL DESCRIPTION:	
508 W. 17th Street; generally located at the N/NW corner of West 17th Street and North Bryant Boulevard (U.S. 87)		Being a total of 0.345 acres out the Mineola Addition, Lots 16 and 17, Block 1.	
SM DISTRICT / NEIGHBORHOOD:		ZONING:	FUTURE LAND USE:
SMD #4 – Lucy Gonzales Blackshear Neighborhood		CN – Neighborhood Center	Transitional
			SIZE:
			0.345 acres
THOROUGHFARE PLAN:			
<u>West 17th Street</u>–Urban Local Street, Required 50’ min. ROW, 36’ min. pavement with sidewalk, 40’ without sidewalk. Actual 80’ ROW, 40’ paving width with sidewalk <u>North Bryant Boulevard</u> –Major Arterial, Required 80’ min. ROW, 64’ min. pavement. Actual 200’ ROW, 100’ paving width without sidewalk			
STAFF RECOMMENDATION:			
Staff recommends APPROVAL of the Amendment to SU17-01 to amend Condition #4 and eliminate Condition #5.			
PROPERTY OWNER/PETITIONER:			
<u>Property Owner:</u> Robby Hargraves <u>Petitioner:</u> Robby Hargraves			
STAFF CONTACT:			
Kristina Heredia Staff Planner (325) 657-4210, Extension 1546 kristina.heredia@cosatx.us			

Rational for Recommendation:

The first Condition of Approval in question, Condition # 4, reads as follows:

A minimum of 2 non-allergenic trees, with a minimum of 3 inches in caliper and 6 feet in height at time of planting, shall be placed along each street frontage. Examples of suitable tree species may include, but are not limited to, Mexican or Texas Redbud, Desert Willow, Shumard Oak, Chinese Pistache or Pinyon Pine. A landscape strip with a minimum width of 10 feet, in conjunction with required street trees, shall also be provided along both street frontages. This landscape strip may include landscaped portions of the street right-of-way. All site landscaping shall be subject to the approval of the Planning and Development Services Director, or designee.

The applicant has requested that the requirement to plant trees be removed from the approval, and replaced with shrubbery. This request is to eliminate concerns over potential tree or bird debris falling on the vehicular inventory. Staff is in support of this amendment as the increase in the amount of shrubbery will offset the removal of the tree requirement and will provide for ample screening of the property from the adjacent residential homes. The new Condition of Approval will read as follows:

A minimum of 9 drought-tolerant shrubs shall be placed along each street frontage. Examples of suitable shrubs species may include, but are not limited to, Texas Sage, Red Yucca, Sotol, or Salvia. A landscape strip with a minimum width of 10 feet, in conjunction with required shrubs, shall also be provided along both street frontages. This landscape strip may include landscaped portions of the street right-of-way. All site landscaping shall be subject to the approval of the Planning and Development Services Director, or designee.

The second Condition of Approval in question, Condition #5, reads as follows:

Off- and on-loading activities are prohibited within the public right-of-way of West 17th Street, North Bryant Boulevard and the abutting service alley to the north of the subject property. Site access from West 17th Street shall be prohibited.

The applicant requested a driveway approach off of North Bryant Boulevard. Due to the short distance between West 17th and West 18th Streets, combined with an alley separating the two streets, TxDOT has denied the driveway approach application. Their rational is that the necessary stopping distance needed for North Bryant is too great for another curb cut in that location. Staff is in support of the applicant's request, and so Condition #5 will be eliminated in its entirety.

Planning Staff Recommendation:

Staff's recommendation is for the Planning Commission to **APPROVE** an Amendment to SU17-01, which amends Condition #4 and eliminates Condition #5 from an approved Special Use to allow Automotive and Light Truck Sales, on the subject property zoned Neighborhood Commercial (CN) Zoning District, subject to the following thirteen Conditions of Approval:

1. All business activities shall be limited to the sale of passenger automobiles, light and medium trucks and motorcycles only. Both lots that comprise the subject property shall be replatted into a single lot, and an approved and recorded plat shall be provided prior to the application for a building permit.
2. All site lighting on the premises, both existing and new, shall be shielded, downward emitting and configured in such a manner as to satisfactorily minimize or eliminate light trespass onto adjacent residential uses or lands and is suitably engineered for night-sky purposes. No new site lighting or building lighting shall be upward emitting. New site lighting shall utilize light emitting diode (LED) illumination.
3. The property owner shall be responsible for the construction of new sidewalk and replacement of any existing, substandard sidewalk abutting the subject property.
4. A minimum of 9 drought-tolerant shrubs shall be placed along each street frontage. Examples of suitable shrubs species may include, but are not limited to, Texas Sage, Red Yucca, Sotol or Salvia. A landscape strip with a minimum width of 10 feet, in conjunction with required shrubs, shall also be provided along both street frontages. This landscape strip may include landscaped portions of the street right-of-way. All site landscaping shall be subject to the approval of the Planning and Development Services Director, or designee.
5. No vehicular inventory shall utilize a required parking space. All parking, circulation and vehicle display areas on the premises shall be paved in accordance with minimum City standards. The property owner shall ensure that any business-related parking does not intrude upon, or inconvenience nearby residents.
6. No vehicle repair, maintenance or vehicle body repair shall be permitted on the premises. No salvage or junk vehicles shall be maintained on the premises, nor shall any debris, vehicle parts, tires, lubricants or other toxic and caustic materials be stored on the premises.
7. All incidental outdoor storage shall be allowed adjacent to a principal building wall and extending to a distance no greater than 5 feet from the wall. Incidental outdoor storage shall not be permitted to block windows, entrances or exits, and shall not impair the ability of pedestrians to use the building.
8. No portable signage shall be allowed on the premises. All illuminated signage on the premises shall be turned off between the hours of 10:00 PM and 7:00 AM the following day.
9. No loud speakers, paging systems or other auditory devices, with the exception of security alarms, shall be permitted on the premises.
10. No intermodal storage containers, boxcars, recreational vehicles or mobile homes shall be placed on the premises.

11. Solid screening or a suitable vegetative alternative shall be utilized along the west and north property lines for matters of residential adjacency. Chain-link fencing with vinyl slats may not be used for screening purposes.
12. All fencing along West 17th Street and North Bryant Boulevard shall consist of any of the following: (a) low-post, split-rail metal fencing, painted in either earth-tone or black; (b) green or black vinyl-clad, chain-link fencing (4-ft maximum height); (c) decorative wrought-iron fencing (4-ft maximum height); or (d) reinforced bollards, painted in either earth-tone or black, concrete or decorative metal. No barbed or concertina (razor) wire fencing shall be permitted.
13. If the approved Special Use is inactive or discontinued for a period exceeding 360 consecutive days, or if the approved Special Use does not become active within a period of six months following the date of City Council approval, then the Special Use shall be declared null and void.

Notifications:

Fourteen notifications were sent out to property owners with 200 feet on March 02, 2018. Staff has received zero responses in favor and zero responses in opposition.

Planning Commission Recommendation:

On March 18, 2018, the Planning Commission recommended **APPROVAL** of an amendment to Condition #4 and the removal of Condition #5 for SU17-01.

The following is the complete excerpt of the minutes from the March 18, 2018, meeting for this case:

Public hearing and consideration of a request to amend Condition of Approval #4 and eliminate Condition of Approval #5 for an approved Special Use which allows an Automotive and Light Truck Dealership in the Neighborhood Commercial (CN) Zoning District; being 0.345 acres located at 508 West 17th Street.

Kristina Heredia, Planner, presented the proposed Special Use Amendment to amend condition #4 to require planting of shrubs instead of trees and to remove condition #5 that prohibited on or off street loading on West 17th Street, North Bryant Boulevard, or the alley. Ms. Heredia outlined Staff's recommendation for approval which included that trees may cause debris damage and that the Texas Department of Transportation (TXDOT) denied access off of North Bryant Boulevard, requiring the need to have access off of West 17th Street.

Jon James, Director of Planning and Development Services explained to the Commissioners that the purpose of the amendment was to impose conditions that would protect surrounding residential uses from the car lot.

Chairperson Stribling opened the meeting for public comment. There was no public comment.

Commissioner Jackson made a Motion to recommend APPROVAL of the request to amend Condition of Approval #4 and eliminate Condition of Approval #5 for an approved Special Use which allows an Automotive and Light Truck Dealership in the Neighborhood Commercial (CN) Zoning District on the property. Commissioner Brooks III seconded the Motion. The Motion passed unanimously, 5-0.

Attachments:

Aerial Map
Zoning Map
Future Land Use Map
Notification Map
Site Photographs



Aerial Map

SU17-01: Hargraves (Amendment)

Council District: District 4 (Gonzales)

Neighborhood: Blackshear

Scale: 1 Inch :: 100 Feet

Legal Description: Lots 16 and 17, Blk 1, Minneola Add'n

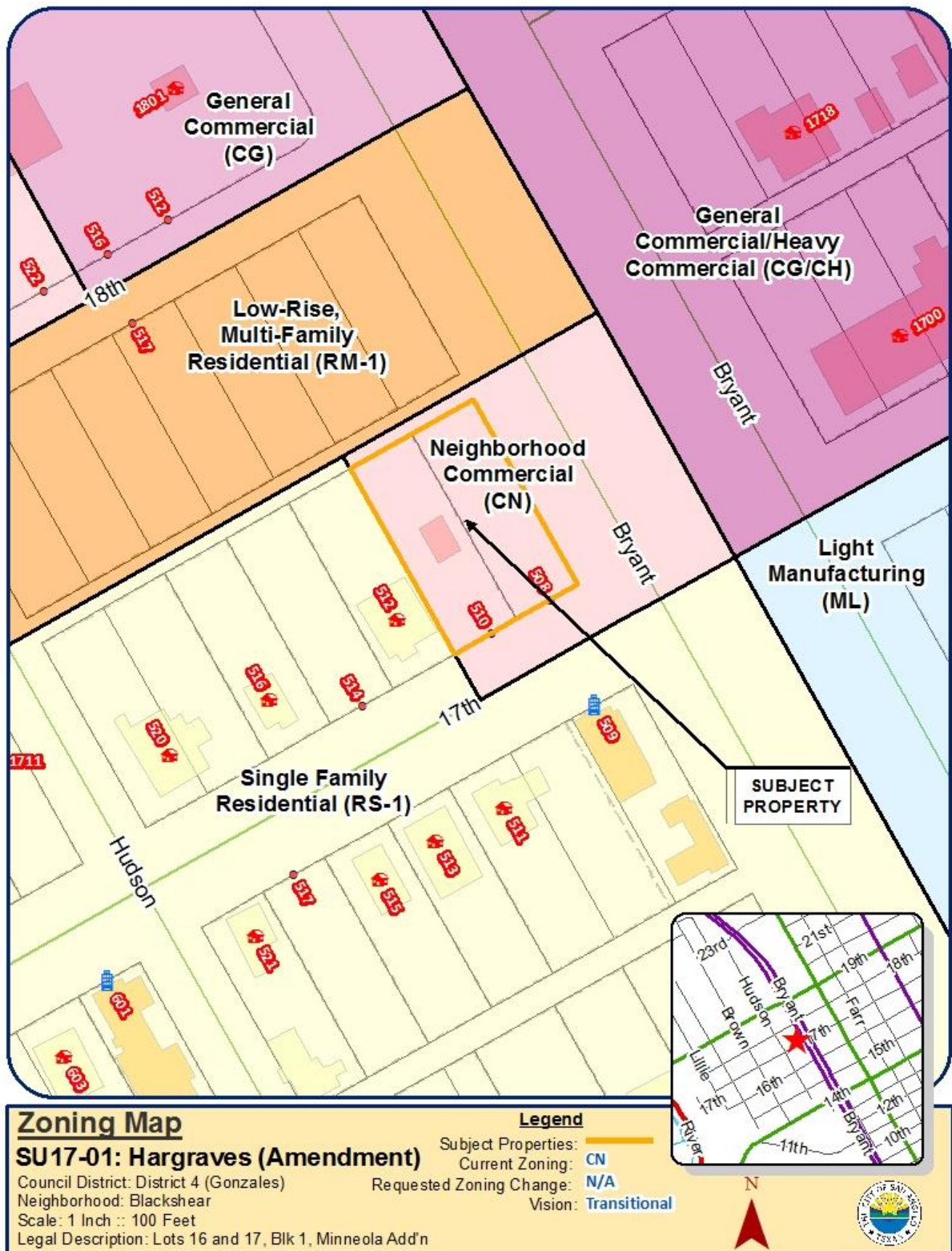
Legend

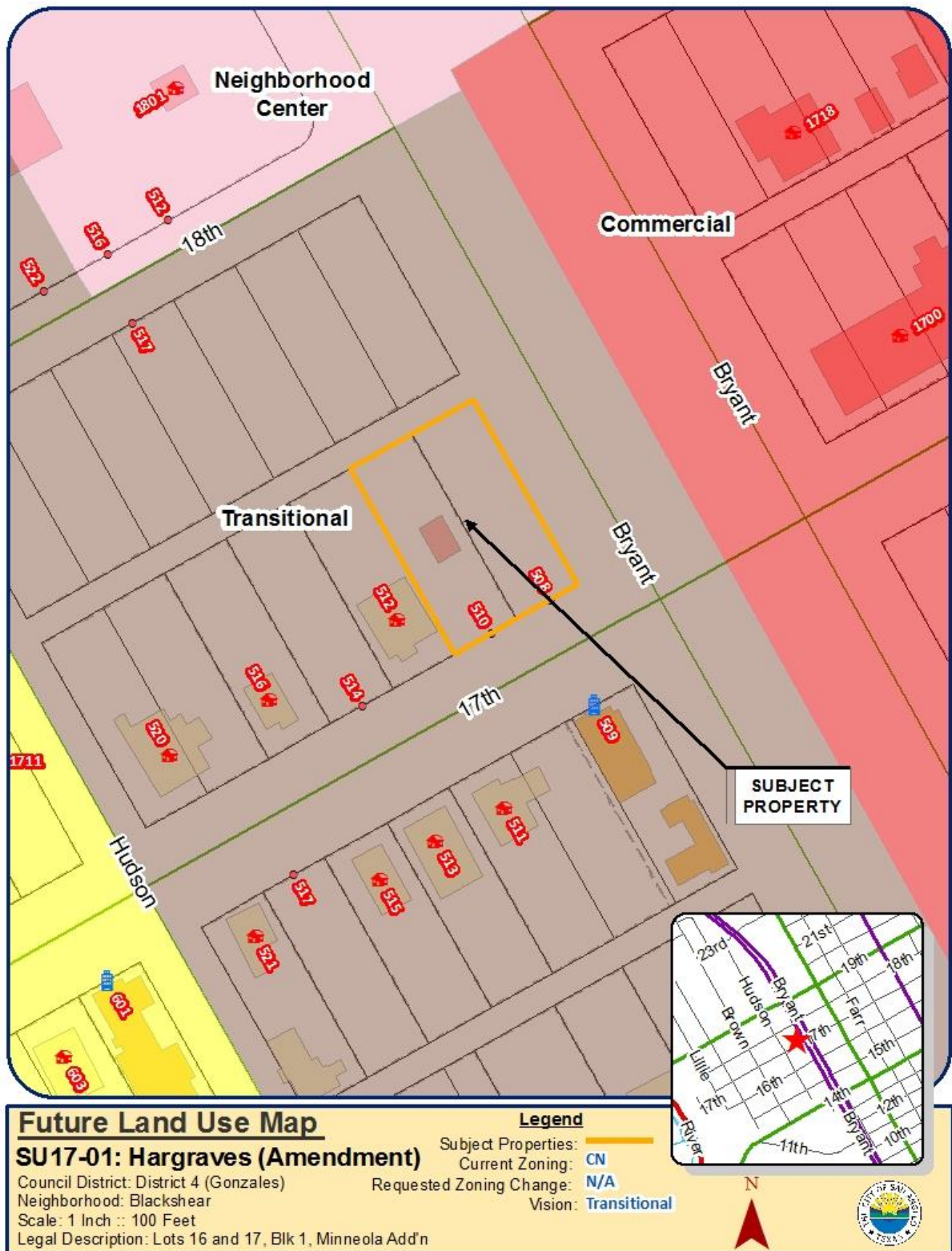
Subject Properties:
Current Zoning: CN
Requested Zoning Change: N/A
Vision: Transitional

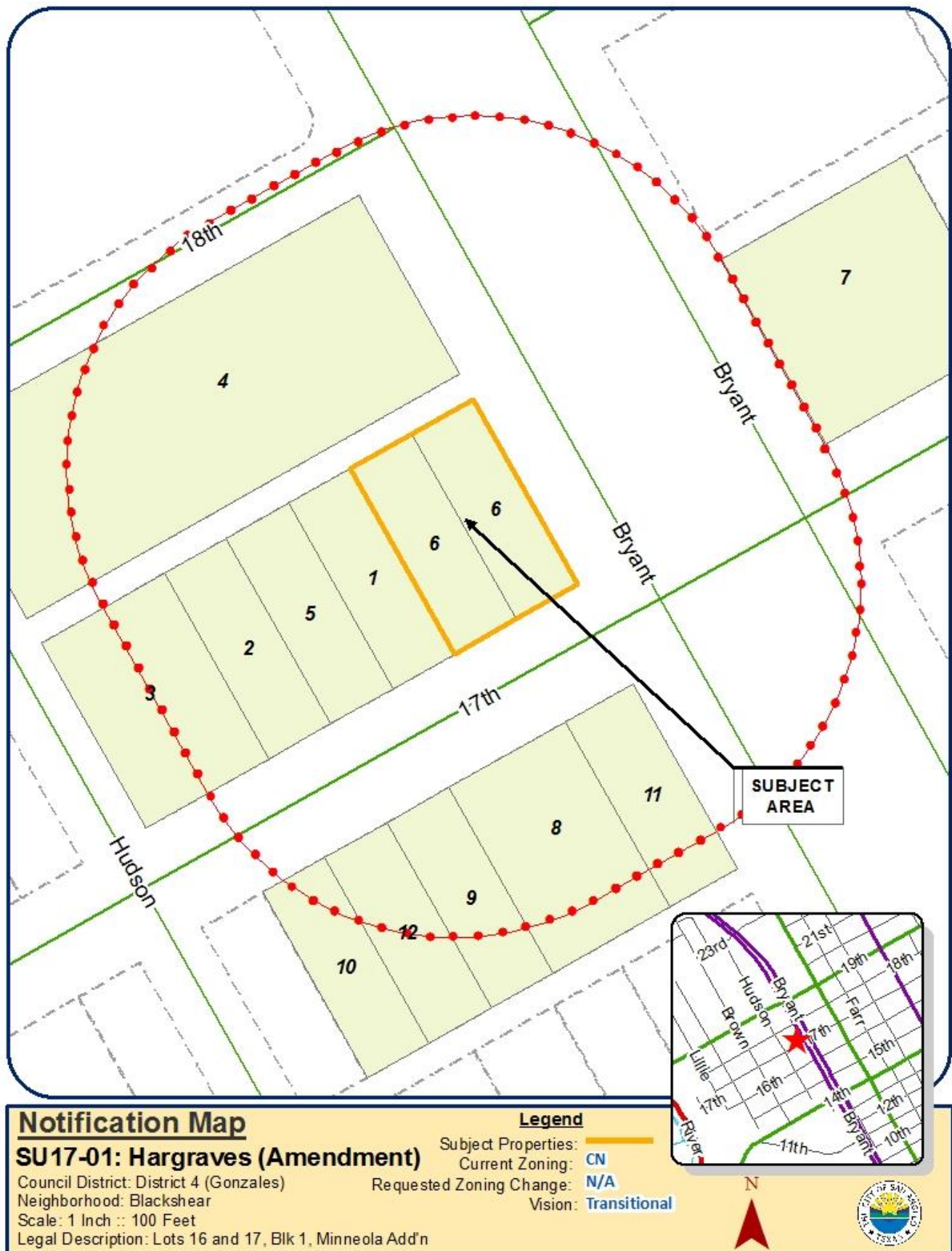


N









Site Photos
Front of Property



Current Building on Property



Adjacent Residential Home



AN ORDINANCE AMENDING CHAPTER 12, EXHIBIT "A" OF THE CODE OF ORDINANCES, CITY OF SAN ANGELO, TEXAS, WHICH ADOPTS ZONING REGULATIONS, USE DISTRICTS AND A ZONING MAP, IN ACCORDANCE WITH A COMPREHENSIVE PLAN, BY AMENDING THE ORDINANCE ADOPTED MAY 2, 2017, AUTHORIZING A SPECIAL USE TO ALLOW AN AUTOMOBILE AND BOAT DEALERSHIP AT: **508 – 510 West 17th Street; generally located at the north-northwest corner of West 17th Street and North Bryant Boulevard (US Highway 87)**, BY DELETING CONDITION PROHIBITING ON AND OFF LOADING FROM 17TH STREET, AND AMENDING LANDSCAPING CONDITION; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE

SU17-01

WHEREAS, on May 2, 2017, City Council adopted an ordinance authorizing a special use for automobile and boat dealership at 508-510 West 17th Street, subject to conditions; and,

WHEREAS, Special Use condition number 4 relates to planting of trees and condition number 5 prohibits on and off loading from 17th Street; and,

WHEREAS, landscaping with trees is incompatible with the Special Use authorized, and applicant has requested that landscaping with shrubbery be substituted as a condition; and,

WHEREAS, the Texas Department of Transportation will not issue a driveway permit for access to and from Bryant Street, requiring that on and off loading necessary for exercise of the automobile and boat dealership Special Use take place from 17th Street; and,

WHEREAS, the City Council has determined that the requested amendments to conditions imposed on the authorized Special Use are in the best interest of the health, safety and general welfare of the citizens of the City of San Angelo;

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SAN ANGELO:

SECTION 1: Section 4 of the Ordinance adopted by City Council on May 2, 2017, authorizing Special Use to allow for an automobile and boat dealership at **508 – 510 West 17th Street; generally located within the Neighborhood Commercial (CN) Zoning District at the north-northwest corner of West 17th Street and North Bryant Boulevard (US Highway 87,** be and the same is hereby amended by deleting condition number 5 that prohibits on and off loading from 17th Street; and, amending condition number 4 to read as follows:

“4. A minimum of nine drought-tolerant shrubs, shall be placed along each street frontage. Examples of suitable shrub species may include, but are not limited to, Texas Sage, Red Yucca, Sotol, or Salvia. A landscape strip with a minimum width of 10 feet, in conjunction with required shrubs, shall also be provided along both street frontages. This landscape strip may include landscaped portions of the street right-of-way. All site landscaping shall be subject to the approval of the Planning and Development Services Director, or designee.”

SECTION 2. The remaining provisions of said ordinance not amended hereby shall remain in full force and effect.

SECTION 3 The terms and provisions of this Ordinance shall be deemed to be severable in that, if any portion of this Ordinance shall be declared to be invalid, the same shall not affect the validity of the other provisions of this Ordinance.

SECTION 4: This Ordinance shall be effective on, from and after the date of adoption.

INTRODUCED on the **17th day of April, 2018**, and finally PASSED, APPROVED AND ADOPTED on this, the **1st day of May, 2018**.

THE CITY OF SAN ANGELO

Brenda Gunter Mayor

ATTEST:

APPROVED AS TO FORM:

Bryan Kendrick, City Clerk

Theresa James, City Attorney

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Robert Schneeman, Economic Development Coordinator, Economic Development, 325.653.7197

Meeting Date: May 1, 2018

Item type: Regular Item

Caption:

Consider ratifying a resolution by COSADC approving the acceptance of an Economic Development Administration (EDA) grant to the City of San Angelo Development Corporation and the City of San Angelo as Co-Recipients in the amount of \$1,250,000 for infrastructure improvements to Phase 2 of the San Angelo Business & Industrial Park - (Presentation made by Business, Retention & Expansion Coordinator Robert Schneeman)

Summary/History:

At its meeting on June 22, 2016 the COSADC Board approved allocating up to \$2 Million as matching funds for an Economic Development Administration (EDA) grant for construction of infrastructure in Phase 2 or Phase 3 of the Industrial Park. Due to recent land sales the Phase 2 improvements have become the higher priority.

COSADC is a Co-Applicant with the City on an Economic Development Administration grant in the amount of \$1.25M. A pre-application was filed to EDA on September 30, 2017. In mid November, staff was notified by the EDA Regional Representative that our application had received a "Responsive" rating by the Project Review Committee. Meaning the project application would advance to final application review. Additional recommendations were provided including increasing the matching funds. The increase necessitated a revised Resolution for the new application, which was approved by COSADC on December 13, 2017.

On April 11, 2018 staff was notified of formal approval by the EDA and Commerce Department. A kickoff meeting was held at the Business Resource Center on April 16, 2018 at which time the Financial Assistance Award documentation was delivered. COSADC and the City have 30 days from the 11th of April 2018 to execute and return all documentation to the EDA representative in Austin, Texas. COSADC approved the resolution to accept the grant and authorizing signature of contract documents at its meeting on April 25, 2018 by a vote of 5 -0 in favor. The resolution and grant agreement are attached.

Financial Impact:

\$1.25 M from account no. 452-147 Project - Industrial Park Ph II

Other Information/Recommendation:

Attachments:

- | | | |
|----|---|---|
| 1. | 18-497_COSADC_CITY_EDA_GRANT_AWARD_RESO | 18-497_COSADC_CITY_EDA_GRANT_AWARD_RESO.pdf |
| 2. | Financial Assistance Award Documents unsigned | Financial Assistance Award Documents unsigned.pdf |
| 3. | Phase 2.2 EXHIBIT | Phase 2.2 EXHIBIT.pdf |

Presentation:

Robert Schneeman

Approvals/Reviews:

Robert Schneeman

Michael Dane

Theresa James

Anthony Wilson

Candice Blake

Tina Dierschke

Becky Dunn

Bryan Kendrick

Created/Initiated

Approved

Approved

Approved

Approved

Approved

Approved

Final Approval

A RESOLUTION OF THE CITY OF SAN ANGELO CITY COUNCIL APPROVING ACCEPTANCE BY THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION (COSADC) OF A U.S. DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) GRANT AWARD WITH PROVISION FOR MATCHING FUNDS OF FIFTY PERCENT FOR INFRASTRUCTURE IMPROVEMENTS TO PHASE 2 OF THE SAN ANGELO BUSINESS & INDUSTRIAL PARK; ACCEPTING THE GRANT AWARD FOR THE CITY OF SAN ANGELO AS CO-APPLICANT; AND, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE FINANCIAL ASSISTANCE AWARD AGREEMENT AND OTHER RELATED DOCUMENTS

WHEREAS, the City of San Angelo desires to develop a viable community, including expanding economic opportunities and creating a suitable living environment; and,

WHEREAS, the City Economic Development Department and the City of San Angelo Development Corporation (COSADC) have been approached by one or more potential businesses seeking to expand into the community; and,

WHEREAS, there is a lack of adequate drainage, electrical, telecommunications, natural gas, sewer, street, and/or water system capacities for expansion of the San Angelo Business and Industrial Park to attract and support new businesses; and,

WHEREAS, the City of San Angelo Development Corporation and the City of San Angelo applied as Co-applicants for funding under the U. S. Department of Commerce, EDA's FY 2017-18 Economic Development Assistance Programs – Public Works Investment Assistance program for a grant in the amount of \$1,250,000, and required matching local funds to provide capital to be used for infrastructure necessary to foster economic development activity at the San Angelo Business & Industrial Park; and,

WHEREAS on December 3, 2017, the COSADC Board approved the grant application and provision for matching funds in the amount of up to \$1,250,000, in cash, to be provided by COSADC to fund project activities partially funded under the grant; and,

WHEREAS, the City of San Angelo Development Corporation and the City of San Angelo have been awarded the EDA Financial Assistance in the amount of \$1,250,000, requiring matching funds, for extension of water, sewer, drainage and paving infrastructure for development of Phase 2 of the San Angelo Business & Industrial Park;

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. The resolution of the City of San Angelo Development Corporation (COSADC) adopted on April 25, 2018, accepting the U.S. Department of Commerce Economic Development Administration (EDA) grant in the sum of \$1,250,000, requiring matching local funds of \$1,250,000, is hereby approved.

Section 2. The City of San Angelo, Co-applicant with COSADC for the U.S. Department of Commerce Economic Development Administration (EDA) grant award in the sum of \$1,250,000, requiring matching local funds of \$1,250,000, is accepted for funding of infrastructure improvements to Phase 2 of the City of San Angelo Business and Industrial Park;

Section 3. The City Manager or his designee is hereby designated as the Chief Executive Officer and Authorized Representative to act in all matters in connection with this award under EDA's 2017-18 Economic Development Assistance Programs – Public Works Investment Assistance program project and is authorized to execute the Financial Assistance Award agreement and any other related documents.

PASSED, APPROVED, AND ADOPTED this 1st day of May, 2018.

CITY OF SAN ANGELO

BY: _____
Brenda Gunter, Mayor

ATTEST:

BY: _____
Bryan Kendrick, City Clerk

APPROVED FOR CONTENT

APPROVED AS TO FORM

Michael Dane, Deputy Director
Economic Development

Theresa James, City Attorney

☒ GRANT ☐ COOPERATIVE AGREEMENT

FINANCIAL ASSISTANCE AWARD

FEDERAL AWARD ID NUMBER
08-01-05227

RECIPIENT NAME

City of San Angelo

PERIOD OF PERFORMANCE

60 months from date of approval

STREET ADDRESS

72 W. College Avenue

FEDERAL SHARE OF COST

\$ 1,250,000

CITY, STATE, ZIP CODE

San Angelo, TX 76903-5814

RECIPIENT SHARE OF COST

\$ 1,250,000

AUTHORITY

PWEDA of 1965, as amended (42 U.S.C. § 3121 et. seq.)

TOTAL ESTIMATED COST

\$ 2,500,000

CFDA NO. AND NAME

11.300 - Public Works

PROJECT TITLE

Industrial Park Infrastructure Expansion

This Award Document (Form CD-450) signed by the Grants Officer constitutes an obligation of Federal funding. By signing this Form CD-450, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, the Form CD-450 must be signed by an authorized representative of the Recipient and returned to the Grants Officer. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally withdraw this Award offer and de-obligate the funds.

- ☒ DEPARTMENT OF COMMERCE FINANCIAL ASSISTANCE STANDARD TERMS AND CONDITIONS (31 March 2017)
- ☐ R & D AWARD
- ☐ FEDERAL-WIDE RESEARCH TERMS AND CONDITIONS, AS ADOPTED BY THE DEPT. OF COMMERCE
- ☒ SPECIAL AWARD CONDITIONS
- ☒ LINE ITEM BUDGET
- ☒ 2 CFR PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS, AS ADOPTED PURSUANT TO 2 CFR § 1327.101
- ☐ 48 CFR PART 31, CONTRACT COST PRINCIPLES AND PROCEDURES
- ☐ MULTI-YEAR AWARD. PLEASE SEE THE MULTI-YEAR SPECIAL AWARD CONDITION.
- ☒ OTHER(S): EDA Standard Terms and Conditions for Construction Projects

SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER

Jorge D. Ayala, Regional Director

DATE

4/11/18

PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL

Daniel Valenzuela, City Manager

DATE

☒ GRANT ☐ COOPERATIVE AGREEMENT

FINANCIAL ASSISTANCE AWARD

FEDERAL AWARD ID NUMBER
08-01-05227

RECIPIENT NAME

City of San Angelo Development Corporation

PERIOD OF PERFORMANCE

60 months from date of approval

STREET ADDRESS

69 N. Chadbourne Street

FEDERAL SHARE OF COST

\$ 1,250,000

CITY, STATE, ZIP CODE

San Angelo, TX 76903-5848

RECIPIENT SHARE OF COST

\$ 1,250,000

AUTHORITY

PWEDA of 1965, as amended (42 U.S.C. § 3121 et. seq.)

TOTAL ESTIMATED COST

\$ 2,500,000

CFDA NO. AND NAME

11.300 - Public Works

PROJECT TITLE

Industrial Park Infrastructure Expansion

This Award Document (Form CD-450) signed by the Grants Officer constitutes an obligation of Federal funding. By signing this Form CD-450, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, the Form CD-450 must be signed by an authorized representative of the Recipient and returned to the Grants Officer. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally withdraw this Award offer and de-obligate the funds.

- ☒ DEPARTMENT OF COMMERCE FINANCIAL ASSISTANCE STANDARD TERMS AND CONDITIONS (31 March 2017)
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- ☐ MULTI-YEAR AWARD. PLEASE SEE THE MULTI-YEAR SPECIAL AWARD CONDITION.
- ☒ OTHER(S): EDA Standard Terms and Conditions for Construction Projects

SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER

Jorge D. Ayala, Regional Director

DATE

4/11/18

PRINTED NAME, PRINTED TITLE, AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL

Roland Pena, Director of Economic Development

DATE

SPECIAL AWARD CONDITIONS
U.S. DEPARTMENT OF COMMERCE
Economic Development Administration (EDA)

CONSTRUCTION PROJECTS: Public Works and Economic Adjustment Assistance Programs
under Sections 201 and 209 of the Public Works and Economic Development Act, as amended,
42 U.S.C. §§ 3141 and 3149

Public Works and Economic Adjustment Assistance Programs

Project Title: Industrial Park Infrastructure Expansion	
Co-Recipient Names: City of San Angelo Development Corporation, City of San Angelo	Project Number: 08-01-05227

1. This EDA Award supports the work described in the approved final scope of work, which is incorporated by reference into this Award, as the *Authorized Scope of Work*. All work on this project must be consistent with the *Authorized Scope of Work*, unless the Grants Officer has authorized a modification of the scope of work in writing through an amendment memorialized by a fully executed Form CD-451.

The *Authorized Scope of Work* for this project includes: extension of water, sewer, drainage and paving infrastructure to serve additional industrial lots in the San Angelo Business and Industrial Park.

2. The Co-Recipients (hereinafter Recipient) contact names, titles, addresses, and telephone numbers are:

Roland Pena Director of Economic Development City of San Angelo Development Corporation 69 N. Chadbourne Street San Angelo, TX 76903-5848 Phone: (325) 653-7197 Email: roland.pena@cosatx.us	Daniel Valenzuela City Manager City of San Angelo 72 W. College Avenue San Angelo, TX 76903-5814 Phone: (325) 657-4241 Email: daniel.valenzuela@cosatx.us
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3. The Grants Officer is authorized to award, amend, suspend, and terminate financial assistance awards. The Grants Officer is:

Jorge Ayala Regional Director Fax: (512) 499-0478	Economic Development Administration Austin Regional Office 903 San Jacinto, Suite 206 Austin, TX 78701
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4. The Federal Program Officer (Area Director) oversees the programmatic aspects of this Award. The Federal Program Officer is:

Jessica Falk Phone: (512) 381-8168 FAX: (512) 499-0478 Email: jfalk@eda.gov	Economic Development Administration Austin Regional Office 903 San Jacinto, Suite 206 Austin, TX 78701
--	---

5. The EDA Project Officer is responsible for day-to-day administration and liaison with the Recipient and receives all reports and payment requests. The Project Officer is:

Wesley Kaisershot Phone: (512) 381-8143 FAX: (512) 499-0478 Email: wkaisershot@eda.gov	Economic Development Administration Austin Regional Office 903 San Jacinto, Suite 206 Austin, TX 78701
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6. **ADDITIONAL INCLUDED DOCUMENTS:** In addition to the regulations, documents, or authorities incorporated by reference on the *Financial Assistance Award* (Form CD-450), the following additional documents are hereby incorporated by reference into this Award:

- EDA Construction Standard Terms and Conditions for Construction Projects (February 12, 2016); and
- The Recipient's application, including any attachments, project descriptions, schedules, and subsequently submitted supplemental documentation.

Should there be a discrepancy among these documents, the Special Award Conditions (this document), including any attachments, shall control.

7. **PROJECT DEVELOPMENT TIME SCHEDULE:** The Recipient agrees to the following Project Development Time Schedule:

Return of Executed Financial Assistance Award30 calendar days after receipt of Form CD-450/CD-451
 Start of Construction24 Months from the Date of Award
 Construction Completed48 Months from the Date of Award
 Authorized Award End Date 60 Months from the Date of Award
 Submission of Final Financial Report (SF-425)No later than 90 calendar days from the Award End Date

Project Closeout – All project closeout documents, including final financial reports (Form SF-425 or any successor form) and any required program reports, shall be submitted to EDA not more than 90 calendar days after the date the Recipient accepts the completed project from the contractor(s).

The Recipient shall diligently pursue the development of the project so as to ensure completion within this time schedule and shall promptly notify EDA in writing of any event that could substantially delay meeting any of the prescribed time limits for the project as set forth above. The Recipient further acknowledges that failure to meet the development time schedule may result in EDA taking action to terminate the Award in accordance with the regulations set forth at 2 C.F.R. §§ 200.338–200.342, as applicable.

8. PROJECT REPORTING AND FINANCIAL DISBURSEMENTS INSTRUCTIONS:

- A. AWARD DISBURSEMENTS: Reimbursement basis only.** EDA will make disbursements under this Award on a reimbursement basis only, based on actual costs incurred, after all preconditions set forth in these Special Award Conditions have been met.

The “*Request for Reimbursement*” (Form SF-271 or any successor form) is used to request a disbursement, which shall be approved in writing by the Project Officer.

Please note that prior to the initial disbursement, the Recipient must complete the attached Form SF-3881 (or any successor form) “*ACH Vendor/Miscellaneous Payment Enrollment Form*” and submit it to NOAA’s Accounting Office by FAX at (301) 528-3675. (*FAX is required to secure confidentiality of sensitive information.*) The form must be completed by the respective parties (EDA, Recipient Bank, and Recipient) at the start of each new award.

B. REPORTS:

- a. *Project Progress Reports*: The Recipient shall submit project progress reports to the Project Officer on a quarterly basis for the periods ending **March 31, June 30, September 30, and December 31**, or any portion thereof, until the final disbursement is made by EDA. Reports should be submitted using the approved EDA template, which will be provided by the Project Officer and discussed during the project kick-off meeting. Reports are due no later than 1 month following the end of the quarterly period.
- b. *Financial Reports*: The Recipient shall submit a “*Federal Financial Report*” (Form SF-425 or any successor form) on a semi-annual basis for the periods ending **March 31 and September 30**, or any portion thereof, for the entire project period. Form SF-425 and instructions for completing this form are available at: <https://www.grants.gov/web/grants/forms/post-award-reporting-forms.html>.

A final Form SF-425 must be submitted no more than 90 calendar days after the expiration date of the Award (*i.e.*, the Award End Date specified on the Form CD-450 or a subsequently executed Form CD-451). Final Financial Reports should follow the guidance outlined in the instructions for submitting mid-term financial reports, but should ensure that all fields accurately reflect the total outlays for the entire project period and that all matching funds and program income (if applicable) are fully reported. Determination of the final grant rate and final balances owed to

the government will be determined based on the information on the final Form SF-425, so it is imperative that it be submitted in a timely and accurate manner.

9. **ALLOWABLE COSTS AND AUTHORIZED BUDGET:** Total allowable costs will be determined after the final financial documents are submitted in accordance with the applicable authorities specified on the *Financial Assistance Award* (Form CD-450), including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. part 200.

Except as otherwise expressly provided for within these Special Award Conditions, the Federal share of the allowable costs shall be based on the Investment Rate for the Award, as established on the Form CD-450 or any subsequent amendment (Form CD-451). In the event of an underrun in total allowable costs for this project, the Federal share of allowable costs shall be determined by the Investment Rate. The Federal share of total allowable costs shall not exceed the dollar amount specified on the original Award or any subsequent amendments.

Line Item Budget:

- A. Under the terms of the Award, the total approved authorized budget is:

Federal Share (EDA Amount)	\$1,250,000
Non-Federal Matching Share	\$1,250,000
Total Project Cost	\$2,500,000

- B. Under the terms of this Award, the total approved line item budget is:

COST CLASSIFICATION	Proposed	Approved
Construction	2,500,000	2,500,000
Total Project Cost	2,500,000	2,500,000

10. **MATCHING SHARE:** The Recipient agrees to provide the Recipient's non-Federal Matching Share contribution for eligible project expenses in proportion to the Federal share requested for such project expenses (see 13 C.F.R. § 300.3). By accepting the Award, the Recipient also certifies that the Matching Share of the project costs is committed to the project, is not encumbered in any way that would prevent its use for the project, and will be available as needed for the project.
11. **REFUND CHECKS, INTEREST, OR UNUSED FUNDS:** Treasury has given EDA two options for having payments deposited to EDA's account:

- i. The first is the pay.gov website. This option allows the payee to pay EDA through the internet. The payee will have the option to make a one-time payment or to set up an account to make regular payments.
- ii. The second is paper check conversion. All checks must include on their face the name of the DOC agency funding the award, the award number, and a description of no more than two words identifying the reason for the check. A copy of the check should be provided to the EDA Project Officer. This option allows the payee to send a check to NOAA's Accounting Office, which processes EDA's accounting functions, at the following address:

U.S. Department of Commerce
National Oceanic and Atmospheric Administration
Finance Office, AOD, EDA Grants
20020 Century Boulevard
Germantown, MD 20874

The accounting staff will scan the checks in to an encrypted file and transfer the file to the Federal Reserve Bank, where the funds will be deposited in EDA's account. While this process will not be an issue with most payees, there are occasionally issues for entities remitting funds to EDA via check. If you are remitting funds to EDA via check, please make note of the following:

- If a check is sent to EDA, it will be converted into an electronic funds transfer by copying the check and using the account information to electronically debit your account for the amount of the check. The debit from your account will usually occur within 24 hours and will appear on your regular account statement.
- EDA will not return your original check; the original will be destroyed and a copy will be maintained in our office. If the Electronic Funds Transfer (EFT) cannot be processed for technical reasons, the copy will be processed in place of the original check. If the EFT cannot be completed because of insufficient funds, EDA will charge you a one-time fee of \$25.00, which will be collected by EFT.

12. **CONSTRUCTION COMPLETION:** In keeping with prudent grants management policy, EDA construction projects must be completed within five (5) years of the date the Form CD-450 is signed by the Recipient accepting the Award. If construction is not completed by that date and the Grants Officer determines, after consultation with the Recipient, that construction to completion cannot reasonably be expected to be completed promptly and expeditiously, the grant may be terminated. Extensions beyond the five-year project period are exceedingly rare and can only be authorized by the Assistant Secretary. Nothing in this paragraph is intended to alter the Project Development Time Schedule set out in paragraph 7, above.
13. **USEFUL LIFE:** The useful life of this project is hereby determined to be 20 years from the date of project completion.

14. **GOALS FOR WOMEN AND MINORITIES IN CONSTRUCTION:** Department of Labor regulations set forth at 41 C.F.R. part 60-4 establish goals and timetables for the participation of minorities and women in the construction industry. Those regulations apply to all federally assisted construction contracts in excess of \$10,000. The Recipient shall comply with those regulations and shall obtain compliance with 41 C.F.R. part 60-4 from contractors and subcontractors employed on the project by including such notices, clauses, and provisions in the Solicitations for Offers or Bids as required by 41 C.F.R. part 60-4. The goal for the participation of women in each trade area shall be as follows: from April 1, 1981 until further notice: 6.9 percent.

All changes to this goal, as published in the Federal Register in accordance with the Office of Federal Contract Compliance Programs regulations at 41 C.F.R. § 60-4.6, or any successor regulations, shall hereafter be incorporated by reference into these Special Award Conditions.

Goals for minority participation shall be as prescribed by Appendix B-80 of the Federal Register notice published October 3, 1980 at 45 FR 65984-65991, or any subsequently published amendments. The Recipient shall include the "*Standard Federal Equal Employment Opportunity Construction Contract Specifications*" (or cause them to be included, if appropriate) in all Federally-assisted contracts and subcontracts. The goals and timetables for minority and female participation may not be less than those published pursuant to 41 C.F.R. § 60-4.6. The minority participation rate is 19.2%.

15. **PROCUREMENT:** The Recipient agrees that all procurement transactions shall be in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. §§ 200.317–200.326.
16. **EVIDENCE OF GOOD TITLE:** Prior to the initial disbursement of funds by EDA, the Recipient shall provide an opinion of counsel, satisfactory to EDA, that the Recipient has acquired good and marketable title to land, free of all encumbrances, to all real property necessary for completion of the project, as well as any necessary rights-of-way, easements, State or local government permits, or long-term lease interests necessary for the completion of the project, in accordance with 13 C.F.R. part 314.
17. **NONRELOCATION:** By accepting this Award of financial assistance, the Recipient attests that the EDA-funded project will not be used to induce the relocation or the movement of existing jobs from one Region to another Region by a primary beneficiary of the Award (see 13 C.F.R. § 300.3). In the event that EDA determines that its assistance was used for such purposes, EDA reserves the right to pursue all rights and remedies, including suspension of disbursements, termination of the Award for convenience or cause, and disallowance of any costs attributable, directly or indirectly, to the relocation.

For purposes of ensuring that EDA assistance will not be used for relocation purposes, each applicant must inform EDA of all employers that constitute primary beneficiaries of the project. EDA considers an employer to be a "primary beneficiary" if the applicant estimates that such employer will create or save 100 or more permanent jobs as a result of the investment assistance and specifically names the employer in its application to EDA. In smaller communities, EDA

may consider a primary beneficiary to be an employer of 50 or more permanent jobs so identified.

- 18. PERFORMANCE MEASURES:** The Recipient agrees to report on program performance measures and program outcomes in such a form and at such intervals as may be prescribed by EDA in compliance with the Government Performance and Results Act (GPRA) of 1993, and the Government Performance and Results Modernization Act of 2010.

At this time, all Awards for construction assistance require Recipients to report actual job creation/retention and private investment leverage at three (3), six (6), and nine (9) years after an EDA investment. The Recipient must retain sufficient documentation so that they can submit these required reports. Failure to submit these reports may adversely impact the ability of the Recipient to secure future funding from EDA.

Performance measures and reporting requirements that apply to program activities funded by this investment will be provided in a separate GPRA information collection document. EDA staff will contact the Recipient in writing within a reasonable period prior to the time of submission of the reports with information on how this data should be submitted. The Recipient must ensure adequate and sufficient records are kept to support the methodology for computing initial job creation/retention and private investment estimates and all subsequent actual performance data, and must make this information available at EDA's request, including in the event of an audit or performance site visit.

- 19. REAFFIRMATION OF APPLICATION:** Recipient acknowledges that Recipient's application for this Award may have been submitted to the Government and signed by Recipient, or by an authorized representative of Recipient, electronically. Regardless of the means by which Recipient submitted its application to the Government or whether Recipient or an authorized representative of Recipient submitted its application to the Government, the Recipient hereby reaffirms and states that:

- i. All data in the application and documents submitted with the application are true and correct as of the date the application was submitted and remain true and correct as of the date of this Award;
- ii. The application was, as of the date of submission and the date of this Award, duly authorized as required by local law by the governing body of the Recipient; and
- iii. Recipient has read, understood, and will comply with all terms of this Award, including the Assurances and Certifications submitted with, or attached to, the application.

The term "application" includes all documentation and any information provided to the Government as part of, and in furtherance to, the request for funding, including submissions made in response to information requested by the Government after submission of the initial application.

- 20. U.S. ARMY CORPS OF ENGINEERS PERMITTING CLEARANCE:** Prior to advertisement for bids, the Recipient shall provide a copy of a valid Section 404 permit from the

US Army Corps of Engineers (USACE) and satisfactory evidence that any mitigation set forth by the permit has been completed. If no Section 404 permit is required, the Recipient shall provide written verification from USACE that no Section 404 permit is required.

21. REPORTING OF MATTERS RELATED TO RECIPIENT INTEGRITY AND PERFORMANCE

A. General Reporting Requirement

If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then you as the recipient during that period of time must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph B of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

B. Proceedings About Which You Must Report

Submit the information required about each proceeding that:

1. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;
2. Reached its final disposition during the most recent five-year period; and
3. Is one of the following:

(a) A criminal proceeding that resulted in a conviction, as defined in paragraph E of this award term and condition;

(b) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;

(c) An administrative proceeding, as defined in paragraph E. of this award term and condition, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or

(d) Any other criminal, civil, or administrative proceeding if:

- (i) It could have led to an outcome described in paragraph B.3.(a), (b), or (c) of this award term and condition;
- (ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and
- (iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

C. Reporting Procedures

Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph B of this award term and condition. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM because you were required to do so under Federal procurement contracts that you were awarded.

D. Reporting Frequency

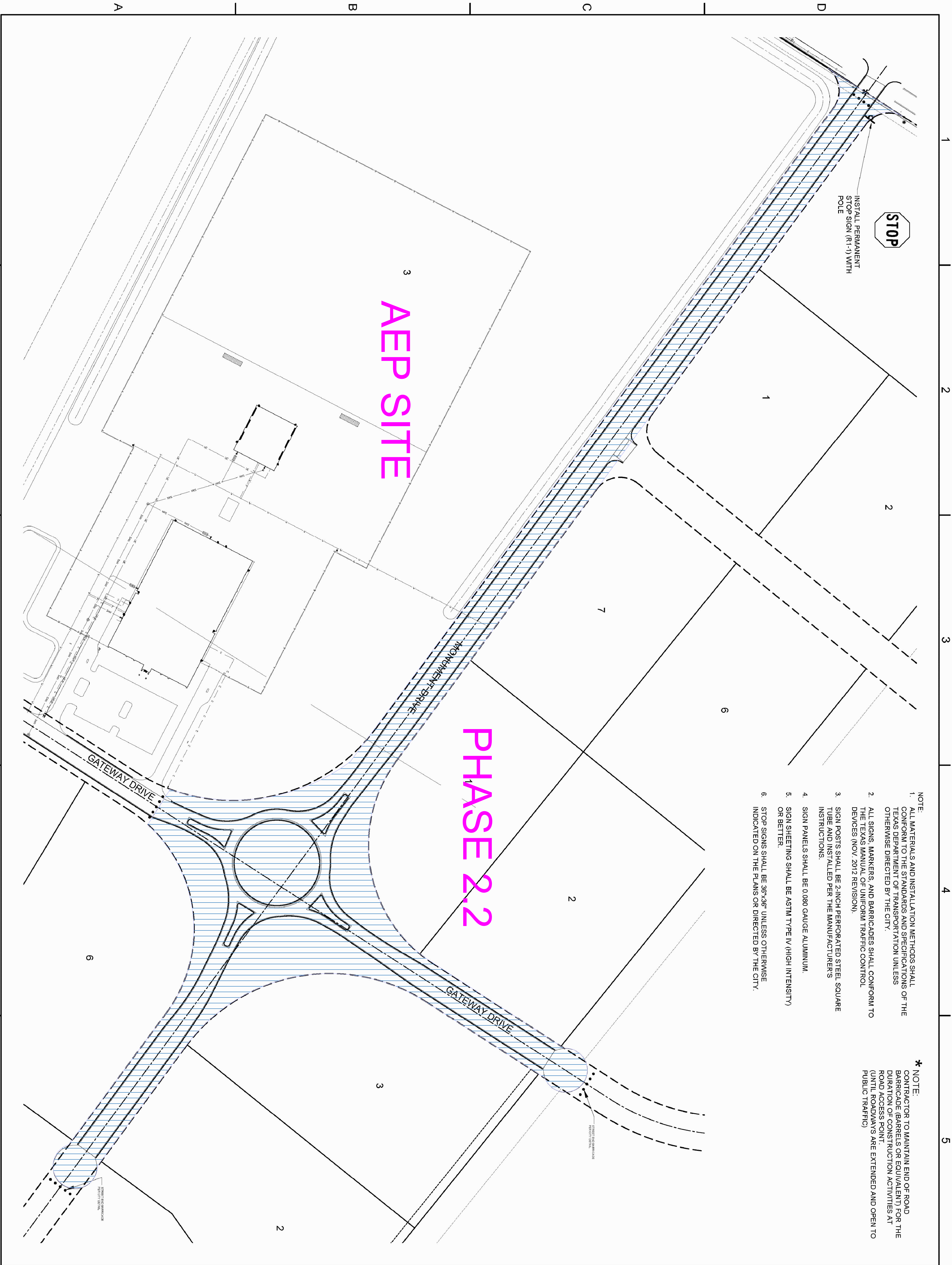
During any period of time when you are subject to the requirement in paragraph A of this award term and condition, you must report proceedings information through SAM for the most recent five-year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report. Recipients that have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

E. Definitions

For purposes of this award term and condition:

1. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.
2. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.
3. Total value of currently active grants, cooperative agreements, and procurement contracts includes—
 - (a) Only the Federal share of the funding under any Federal award with a recipient cost share or match; and

(b) The value of all expected funding increments under a Federal award and options, even if not yet exercised.



- NOTE:
1. ALL MATERIALS AND INSTALLATION METHODS SHALL CONFORM TO THE STANDARDS AND SPECIFICATIONS OF THE TEXAS DEPARTMENT OF TRANSPORTATION UNLESS OTHERWISE DIRECTED BY THE CITY.
 2. ALL SIGNS, MARKERS, AND BARRICADES SHALL CONFORM TO THE TEXAS MANUAL OF UNIFORM TRAFFIC CONTROL DEVICES (NOV. 2012 REVISION).
 3. SIGN POSTS SHALL BE 2-INCH PERFORATED STEEL SQUARE TUBE AND INSTALLED PER THE MANUFACTURERS INSTRUCTIONS.
 4. SIGN PANELS SHALL BE 0.080 GAUGE ALUMINUM.
 5. SIGN SHEETING SHALL BE ASTM TYPE IV (HIGH INTENSITY) OR BETTER.
 6. STOP SIGNS SHALL BE 36"x36" UNLESS OTHERWISE INDICATED ON THE PLANS OR DIRECTED BY THE CITY.

- * NOTE:
- CONTRACTOR TO MAINTAIN END OF ROAD BARRICADE (BARRELS OR EQUIVALENT) FOR THE DURATION OF CONSTRUCTION ACTIVITIES AT ROAD ACCESS POINT. (UNTIL ROADWAYS ARE EXTENDED AND OPEN TO PUBLIC TRAFFIC)



PARKHILL SMITH & COOPER

THIS DOCUMENT IS RELEASED ON FEBRUARY 1, 2018 FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF JARED A. SQUIRES, P.E., TEXAS LICENSE #19989. IT IS NOT TO BE USED FOR REGULATORY APPROVAL, CONSTRUCTION BIDDING OR PERMIT PURPOSES. PARKHILL SMITH & COOPER, INC. F-560

COSADC GATEWAY ADDITION

PHASE 2.2 INFRASTRUCTURE IMPROVEMENTS

SAN ANGELO, TEXAS

KEY PLAN



NO.	DATE	DESCRIPTION	PROJECT NO.
1			9406.17
2			
3			
4			
5			
6			
7			
8			
9			
10			

TEMPORARY TRAFFIC CONTROL PLAN

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Sandra Villarreal, Director of Health, City Manager's Office, 325.657.4493

Meeting Date: May 1, 2018

Item type: Regular Item

Caption:

Consider a resolution approving an amended funding plan for the Chadbourne Street Pedestrian Corridor Project; authorizing that the City of San Angelo enter into a contract with Halff Associates, INC. for the planning and engineering services associated with the street design, cost estimates, public engagement, and submittal of the TA Set-Aside Program application to TxDOT for the non-motorized street project and authorizing a request for qualifications for professional services necessary to the project - (Presentation made by Assistant City Manager Sandra Villarreal)

Summary/History:

In response to a call for projects under the Transportation Alternative Set-Aside (TA Set-Aside) Program by the Texas Department of Transportation, the San Angelo City Council authorized submission of a proposed Chadbourne Street project on May 16, 2017.

The TA Set-Aside program, as administered by TxDOT, provides funding to construct a variety of alternative transportation projects that serve non-motorized users, bicycles, non-driver infrastructure, public transportation access, and Safe Routes to School. The TA Set-Aside Program funds by TxDOT are for construction activities only. The project sponsor (City) must commit to providing a local funding match of at least 20% for construction and department oversight costs. Although authorized by City Council for a 30% match in order to increase success odds, the City is actually using 20% for the grant application.

While initially authorized to apply for Chadbourne funding from West 6th Street to the Concho River, a decision was made to break the project into two phases to apply for only Phase A. This decision was made after receiving input and advice from the State TA Set-Aside administrative office. Phase A still includes new sidewalks, ADA accessibility, adding a shared-use vehicle/bicycle lane, and installing landscaping/lighting, the project will be from the Concho River to Beauregard Avenue along South Chadbourne Street. Additionally, the project includes an accessibility study of Chadbourne with the adjoining Concho River Trail some 25 feet below street level.

The City of San Angelo contracted with Halff Associates, INC., for the planning and engineering services associated with the street design, cost estimates, public engagement, and submittal of the TA Set-Aside Program application to TxDOT for the non-motorized street project.

Phase A of the Chadbourne Street Corridor Project includes both street and motorized/non-motorized transportation alternatives and is estimated at approximately \$7,827,970 if implemented within a 3-year time frame. Final plans for the project must be submitted to TxDOT no later than July 2020 in order to meet TxDOT grant requirements.

Since initial discussions, changes have also occurred in the proposed allocation of MPO Off System Funding. While the Local MPO had approved a 3-year period for this project, they are now being told by the State that Off System Projects will not be eligible for MPO funding. A new funding and cost estimate plan has thus been developed and is being presented for consideration and approval.

Financial Impact:

See Attachment B_TA SetAside Proposed Funding Plan

Other Information/Recommendation:

Staff recommends:

1. Endorsing new funding plan as detailed in Attachment B, allowing work to begin on Phase A, and remaining funds of \$3,314,877 to

a) Phase A construction if needed

b) Design/Construction drawings for Phase B and possibly Phase C (Completion of this work will allow for a shovel ready project, obtain future grant allocations for Phases B&C. Plans are to submit a second TA Set-Aside Program Grant application in 2019 if a call is received, and a required local match can be secured.

c) Local match dollars for upcoming grants

(Note: \$957,411 of the remaining funds are designated for use only within the North TIRZ zone.)

2. Authorizing staff to move forward with a RFQ to secure a firm who will work with the City to review prior design concepts for the C complete construction documents for Phase A (River to Beauregard), Phase B (Beauregard to 2nd Street), and if funding permits, Phase C (Harte).

(Note: The extend of phases B and C are estimates, and may adjust depending on grant and funding opportunities.)

Attachments:

1.Chadbourne River to Beauregard Graphic	Chadbourne River to Beauregard Graphic.jpg
2.Attachment A_TA SetAside_Original Funding Plan	Attachment A_TA SetAside_Original Funding Plan.pdf
3.Attachment B_TA SetAside_Proposed Funding Plan	Attachment B_TA SetAside_Proposed Funding Plan.pdf
4.RESOLUTION supporting TA application	RESOLUTION supporting TA application.pdf
5.RESOLUTION supporting Funding Plan_5_16_17	RESOLUTION supporting Funding Plan_5_16_17.pdf
6.Chadbourne Grant Presentation-2018-04-25	Chadbourne Grant Presentation-2018-04-25.pptx
7.18-537_CMO_CHADBOURNE_ST_PROJECT_FUNDING_AMEND_RESO_FINAL	18-537_CMO_CHADBOURNE_ST_PROJECT_FUNDING_AMEND_RESO_FINAL.pdf

Presentation:

Rick Weise

Approvals/Reviews:

Sandra Villarreal	Created/Initiated
Rick Weise	Approved
Theresa James	Approved
Anthony Wilson	Approved
Tina Dierschke	Approved
Candice Blake	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval



Attachment A:

Original Funding Resources Approved by City Council on May 16, 2017:

	South TIRZ - 50% (First Year Commitment of 25%)	
	<u>North TIRZ - 25%</u>	
Streets:	2,500,000	
MPO:	4,000,000	(3 year allocation)
TIRZ North:	957,411	(8 year allocation of 25%)
TIRZ South:	1,125,101	(8 year allocation of 50%)
COSADC:	3,750,000	(5 year allocation of \$750,000 each year)
River:	200,000	(Complete ADA river trail - Concho Ped Bridge)
Storm Water:	300,000	(Approximate amount of project pertaining to stormwater)
Sewer Fund:	300,000	(Approximate amount of project pertaining to sewer)
Water Fund:	200,000	(Approximate amount of project pertaining to water)
HOT Fund:	50,000	(Way Finding)
TXDOT Grant:	4,925,273	
<u>Other Grants:</u>	<u>35,000</u>	<u>(Estimate of other possible grants)</u>
Estimated Total:	\$18,342,785	

Project Cost Estimates:

Project Cost	19,901,000
Projected Funding	18,342,785
City Inspection Credit	500,000
<u>Permitting Fees Credit</u>	<u>50,000</u>
Approximate Shortfall	\$1,008,215

Attachment B:

Anticipated Funding Resource Needs As Altered for Phase A Grant Application:

*** South TIRZ - 50% (First Year Commitment of 25%)

North TIRZ - 25%

	Original	Revised Phase A Funding	Remaining Funds B&C	
Streets:	\$2,500,000	\$2,500,000	\$0	
MPO:	\$4,000,000	\$0	\$0	(Change in Funding)
TIRZ North:	\$957,411	\$0	\$957,411	(8 year allocation of 25%) (Only Phase C)
TIRZ South:	\$1,125,101	\$1,125,101	\$0	(8 year allocation of 50%)
COSADC:	\$3,750,000	\$1,900,534	\$1,849,466	(\$750,000 for 5 years)
River:	\$200,000	\$0	\$0	(River Bridge Not Included)
Storm Water:	\$300,000	\$241,000	\$59,000	(Remains for Phase B&C)
Sewer Fund:	\$300,000	\$101,000	\$199,000	(Remains for Phases B&C)
Water Fund:	\$200,000	\$0	\$200,000	(Remains for Phases B&C)
HOT Fund:	\$50,000	\$0	\$50,000	(\$50,000 Remains for Phases B&C)
TXDOT Grant:	\$4,925,273	\$1,960,335	\$0	(Approved Grant Allocation)
Other Grants:	\$35,000	\$0	\$0	(No other grants anticipated at this time)
Est. Total:	\$18,342,785	\$7,827,970	\$3,314,877	

New Project Estimates:

Projected Funding	\$11,142,847
Project Cost Phase A	<u>\$7,827,970</u>
Balance Remaining	\$3,314,877
Phases B&C	

**A RESOLUTION OF THE CITY OF SAN ANGELO CITY COUNCIL
AUTHORIZING THE CITY'S APPLICATION TO THE TEXAS DEPARTMENT
OF TRANSPORTATION FOR ALTERNATIVES SET-ASIDE (TA Set-Aside)
FUNDING FOR CITY OF SAN ANGELO CHADBOURNE STREET
PEDESTRIAN CORRIDOR PROJECT.**

WHEREAS, the City of San Angelo five year Capital Improvement Plan (CIP) includes street improvements on Chadbourne Street, from Houston Hart to Washington streets; and,

WHEREAS, the City of San Angelo desires to include within the scope of its CIP for improvements relating to Chadbourne Street, certain pedestrian infrastructure, including on and off-road pedestrian and bicyclist accommodations; and,

WHEREAS, prior to May 22, 2017, the City of San Angelo intends to submit a transportation alternative project application to the Texas Department of Transportation under its Transportation Alternatives Set-Aside (TA Set-Aside) Program for areas of 200,000 or less population for a grant funding the Chadbourne Street Pedestrian Corridor Project; and,

WHEREAS, a City Council resolution of support is required as part of the application process in response to the Texas Department of Transportation, Transportation Alternatives Set-Aside Call for Project applications; and,

WHEREAS, the City of San Angelo Development Corporation has resolved by resolution adopted on February 22, 2017, to provide funding in an amount not to exceed \$100,000, in support of the City's application; and,

WHEREAS, the City of San Angelo Tax Increment Financing Zone Board has resolved by resolution adopted on February 28, 2017, to provide funding in an amount not to exceed \$50,000, in support of the City's application; and,

WHEREAS, the City Council for the City of San Angelo shall provide additional sources of funding in support of the application;

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT:

Section 1. The foregoing recitals are true and correct and are adopted as a part of this Resolution.

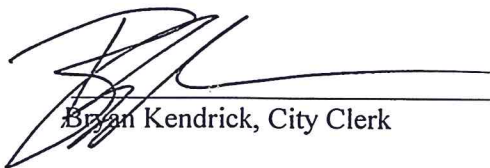
Section 2. The City of San Angelo supports funding this project as described in the 2017 TA Set-Aside Nomination Form (including the construction budget, the department's 15% administrative cost, and a 30% local match) and is willing to commit to the project's development, implementation, construction, maintenance, management, and financing.

- Section 3. The City of San Angelo will serve as the public sponsor and lead project contact on this project.
- Section 4. The City of San Angelo is willing and able to enter into an agreement with the Texas Department of Transportation by resolution or ordinance, should the project be selected for funding.
- Section 5. The City of San Angelo will designate a Responsible Person in Charge, a Project Manager, and a Qualified Person before beginning any work on the project.

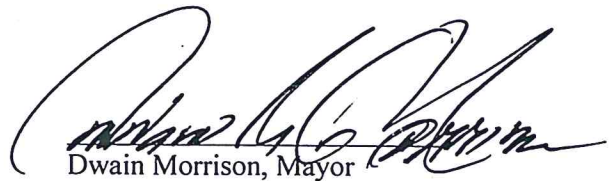
PASSED, APPROVED, and ADOPTED on this the 16th day of May, 2017.

ATTEST:

THE CITY OF SAN ANGELO

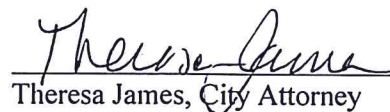


Bryan Kendrick, City Clerk



Dwain Morrison, Mayor

Approved As to Form:



Theresa James, City Attorney

#2017-05-076

**A RESOLUTION OF THE CITY OF SAN ANGELO CITY COUNCIL
APPROVING THE FUNDING PLAN FOR CITY OF SAN ANGELO
CHADBOURNE STREET PEDESTRIAN CORRIDOR PROJECT.**

WHEREAS, the City of San Angelo five year Capital Improvement Plan (CIP) includes street improvements on Chadbourne Street, from Houston Hart to Washington streets; and,

WHEREAS, the City of San Angelo desires to include within the scope of its CIP for improvements relating to Chadbourne Street, certain pedestrian infrastructure, including on and off-road pedestrian and bicyclist accommodations; and,

WHEREAS, the City of San Angelo anticipates funding to be received for the project from the Metropolitan Planning Organization, the TIRZ North and the TIRZ South, the COSADC, and various sources of grants.

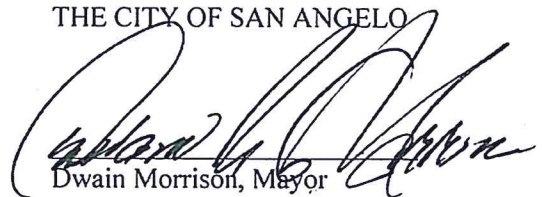
WHEREAS, the City Council for the City of San Angelo supports this project through the allocation of City funds.

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT:

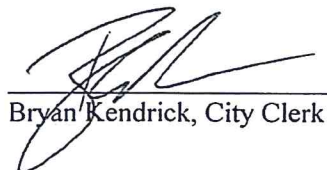
The City of San Angelo supports funding this project through the expenditure of funds as depicted in the funding plan attached as Exhibit A to this resolution.

PASSED, APPROVED, and ADOPTED on this the 16th day of MAY, 2017.

THE CITY OF SAN ANGELO


Dwain Morrison, Mayor

ATTEST:


Bryan Kendrick, City Clerk

APPROVED AT TO FORM:

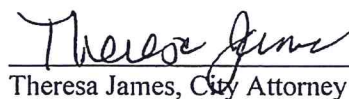

Theresa James, City Attorney

Exhibit "A"

Chadbourne Street Project

Estimated Funding:

S. TIRZ - 50% ***
N. TIRZ - 25%

Streets	2,500,000.00	
MPO	4,000,000.00	(3 year allocation)
TIRZ North	957,411.00	(8 year allocation of 25%)
TIRZ South	1,125,101.00	(8 year allocation of 50%) ***
COSADC	3,750,000.00	(5 year allocation of \$750,000 each year)
River	200,000.00	(Complete ADA access along river trail)
Storm Water	300,000.00	(Approximate amount of project pertaining to stormwater)
Sewer Fund	300,000.00	(Approximate amount of project pertaining to sewer)
Water Fund	200,000.00	(Approximate amount of project pertaining to water)
HOT Fund	50,000.00	(Way Finding)
TxDOT Grant	4,925,273.00	
Other Grants	35,000.00	(Estimate of other possible grants)
Estimated Total:	18,342,785.00	

Project Estimates:

Project Cost	19,901,000.00
Projected Funding	18,342,785.00
City Inspection Credit	500,000.00
Permitting Fees Credit	50,000.00
Approximate Shortfall	1,008,215.00

Shortfall to come from street funding or other sources as they become available

***First year commitment of 25%



Chadbourne St. Project Update

Downtown San Angelo Connectivity Project

April 25, 2018



Project Description

- Chadbourne Improvements from 6th Street to Washington Dr.
 - Phase A – Concho River to Beauregard Ave.
 - Phase B – Beauregard Ave. to 6th St.
 - Phase C – Concho River to Washington Dr.
- Street improvements – Concrete road with curb & gutter
- Streetscape improvements
- Pedestrian improvements, including ramp to pedestrian trail
- Utilities improvements



Project Background

- Application submitted to TxDOT as part of the Transportation Set-Aside (TA Set-Aside) Program
- TA Set-Aside funds for non-motorized users such as bicycles, non-driver infrastructure, public transportation access, and Safe Routes to School
- Require minimum 20% local match, which was increased to 25% to improve application
- TA Set-Aside grant award of \$1,960,335 for Phase A
- Phase A must be let by July, 2020, to meet TxDOT deadline



Phase A - Concho River to Beauregard Ave.



Phases A & B - from Concho River to 6th Street



Phase C – Concho River to Washington Dr.



Original Funding Resources Approved by Council

- Streets - \$2,500,000
- **MPO - \$4,000,000**
- TIRZ North - \$957,411
- TIRZ South - \$1,125,101
- COSADC - \$3,750,000
- River - \$200,000
- Stormwater Fund - \$300,000
- Sewer Fund - \$300,000
- Water Fund - \$200,000
- HOT Fund - \$50,000
- TxDOT Grant - \$4,925,273
- Other Grants - \$35,000
- Estimated Total -
\$18,342,785
- **Project Cost Estimate**
\$19,901,000



Anticipated Funding Resource Needs for Phase A

- Streets - \$2,500,000
- ~~MPO - \$4,000,000~~
- TIRZ North - \$0
- TIRZ South - \$1,125,101
- COSADC - \$1,900,534
- ~~River - \$200,000~~
- Stormwater Fund - \$241,000
- Sewer Fund - \$101,000
- Water Fund - \$0
- HOT Fund - \$0
- TxDOT Grant - \$1,960,332
- ~~Other Grants - \$35,000~~
- Estimated Total - \$7,827,970
- **Project Cost Estimate - \$7,827,970**



Available Remaining Funding for Phases B & C

- Streets - \$0
- ~~MPO - \$4,000,000~~
- TIRZ North - \$957,411
- TIRZ South - \$0
- COSADC - \$1,849,466
- ~~River - \$200,000~~
- Stormwater Fund - \$59,000
- Sewer Fund - \$199,000
- Water Fund - \$200,000
- HOT Fund - \$50,000
- TxDOT Grant - \$0
- ~~Other Grants - \$35,000~~
- Estimated Total - \$3,314,877
- **Project Cost Estimate - \$12,073,030**



Requests and Staff Recommendations

- Endorse new funding plan to begin work on Phase A
- Allow remaining budgeted project funds (\$3,314,877) to be utilized for:
 - Phase A construction (if needed)
 - Design/construction drawings for Phase B and C
 - Local match dollars for future (TxDOT or other) grants
- Authorize staff to move forward with RFQ to secure firm for project design and bid documents





Chadbourne St. Project Update

Downtown San Angelo Connectivity Project

April 25, 2018



A RESOLUTION OF THE CITY OF SAN ANGELO CITY COUNCIL APPROVING AN AMENDED FUNDING PLAN FOR CITY OF SAN ANGELO CHADBOURNE STREET PEDESTRIAN CORRIDOR PROJECT; AUTHORIZING THAT THE PROJECT PROCEED IN PHASES; AND, AUTHORIZING A REQUEST FOR QUALIFICATIONS FOR PROFESSIONAL SERVICES NECESSARY TO THE PROJECT

WHEREAS, the City of San Angelo five year Capital Improvement Plan (CIP) includes street improvements on Chadbourne Street, from Houston Hart to Washington streets; and,

WHEREAS, on May 16, 2017, the City Council adopted a resolution approving a Funding Plan for the Chadbourne Street Pedestrian Corridor Project that supplements funding from the Texas Department of Transportation (TxDOT), Transportation Alternatives Set-Aside Program; and,

WHEREAS, certain proposed funding sources have failed to materialize and the resulting shortfall requires amendment to the adopted Funding Plan; and,

WHEREAS, as a result of the funding limitations, City shall proceed with the Project in Phases, commencing with Phase “A” , being from Concho River to Beauregard Avenue along South Chadbourne Street, plus an accessibility link designed to connect Chadbourne Street with the Concho River Trail; and,

WHEREAS, final plans for the Project Phase “A” must be submitted to TxDOT no later than February 2020, with contracts let on or before July 2020, which will require publication of a Request for Qualifications for engineering-architectural professional services; and,

WHEREAS, the City Council for the City of San Angelo supports this project through the allocation of grant and City funds.

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT:

1. The City of San Angelo Chadbourne Street Pedestrian Corridor Project Funding Plan adopted on May 16, 2017 by City Council Resolution is hereby amended by restating the Funding Plan as set forth in **Exhibit “A” Revised**, attached to and made a part of this resolution, subject to future amendment for additional funding.

2. Staff is authorized to proceed with the Project in phases, commencing with Phase “A” , being from Concho River to Beauregard Avenue along South Chadbourne Street, plus an accessibility link designed to connect Chadbourne Street with the Concho River Trail; and

3. Staff is authorized to issue a request for qualifications for engineering-architectural professional services for the Project, necessary to comply with TxDOT Transportation Alternatives Set-Aside Program grant deadlines for submission of final Project plans and for letting related construction contracts.

PASSED, APPROVED, and ADOPTED on this the 1st day of May, 2018.

THE CITY OF SAN ANGELO

Attest: _____
Bryan Kendrick, City Clerk

Brenda Gunter, Mayor

Approved As to Form:

Theresa James, City Attorney

Exhibit "A" Revised

Anticipated Funding Resource Needs As Altered for Phase A Grant Application:

*** South TIRZ - 50% (First Year Commitment of 25%)

North TIRZ - 25%

	Original	Revised Phase A Funding	Remaining Funds B&C	
Streets:	\$2,500,000	\$2,500,000	\$0	
MPO:	\$4,000,000	\$0	\$0	(Change in Funding)
TIRZ North:	\$957,411	\$0	\$957,411	(8 year allocation of 25%) (Only Phase C)
TIRZ South:	\$1,125,101	\$1,125,101	\$0	(8 year allocation of 50%)
COSADC:	\$3,750,000	\$1,900,534	\$1,849,466	(\$750,000 for 5 years)
River:	\$200,000	\$0	\$0	(River Bridge Not Included)
Storm Water:	\$300,000	\$241,000	\$59,000	(Remains for Phase B&C)
Sewer Fund:	\$300,000	\$101,000	\$199,000	(Remains for Phases B&C)
Water Fund:	\$200,000	\$0	\$200,000	(Remains for Phases B&C)
HOT Fund:	\$50,000	\$0	\$50,000	(\$50,000 Remains for Phases B&C)
TXDOT Grant:	\$4,925,273	\$1,960,335	\$0	(Approved Grant Allocation)
<u>Other Grants:</u>	<u>\$35,000</u>	<u>\$0</u>	<u>\$0</u>	(No other grants anticipated at this time)
Est. Total:	\$18,342,785	\$7,827,970	\$3,314,877	

New Project Estimates:

Projected Funding	\$11,142,847
<u>Project Cost Phase A</u>	<u>\$7,827,970</u>
Balance Remaining	\$3,314,877
Phases B&C	



APPLICATION FOR BOARDS and COMMISSIONS

Name: Noemi Vasquez
 Address: [REDACTED]
 City: San Angelo Zip: 76903
 Phone (Home): [REDACTED] (Office): [REDACTED]
 Resident of San Angelo since: 2008 SMD: [REDACTED]
 Are you a registered voter of San Angelo? Yes: ✓ No: [REDACTED]
 Occupation / Business Affiliation: UNIVISION
 Occupation / Business Address: 36 E. Twining Ave., Ste 103
 Title/Position: Integrated Marketing Solutions Consultant
 Email: [REDACTED]

By executing this document, the applicant does hereby certify and affirm the truth and accuracy of the information contained herein. The applicant further authorizes the City Council, or its designee, to verify any information. The applicant agrees to release and hold harmless the City from all claims incident to the verification of information contained herein.

X Noemi Vasquez 4-16-18
 Applicant's Signature Date

NOTE: This application is information of public record.* Public Service opportunities are offered by the City of San Angelo without regard to race, color, national origin, religion, sex or disability.

RETURN TO: City of San Angelo, c/o City Clerk, 72 W. College, San Angelo, Texas 76903

Applying for:

- ☐ Airport Advisory Board
- ☐ Animal Shelter Advisory Cmm*
- ☒ Civic Events Advisory Board
- ☐ Civil Service Commission
- ☐ Construction Board of Adj/Apps*
- ☐ Design & Historic Review Cmm*
- ☐ Development Corporation
- ☐ Fort Concho Museum Board
- ☐ Park Commission
- ☐ Parks & Recreation Adv Board
- ☐ Planning Commission
- ☐ Public Art Commission*
- ☐ Public Housing Authority
- ☐ Tax Incrmt Reinvsmt Zone Board*
- ☐ Water Advisory Board*
- ☐ Zoning Board of Adjustment

*specific membership criteria requirements apply-See back page for more information

Recommended by:

Lney Gonzales

Tell us about yourself. Feel free to attach additional sheets, if necessary.

Based on you board selection, do you meet the membership criteria*? YES If so, which criteria: [REDACTED]
 (see back page for board criteria)

Education and/or Professional Licenses: Repair Tech, Cable Network Tech, Bilingual Sales in Communications SPEC ART UNIVISION

Current Municipal and Civic Organization Memberships (Positions & Dates): Concho Radio Board-2014-2017, Concho Radio-2016-current, 100 Family Shelter 2014-current

Previous Municipal Experience (Positions, Dates, Where): N/A

What personal qualifications can you bring to this board? Working in Media has its privileges to increment networking with many organizations & I love our Community

What is your personal vision for the City? For all of San Angelo & its Communities to seamlessly blend together

Why do you want to serve on this board? It seems a privilege to me to serve a board of this stature that makes a difference in our San Angelo Community

Anything else you would like for us to know? The overall essence of my career is to help bring our Community together as one & I feel honored for this nomination.

*The City Council adopted the Code of Ethics for members of the City Council and for the City's boards and commissions to assure public confidence in the integrity of local government and its effective and fair operation. Therefore, all Members shall comply with the laws of the nation, the State of Texas, and the City of San Angelo in the performance of their public duties. If you have been convicted of a MISDEMEANOR or FELONY, and/or placed on probation, fined or given a suspended sentence such as pretrial diversion or deferred adjudication in court within the last ten years, disclosure of such should be forwarded under separate cover. For a complete copy of the Code of Ethics, contact the City Clerk at 657-4405.

Antilley, Julia

From: info@cosatx.us
Sent: Wednesday, April 18, 2018 9:34 AM
To: Kendrick, Bryan; Antilley, Julia
Subject: City of San Angelo, TX: Boards and Commissions application

A new entry to a form/survey has been submitted.

Form Name: Boards and Commissions application
Date & Time: 04/18/2018 7:34 AM
Response #: 82
Submitter ID: 23997
IP address: 66.76.177.68
Time to complete: 25 min. , 58 sec.

Survey Details

Page 1

NOTE: This application is information of public record.

Public Service opportunities are offered by the City of San Angelo without regard to race, color, national origin, religion, sex or disability.

1. Personal information

Name: Greg Gayler
Address: [REDACTED]
ZIP code: 76904
Home/mobile phone: [REDACTED]
Office/mobile phone: [REDACTED]
Resident of San Angelo since (year): 1976
City Council Single-Member District in which you reside: Tommy Hiebert
Registered San Angelo voter? (yes or no) yes
Occupation/business affiliation: Angelo Water Service(Culligan)
Occupation/business address: 1007 N Chadbourne
Title/position: President
Email: [REDACTED]

2. By executing this document, the applicant does hereby certify and affirm the truth and accuracy of the information contained herein. The applicant further authorizes the City Council, or its designee, to verify any information.

The applicant agrees to release and hold harmless the City from all claims incident to the verification of information contained herein.

(o) Yes

3. Date

4/18/2018

4. Applying for:

NOTE: Specific membership requirements apply to boards/commissions marked with an asterisk. See the bottom page at [this link](#) for more details.

(o) Tax Increment Reinvestment Zone Board*

5. Recommended by:

(Name): Tom Thompson

6. Based on your board selection, do you meet the membership criteria?

(o) Yes

7. If so, which criteria?

I believe I meet the criteria as Tom explained it to me.

8. Tell us about yourself.

Education and/or professional licenses:

Graduate Central and ASU. Water Treatment Specialist Class III, Certified BW plant operator. Have had numerous licenses related to water since 1980. Served on Culligan Dealer Advisory council for six years ending 2015.

Current municipal and civic organization memberships (positions and dates):

Board member CV Regional Food Bank and past President. Past member of BBB board. Rotarian since 1993 and was President 2000-01, currently chair one committee. Current Treasurer of Texas Water Quality Assn and have served in all officer positions. Member of MABWA and IBWA and WQA. Served on Parish Council of Trinity Lutheran and was President as well as chair of at least two boards. Our company is member of Chamber and Home Builders Assn. I am also a member of AWWA.

Previous municipal experience (positions, dates, where):

na

What personal qualifications can you bring to the board?

Business person that has strong ties to community. Ability to look at all factors and make decision that is best for all concerned. Sometimes decisions are not what we want, but what is right. I have served on several boards and committees to try and help both the community and state.

What is your personal vision for the City?

To keep our quality of life good and to see us maintain and improve infrastructure so we can keep good people here with good jobs and maintain our lifestyle for families that make us such as strong town that people want to live in and raise their families.

Why do you want to serve on this board?

I hope to help in some way to keep our city doing what is needed to maintain and improve overall quality of city.

Is there anything else you would like to share about yourself?

During my term as President of Rotary, we were able to establish a scholarship endowment fund to help at risk students further their education. It was a small group of us that got this done in just a few months. We have since grown the fund to the point that we can help up to 10 students each year. I enjoy doing things like this that have long term effects. This is one example.

The City Council adopted the Code of Ethics for members of the City Council and for the City's boards and commissions to assure public confidence in the integrity of local government and its effective and fair operation. Therefore, all Members shall comply with the laws of the nation, the State of Texas, and the City of San Angelo in the performance of their public duties. If you been convicted of a MISDEMEANOR or FELONY, and/or placed on probation, fined or given a suspended sentence such as pretrial diversion or deferred adjudication in court within the last ten years, disclosure of such should be forwarded under separate cover. For a complete copy of the Code of Ethics, contact the City Clerk at 325-657-4405.

Thank you,
City of San Angelo, TX

This is an automated message generated by the Vision Content Management System™. Please do not reply directly to this email.



APPLICATION FOR BOARDS and COMMISSIONS

Name: Kendall Hirschfeld

Address: [REDACTED]

City: San Angelo (unless otherwise noted) Zip: 76901

Phone (Home): [REDACTED] (Office): [REDACTED]

Resident of San Angelo since: 1964 SMD: 5

Are you a registered voter of San Angelo? Yes: Yes No:

Occupation / Business Affiliation: West Texas Fire & Industrial Supply

Occupation / Business Address: 138 W Concho

Position: Vice President

Email: [REDACTED]

By executing this document, the applicant does hereby certify and affirm the truth and accuracy of the information contained herein. The applicant further authorizes the City Council, or its designee, to verify any information. The applicant agrees to release and hold harmless the City from all claims incident to the verification of information contained herein.

[Signature] 10-7-14
Applicant's Signature Date

NOTE: This application is information of public record.* Public Service opportunities are offered by the City of San Angelo without regard to race, color, national origin, religion, sex or disability.

RETURN TO: City of San Angelo, c/o City Clerk, 72 W. College, San Angelo, Texas 76903

Applying for:

- ☐ Airport Advisory Board
- ☐ Animal Shelter Adv Cmm*
- ☐ Civic Events Adv Board
- ☐ Civil Service Commission
- ☐ Construction Board of Adj/Appls*
- ☐ Design & Historic Review Cmm*
- ☐ Development Corporation
- ☐ Downtown Development Cmm*
- ☐ Fort Concho Museum Board
- ☐ Park Commission
- ☐ Parks & Recreation Adv Board
- ☐ Planning Commission
- ☐ Public Art Commission*
- ☐ Public Housing Authority
- ☐ Tax Incrmt Reinvsmt Zone Board*
- ☒ XXX Water Advisory Board*
- ☐ Zoning Board of Adjustment

*specific membership criteria requirements apply-See back page for more information

Recommended by:

Tell us about yourself. Feel free to attach additional sheets, if necessary.

Based on you board selection, do you meet the membership criteria*? Yes No If so, which criteria: Agriculture & former municipal official
(see back page for board criteria)

Education and/or Professional Licenses:

Current Municipal and Civic Organization Memberships (Positions & Dates): Numerous memberships, no board positions at present.
Serve on Water Efficiency Advisory Group designed to provide governmental bodies suggestions for efficient water usage.

Previous Municipal Experience (Positions, Dates, Where): COSA Council member SMD5 2010-2013, served on Watermaster Advisory Board

What personal qualifications can you bring to this board? Knowledgeable in COSA water supply operation including long-term water usage.
Involved in family ranching operation.

What is your personal vision for the City? To see San Angelo grow and thrive for many generations to come.

Why do you want to serve on this board? We must always be vigilant in every aspects of our water resources. New sources, better use of existing sources, rainwater collection, conservation and effluent are many aspects that must always be reviewed.

Anything else you would like for us to know? San Angelo will not thrive without sufficient and reliable water resources. This has to be a balanced approach of surface & ground water with a continued review of all opportunities that might be available.

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For Office Use Only:

Appointed by: GlCo App/Reappt Date: Term Dates: To From



**APPLICATION FOR
BOARDS and COMMISSIONS**

Name: Jonathan A. Jennings
Address: [REDACTED]
City: San Angelo State: Texas Zip: 76901
Phone (Home): [REDACTED] (Office): [REDACTED]
Resident of San Angelo since: August 2011
Are you a registered voter of San Angelo? Yes: X No:
Occupation or Business Affiliation: West Tx Weather Mod. Assoc
Position: Project Meteorologist

[Signature]
Applicant's Signature

1-15-2015
Date

NOTE: This application is information of public record. Public Service opportunities are offered by the City of San Angelo without regard to race, color, national origin, religion, sex or disability.

RETURN TO: City of San Angelo, c/o City Clerk, P O Box 1751,
San Angelo, Texas 76902-1751

Applying for:

- ☐ Airport Advisory Board
- ☐ Animal Services Board
- ☐ Civic Events Board
- ☐ Civil Service Commission
- ☐ Development Corporation
- ☐ Construction Board
- ☐ Fort Concho Board
- ☐ Historic Prsv Commission
- ☐ Keep SA Beautiful
- ☐ Park Commission
- ☐ Planning Commission
- ☐ Public Housing Authority
- ☐ Recreation Board
- ☐ River Corridor Commission
- ☐ Senior Service Adv Board
- ☒ Water Advisory Board
- ☐ Zoning Board of Adjustment

Recommended by:

Bill Riley

Tell us about yourself. Feel free to use the back for more space.

Education and/or Professional Licenses:

B.S. Earth Science/Meteorology - 2008 - California Univ. of PA
Licensed meteorologist, 2011 - present - TX Dept. Licensing and Reg.

Current Municipal and Civic Organization Memberships (Positions & Dates): N/A

Previous Municipal Experience (Positions, Dates, Where): N/A

What personal qualifications can you bring to this board? Knowledgeable on several water projects including desal, reuse, weather modification, aquifer storage and recovery. Also a good understanding of the hydrology/geology of area.

What is your personal vision for the City? I really enjoy the mix of history, tradition and the acceptance of the growth of San Angelo. Without water, however it'll be hard for the city to continue to grow as it is.

Why do you want to serve on this board? I feel I bring a well rounded and very knowledgeable product to the table. I am open minded and enjoy working with others with a common interest. This board will also bring a sense of community to me as I hope to help make an impact to a great city.

Any thing else you would like for us to know? I am currently heavily involved in government relations and work closely with state legislatures and senators. I am young, passionate and can bring a long term presence to the board.

For Office Use Only:

Appointed by:

CiCo Appl/Reappt Date:

Term Dates: To

From



APPLICATION FOR BOARDS and COMMISSIONS

Name: Casey Barrett
Address: [REDACTED]
City: San Angelo (unless otherwise noted) Zip: 76904
Phone (Home): [REDACTED] (Office): [REDACTED]
Resident of San Angelo since: 2009 SMD: _____
Are you a registered voter of San Angelo? Yes: xx No: _____
Occupation / Business Affiliation: Texas Financial Bank
Occupation / Business Address: 121 West Twohigh, San Angelo, 76903
Position: Chief Financial Officer
Email: [REDACTED]

By executing this document, the applicant does hereby certify and affirm the truth and accuracy of the information contained herein. The applicant further authorizes the City Council, or its designee, to verify any information. The applicant agrees to release and hold harmless the City from all claims incident to the verification of information contained herein.

X [Signature] June 15, 2016
Applicant's Signature Date

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RETURN TO: City of San Angelo, c/o City Clerk, 72 W. College, San Angelo, Texas 76902-1751

Applying for:

- ☐ Airport Advisory Board
- ☐ Animal Shelter Adv Cmm*
- ☐ Civic Events Adv Board
- ☐ Civil Service Commission
- ☐ Construction Board of Adj/Apps*
- ☐ Design & Historic Review Cmm*
- ☐ Development Corporation
- ☐ Downtown Development Cmm*
- ☐ Fort Concho Museum Board
- ☐ Park Commission
- ☐ Parks & Recreation Adv Board
- ☐ Planning Commission
- ☐ Public Art Commission*
- ☐ Public Housing Authority
- ☒ Tax Incrmt Reinvsmt Zone Board*
- ☐ Water Advisory Board*
- ☐ Zoning Board of Adjustment

*specific membership criteria requirements
apply-See back page for more information

Recommended by:

Tell us about yourself. Feel free to attach additional sheets, if necessary.

Based on you board selection, do you meet the membership criteria? Yes No If so, which criteria: TIRZ #3
(see back page for board criteria)

Education and/or Professional Licenses: Bachelor of Science, Texas Tech University

Current Municipal and Civic Organization Memberships (Positions & Dates): Downtown San Angelo, Inc. Board Member (2014-present); San Angelo Stock Show and Rodeo, Sale Committee (2014-present); Tom Green County Livestock Show, Sale Committee (2014-present)

Previous Municipal Experience (Positions, Dates, Where): Economic Development Corporation, Board Member, Lamesa, Texas (2004-2005).

What personal qualifications can you bring to this board? I operate a business in the TIRZ zone and have been actively involved in the restoration and continued revitalization of the downtown area. My leadership skills and fiscal responsibility will enhance the TIRZ Board.

What is your personal vision for the City? I personally want to preserve the history and culture of San Angelo. I believe that we can use our uniqueness to attract quality businesses and citizens from all of Texas and beyond. We have a great foundation on which we can build on.

Why do you want to serve on this board? The TIRZ Board has a great fiscal responsibility of improving the TIRZ zones. As a businessman in this zone, along with my volunteer work in these zones, I believe that we can greatly improve this business district and attract new employers and enhance this great city.

Anything else you would like for us to know? San Angelo is my "adopted" hometown. I moved here 7 years ago with an eagerness get involved. The people and leadership of this city has established a great foundation, but I believe that we can continue to improve our TIRZ zones.

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Appointed by: _____ C/Co Appt/Reappt Date: _____ Term Dates: To _____ From _____



APPLICATION FOR BOARDS and COMMISSIONS

Name: Ben Wiese
Address: P.O. Box 56
City: Carlsbad State: TX Zip: 76937
Phone (Home): [REDACTED] (Office): [REDACTED]
Resident of San Angelo since: _____
Are you a registered voter of San Angelo? Yes: _____ No: X
Occupation or Business Affiliation: Concho Rural Water Corp
Position: President

Ben Wiese 4-1-15
Applicant's Signature Date

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San Angelo, Texas 76902-1751

Applying for:

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- ☐ River Corridor Commission
- ☐ Senior Service Adv Board
- ☒ Water Advisory Board
- ☐ Zoning Board of Adjustment

Recommended by:

Tell us about yourself. Feel free to use the back for more space.

Education and/or Professional Licenses: Business Degree - ASU, Class C groundwater license, Customer Service Inspections License

Current Municipal and Civic Organization Memberships (Positions & Dates): I have been an active member of the Texas Water Utilities Assn since 1999. I have held offices in both the District and Regional level. I am currently Treasurer for the Fort Concho Water Utilities Assn.

Previous Municipal Experience (Positions, Dates, Where): I am the operator for 3 Municipal Utility Districts. For each of these Districts, I over see all physical actions of getting the water out of the ground and to the customer. I also attend monthly meetings and give advice to each board on providing safe potable water.

What personal qualifications can you bring to this board? I have a knowledge of rural water around San Angelo. The water systems that I operate have some of the same issues that the City of SA has.

What is your personal vision for the City? I would like to see the City of SA have an adequate supply of water to satisfy all of the current and future needs.

Why do you want to serve on this board? I would like to serve on this board to help bring new ideas to the City of SA from a rural perspective.

Any thing else you would like for us to know? _____

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Term Dates: To

From