

AGENDA

CITY OF TAYLOR, TEXAS CITY COUNCIL MEETING CITY HALL, COUNCIL CHAMBERS, 400 PORTER STREET

MARCH 25, 2021, 6:00 P.M.

In order to assist in maintaining the health of Council Members, staff and the public, this meeting will be conducted by *video conference*.

You may view this meeting as it's happening through the City's website at <http://www.ci.taylor.tx.us/660/Taylor-Videos>

For citizen comments, please contact the City Clerk's office at Dianna.barker@taylortx.gov prior to 5:30p.m. Thursday, March 25th.

The agenda packet is available at <http://www.ci.taylor.tx.us/calendar>

CALL TO ORDER AND DECLARE A QUORUM

CITIZENS COMMUNICATION

(The City Council welcomes public comments on items not listed on the agenda. However, the Council cannot respond until the item is posted on a future meeting agenda. Public comments are limited to 3 minutes.)

CONSENT AGENDA

(The Consent Agenda includes non-controversial and routine items that the Council may act on with one single vote. Any Council member may pull any item from the Consent Agenda to discuss and act upon individually on the Regular Agenda.)

1. Approve minutes from the March 11, 2021 regular Council meeting and the March 18, 2021 special called Council meeting. (Dianna Barker)
2. Consider approving agreement with the YMCA for pool management services. (Jeff Jenkins)

REGULAR AGENDA; REVIEW/DISCUSS AND CONSIDER ACTION

3. Receive the Comprehensive Annual Financial Report for Fiscal Year 2019-20. (Jeff Wood)
4. Consider rental usage agreement for Dickey-Givens Community Center. (Jeff Jenkins)
5. Receive presentation on state of the Taylor Parks and Recreation Department. (Jeff Jenkins)
6. Receive presentation on state of the Development Services Department. (Tom Yantis)
7. Receive the State of the Department presentation by Public Works for Street and Grounds Division. (Jim Gray)
8. Receive the State of the Department presentation regarding the Cemetery. (Jim Gray)

ADJOURN

The Council may vote and/or act upon each of the items listed in this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, whenever it is considered necessary and legally justified under the Open Meetings Act including: Section 551.071 (Consult with attorney); Section 551.072 (Real Property); Section 551.073 (Gifts and Donations); Section 551.074 (Personnel Matters); Section 551.076 (Security Devices); and Section 551.087 (Economic Development). I certify that the notice of meeting was posted in the Taylor City Hall Lobby before 6:00 p.m. on March 22, 2021 and remained posted for at least 72 hours continuously before the scheduled time of said meeting. I further certify that the following news media was notified of this meeting: Taylor Press.

Posted By:


Dianna Barker, City Clerk

Date

3-22-2021



City Council Meeting March 25, 2021 Transmittal Letter

STRATEGIC PILLAR

- ☐ Streets/Infrastructure
- ☒ Quality of Life
- ☐ Economic Vitality

Agenda Item #: 1

Agenda Title: Approve minutes from the March 11, 2021 regular Council meeting and the March 18, 2021 special called Council meeting.

Council Action to be taken: Approve by consent or approve with corrections if needed

Department Submitted: City Clerk

Staff Contact: Dianna Barker

1. PURPOSE/DESCRIPTION

Pursuant to the Open Meetings Law, Chapter 551, Local Government Code and in accordance with the authority contained in Section 551.021 and the City Charter, the Minutes of each City Council meeting must be recorded, compiled and approved by the City Council in subsequent meetings. The purpose of this item is to conform to these legal requirements.

2. STAFF ANALYSIS / BACKGROUND / PRIOR COUNCIL ACTIONS

N/A

3. PROS and CONS

<u>PROS</u>	<u>CONS</u>
•	•

4. RECOMMENDATION

Approve as submitted or amend with changes noted.

5. FUNDING SOURCE

N/A

6. TIMELINE

N/A

7. OTHER OPTIONS (In order of preference)
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N/A

8. ATTACHMENTS

1a. [March 11, 2021 minutes](#)

1b. [March 18, 2021 minutes](#)

City of Taylor
Regular City Council Meeting
Taylor City Hall, Council Chambers, 400 Porter Street
March 11, 2021 at 6:00 p.m. via Video Conference

In order to assist in maintaining the health of Council Members, staff and the public during COVID-19 pandemic, this meeting was held by video conference.

Council Members attending via video: Mayor Brandt Rydell
Council Member Dwayne Ariola
Council Member Mitch Drummond
Mayor Pro-Tem Gerald Anderson (6:13pm)
Council Member Robert Garcia

Others attending: Mark Schroeder, Assistant City Attorney
Brian LaBorde, City Manager
Jeff Jenkins, Deputy City Manager
Dianna Barker, City Clerk

Mayor Brandt Rydell conducted a roll call, declared a quorum and called the meeting to order at 6:00p.m.

CITIZENS COMMUNICATION

There were no citizen communications.

CONSENT AGENDA

1. **Approve minutes from the February 22, 2021 Special Called Council meeting and the February 25, 2021 regular City Council meeting.**
2. **Concur with preliminary financials for January 2021.**
3. **Consider Ordinance 2021-05 changing the current zoning for a parcel of land, consisting of approximately 6.70 acres, located at the northeast intersection of Carlos G. Parker Boulevard and Mallard Lane, from Local Business Zoning District (B-1) to General Business Zoning District with a Commercial Planned Development Overlay (B-2/CPD).**
4. **Consider Ordinance 2021-07 repealing the Sundance Planned Development Ordinance 2017-32 and replacing it with the Castlewood South Planned Development on a parcel of land consisting of approximately 69.97 acres, located across from Taylor High School and Avery Glen Subdivision, particularly described as Williamson Central Appraisal District Parcels R331183, R019232, and R019652.**
5. **Consider Ordinance 2021-08 amending the Subdivision Ordinance related to block dimensions, subdivision layout and related items.**
6. **Consider modification to the Purchasing Policy.**

Motion was made by Councilmember Garcia to approve the consent agenda items as presented. Motion was seconded by Councilmember Drummond. Motion carried 4 to 0 via roll call vote. (Mayor Pro-Tem Anderson was not present for this agenda item.)

REGULAR AGENDA; REVIEW/DISCUSS AND CONSIDER ACTION

7. **Consider awarding contract for bank depository services.**
Jeff Wood, Finance Director – A Request for Proposal (RFP) for bank depository services resulted in two bids. BBVA was the only one who fulfilled all RFP requirements.

Motion was made by Councilmember Ariola to enter into a bank depository service contract with BBVA and authorize the City Manager to execute documents pertaining to the bank depository

and safekeeping services. Motion was seconded by Councilmember Garcia. Motion carried unanimously via roll call vote.

8. Receive update on Drainage Master Plan.

Dan Franz and Erica Nordstrom, Halff Engineering – gave a presentation on the progress of the Drainage Master Plan. Halff was contracted by the City of Taylor in December 2019 for preparation of a city-wide drainage master plan. The Master Plan will identify Drainage CIP project and prioritization along with cost estimates and reanalysis of the MDUS rate study. The Master Plan submittal for City review is scheduled for June 2021. Final overall report anticipated for City acceptance in July 2021.

Motion was made by Councilmember Garcia to receive the Drainage Master Plan presentation as presented. The motion was seconded by Councilmember Drummond. Motion carried unanimously via roll call vote.

9. Receive a presentation and discuss the recommendations of the alley inventory and maintenance report prepared by HDR.

Leslie Pollack, HDR Engineering – gave a presentation on HDR’s alley inventory and maintenance. The City Manager authorized a task order with HDR to prepare a geodatabase of all alleys in the City, perform desktop and field reconnaissance to determine the current condition of the alleys and to provide the results in a GIS format for staff to use to prioritize which alleys need to be addressed first from a maintenance standpoint. HDR found that 8.86 miles of alleys ensure continued maintenance, 4.28 miles need to prioritize for maintenance, and 2.42 miles are candidates for abandonment.

Motion was made by Councilmember Garcia to receive the alley inventory and maintenance report as presented. Motion was seconded by Mayor Pro-Tem Anderson. Motion carried unanimously via roll call vote.

10. Consider an interlocal agreement with the Capital Area Rural Transportation System (CARTS) related to a grant to prepare a feasibility study for improvements to the Amtrak station in downtown Taylor.

Tom Yantis, Development Services Director; Todd Hemmingson and Suzanne Baumgard, HDR Engineering – CARTS was awarded a grant by TXDOT to prepare a feasibility study and concept plan for improvements to the Amtrak station area in downtown Taylor and determined that it would be beneficial to have the City, with the assistance of HDR, manage the project in order to more closely coordinate the work with the City’s downtown master plan and to leverage City relationships with Union Pacific Railroad and Amtrak.

Motion was made by Councilmember Ariola to authorize the City Manager to execute the Interlocal Agreement with CARTS and the task order with HDR to complete the feasibility study and concept plan for improvements to the Amtrak station area in downtown Taylor. Motion was seconded by Mayor Pro-Tem Anderson. Motion carried unanimously via roll call vote.

11. Consider appointments and re-appointments to various Boards & Commissions.

Dianna Barker, City Clerk – presented a roster of each board or commission showing the names of the members whose term has expired or who has vacated a seat, the attendance sheet for each board, and applications submitted to fill those seats. City Council reviewed each board and made the following appointments/reappointments:

Airport Advisory Board

Current Member	Reason for Appointment	Willing to be re-appointed	Met Attendance Requirement?	New Member
Jeffrey Heyman	Term Expiring	Yes	Yes	
James Coggeshall	Term Expiring	Yes	Yes	

Council tabled the Airport Advisory Board item pending further information on board requirement.

Animal Control Appeals Board & Shelter Advisory

Current Member	Reason for Appointment	Willing to be re-appointed	Met Attendance Requirement?	New Member
Diana Voytek	Term Expiring	Yes	Yes	Diana Voytek
Lin Crane	Term Expiring	Yes	Yes	Lin Crane
Dee Dee Yelverton	Term Expiring	Yes	Yes	Dee Dee Yelverton

Motion was made by Councilmember Ariola to reappoint Diana Voytek, Lin Crane, and Dee Dee Yelverton to the Animal Control Appeals Board. Motion was seconded by Councilmember Garcia. Motion carried unanimously via roll call vote.

Library Board

Current Member	Reason for Appointment	Willing to be re-appointed	Met Attendance Requirement?	New Member
Vickie Thornton	Term Expiring	Yes	Yes	Vickie Thornton
Sharon Pick Naivar	Term Expiring	Yes	Yes	Sharon Pick Naivar
B.J. Burrow	Term Expiring	Yes	Yes	B. J. Burrow

Motion was made by Councilmember Ariola to reappoint Vickie Thornton, Sharon Pick Naivar, and B.J. Burrow to the Library Board. Motion was seconded by Mayor Rydell. Motion carried unanimously via roll call vote.

Main Street Advisory Board

Current Member	Reason for Appointment	Willing to be re-appointed	Met Attendance Requirement	New Member
Erwin Stauffer	Term Expiring	Yes	Yes	Erwin Stauffer
Stacey Smith	Resigned	No		Jeff Snyder
Sharla Gola	Term Expiring	No response	No	Doug Moss
John McRae	Term Expiring	Yes	Yes	John McRae

Main Street - Members who have NOT met attendance requirements (unexpired terms)

Current Member	Total duly called meetings	# of meetings missed - Excused	# of meetings missed - Unexcused	
Scott Dean	12	0	6	Curie Humphreys
Shannon Grace	12	2	3	Ashley Doss

Motion was made by Councilmember Garcia to reappoint Erwin Stauffer and John McRae to the Main Street Advisory Board. Motion was seconded by Councilmember Drummond. Motion carried unanimously via roll call vote.

Motion was made by Councilmember Drummond to remove Scott Dean and Shannon Grace from the Main Street Advisory Board due to not meeting the attendance requirements. Motion was seconded by Mayor Pro-Tem Anderson. Motion carried unanimously via roll call vote.

Motion was made by Councilmember Ariola to appoint Jeff Snyder, Doug Moss, Curie Humphreys, and Ashley Doss to the Main Street Advisory Board. Motion was seconded by Councilmember Drummond. Motion carried unanimously via roll call vote.

Moody Museum Board

Current Member	Reason for Appointment	Willing to be re-appointed	Met Attendance Requirement	New Member
Cissie Pierce	Term Expiring	Yes	Yes	Cissie Pierce
Matthew Plowman	Term Expiring	No		
Gracie Yanez	Term Expiring	Yes	Yes	Gracie Yanez
Eloise Brackenridge	Term Expiring	Yes	Yes	Eloise Brackenridge

Motion was made by Councilmember Garcia to reappoint Cissie Pierce, Gracie Yanez, and Eloise Brackenridge to the Moody Museum Board. Motion was seconded by Councilmember Ariola. Motion carried unanimously via roll call vote.

Parks & Recreation Board

Current Member	Reason for Appointment	Willing to be re-appointed	Met Attendance Requirement?	New Member
Ginger Schneider	Term Expiring	No		Patrick Tate
David Campise	Term Expiring	Yes	Yes	David Campise
Gary Gola	Term Expiring	No		Casey Mummert
Tommy Rojas, Student Rep	Resigned	No		Casey Weison

Motion was made by Councilmember Garcia to reappoint David Campise to the Parks & Recreation Board. Motion was seconded by Councilmember Drummond. Motion carried unanimously via roll call vote.

Motion was made by Councilmember Garcia to appoint Patrick Tate and Casey Mummert to the Parks & Recreation Board. Motion was seconded by Councilmember Ariola. Motion carried unanimously via roll call vote.

Motion was made by Councilmember Garcia to appoint Casey Weison to the Student Representative seat. Motion was seconded by Mayor Pro-Tem Anderson. Motion carried unanimously via roll call vote.

Planning & Zoning Commission

Current Member	Reason for Appointment	Willing to be re-appointed	Met Attendance Requirement?	New Member
Don McAlister	Term Expiring	No		Amy Everhart
Annette Maruska	Term Expiring	Yes	Yes	Annette Maruska
Rick Selin	Term Expiring	Yes	Yes	Rick Selin

Mayor Rydell called for a roll call vote on appointing Amy Everhart to replace Don McAlister. Vote carried unanimously 5 to 0.

Mayor Rydell called for a roll call vote to reappoint Annette Maruska. Vote carried 3 to 2 with Mayor Pro-Tem Anderson and Councilmember Ariola voting naye.

Mayor Rydell called for a roll call vote to reappoint Rick Selin. Vote carried 4 to 1 with Councilmember Ariola voting naye.

Mayor Rydell called for a roll call vote to appoint Michael Prillaman. Vote failed 0 to 5.

Public Arts Advisory Board

Current Member	Reason for Appointment	Willing to be re-appointed	Met Attendance Requirement?	New Member
Brent Humphreys	Term Expiring	Yes	Yes	Brent Humphreys
Bryan Richie	Term Expiring	Yes	Yes	Bryan Richie

Motion was made by Councilmember Ariola to reappoint Brent Humphreys and Bryan Richie to the Public Arts Advisory Board. Motion was seconded by Councilmember Drummond. Motion carried unanimously via roll call vote.

TEDC (Taylor Economic Development Corp)

Current Member	Reason for Appointment	Willing to be re-appointed	Met Attendance Requirement?	New Member
Dwayne Ariola	Term Expiring	Yes	Yes	Dwayne Ariola
Clark Jackson	Term Expiring	Yes	Yes	Sam Dowdy Sr.

Mayor Rydell called for a roll call vote to appoint Sam Dowdy Sr. to the TEDC Board. Vote carried 4 to 1 with Councilmember Drummond voting naye.

Mayor Rydell called for a roll call vote to appoint Tia Stone to the TEDC Board. Vote failed 1 to 4 with Councilmember Drummond voting yes.

Mayor Rydell called for a roll call vote to reappoint Dwayne Ariola to the TEDC Board. Vote carried 4 to 1 with Councilmember Garcia voting naye.

Tree Advisory Board

Current Member	Reason for Appointment	Willing to be re-appointed	Met Attendance Requirement?	New Member
Brian Lawrence	Term Expiring	Yes	Yes	Brian Lawrence
Nancci Phillips-Burgess	Term Expiring	Yes	Yes	Nancci Phillips-Burgess
Julie Rydell	Resigned			

Motion was made by Councilmember Ariola to reappoint Bria Lawrence and Nancci Phillips-Burgess to the Tree Advisory Board. Motion was seconded by Councilmember Drummond. Motion carried unanimously via roll call vote.

Zoning Board of Adjustment

Current Member	Reason for Appointment	Willing to be re-appointed	Met Attendance Requirement?	New Member
Suzanne Bice	Term Expiring	Yes		Suzanne Bice
Michael Prillaman, alternate	Term Expiring	Yes		Michael Prillaman
VACANT, alternate				Carey Gambrell
VACANT, alternate				

Motion was made by Councilmember Garcia to reappoint Suzanne Bice and Michael Prillaman to the ZBA, and to appoint Carey Gambrell as an alternate on the ZBA. Motion was seconded by Mayor Pro-Tem Anderson. Motion carried unanimously via roll call vote.

Mayor Rydell stated Council will not be discussing Executive Session I, Prospect Farms. Mayor Rydell read Executive Session items II and III and adjourned into closed session at 8:43pm.

Executive Session I. The Taylor City Council will conduct a closed executive meeting pursuant to the provisions of the Open Meetings Law, Chapter 551, Texas Local Government Code, and the authority contained in Section 551.087 to discuss or deliberate regarding commercial and/or financial information on a business prospect that the City of Taylor, Texas, seeks to have locate, stay, or expand in or near the City of Taylor, Texas, and with which the City of Taylor, Texas, is conducting economic development negotiations and/or deliberate the offer of financial or other incentives to the business prospect.

- a. Prospect Farm

Executive Session II. The Taylor City Council will conduct a closed executive meeting under Section 551.071 of the Texas Government Code in order to meet with its City Attorney on a matter in which the duty of the Attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas authorize and allow such a closed meeting and which Rules conflict with the Texas Open Meetings Act.

- a. FERMA LLC et. Al. v. City of Taylor

Executive Session III. The Taylor City Council will conduct a closed executive session under 551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of public officer or employee.

- a. City Attorney

Council reconvened into regular/open session at 10:04pm.

12. Reconvene into open session and take any action.

No action was taken.

ADJOURN

With no further business Mayor Rydell declared the meeting adjourned at 10:05p.m.

ATTEST:

Brandt Rydell, Mayor

Dianna Barker, City Clerk

City of Taylor
Special Called City Council Meeting
Taylor City Hall, Council Chambers, 400 Porter Street
March 18, 2021 at 6:00 p.m. via Video Conference

In order to assist in maintaining the health of Council Members, staff and the public during COVID-19 pandemic, this meeting was held by video conference.

Council Members attending via video: Mayor Brandt Rydell
Council Member Dwayne Ariola
Council Member Robert Garcia
Council Member Mitch Drummond
Mayor Pro-Tem Gerald Anderson

Others attending the Executive Session: Mark Schroeder, Assistant City Attorney
Brian LaBorde, City Manager
Jeff Jenkins, Deputy City Manager
Tom Yantis, Assistant City Manager/Development Services
Director

Mayor Brandt Rydell took a roll call, declared a quorum and called the meeting to order at 6:00p.m.

CITIZENS COMMUNICATION

Mayor Rydell read a written comment from Jose Orta expressing his opposition to changing the current City of Taylor Phase Reopening Plan.

REGULAR AGENDA; REVIEW/DISCUSS AND CONSIDER ACTION

1. Discuss and consider changes to the City of Taylor Phased Reopening Plan for municipal facilities and events.

Daniel Baum, Fire Chief – presented the city’s current phase-in reopening chart. This chart was adopted September 2020 and has been amended twice, November 2020 and February 2021.

As of today, Williamson County has gone from the Red phase to the Orange phase.

Staff recommendation is to open all city facilities in orange phase with the exception of:

- City buildings (City Hall, Library, etc.). Curbside and drive through will remain open;
- Dickey Givens Center and Library meeting area;
- Taylor Regional Park (TRP), tournament play only. (Park is open to local teams for practice/games.

Blackland Prairie Days is usually the first Saturday in May. Due to time restraints on preparing for the event, Blackland Prairie Days will be cancelled this year.

No action was taken.

ADJOURN

With no further business Mayor Rydell declared the meeting adjourned at 6:54p.m.

ATTEST:

Brandt Rydell, Mayor

Dianna Barker, City Clerk



City Council Meeting March 25, 2021 Transmittal Letter

STRATEGIC PILLAR

- ☐ Streets/Infrastructure
- ☒ Quality of Life
- ☐ Economic Vitality

Agenda Item #: 2

Agenda Title: Consider approving agreement with the YMCA for pool management services

Council Action to be taken: Approve agreement with the YMCA

Department Submitted: Parks and Recreation

Staff Contact: Jeffery Jenkins, Deputy City Manager and
Casey Cunningham, Interim Parks Director

1. PURPOSE/DESCRIPTION

The purpose of this item is to approve an agreement with the YMCA to manage the swimming pool operations for Murphy Pool.

2. STAFF ANALYSIS / BACKGROUND / PRIOR COUNCIL ACTIONS

Back in 2016, the City Council awarded a management agreement for pool operations to the YMCA. The agreement was for four years and ended back in 2020. Overall, this partnership has been a successful model that has provided pool management, additional classes, daily pool maintenance and management of the pool party reservations.

The new agreement would run for four years and contains a few updated terms; however, this agreement is very similar to the previous agreement:

- Staffing, daily operations, management and maintenance of the pool,
- YMCA provides swim instruction, water aerobics classes and pool party management,
- YMCA carries public liability insurance for operations,
- Early season close date due to lack of lifeguards, July 27, 2021,
- Recruitment and hiring lifeguards as previous contract,
- City pays only for months start up cost and any months in operation. Added this clause for any potential delays or early closing in the season.

The cost for this agreement increased from the previous agreement from \$91,258 to \$96,881.51. The major reason for this increase is due to the increased hourly pay for lifeguards. This will be the first season with the Kalahari Resort open in Round Rock, which will lead to lower number of lifeguards being available. The competition for lifeguards has required area pool operators to increase pay rates for

lifeguards. The new pay range is about \$12.50-\$13 an hour and previously it was below \$10 an hour. The good news is the price is locked in and the YMCA has indicated they will absorb the cost of future pay increases. The agreement would expire on September 1, 2025.

3. PROS and CONS

<u>PROS</u>	<u>CONS</u>
• YMCA manages hiring and finding lifeguards • Additional services provided with swimming lessons • Regular pool maintenance through the contract • Carries liability insurance	• NA

4. RECOMMENDATION

Staff recommends approval of the agreement and authorize the City Manager to execute agreement.

5. FUNDING SOURCE

Parks General Fund Budget

6. TIMELINE

Agreement signed.

May 1st City must notify YMCA to start preparing for season to make the start date prior to Memorial Day.

7. OTHER OPTIONS (In order of preference)

Modify agreement.
Request additional proposals.

8. ATTACHMENTS

- 2a. [Agreement with YMCA](#)
- 2b. [PowerPoint presentation](#)

POOL SERVICES AGREEMENT

Taylor Murphy Park POOL

This Pool Services Agreement ("Agreement") is made and entered into by and between The City of Taylor, Texas a political subdivision of the State of Texas, ("City") and The YMCA of Greater Williamson County, a Texas non-profit corporation ("YMCA"), for services to the Veterans Park and Pool as hereinafter set forth:

I. Purpose of Agreement

The purpose of this Agreement is to state the terms and conditions under which the YMCA will provide pool management, operation, maintenance and related services for the City's Murphy Pool, hereinafter sometimes referred to as "Pools" or "Pool". A reference to Pool shall mean Murphy Pool. The YMCA will accommodate City programs and coordinate with the City to assure proper operation and usage of the Pools on behalf of the City. Meetings requested by the Parks Director shall be attended by the YMCA Executive Director or the Pool Aquatics Director/Pool Manager to discuss accomplishment of the Agreement purpose.

II. Pool Hours and Dates

- A. The Pool dates and hours of operation by the YMCA for the year 2021 are shown in *Exhibit "A"* attached hereto and incorporated by reference herein. On or before April 1st of 2021 and January 2nd each future year during the term of this Agreement, the City will furnish written notice to the YMCA of dates and hours of operation of the Pool for the year in which the notice is given. Notwithstanding anything stated in this Agreement to the Contrary, the City reserves the right to change the dates and hours of operation upon reasonable notice to the YMCA.
- B. The YMCA shall be entitled to use the Pools before and after the dates and hours of operation for YMCA lifeguard training, to conduct swimming lessons and to allow water aerobics, under the conditions and for the fees hereinafter set out.

III. Required Staff and Services

The YMCA shall provide the following YMCA staff and services for the management, operation, maintenance and related services required under this Agreement.

A. Pool Staff

The YMCA shall employ staff in sufficient numbers to satisfy its obligations under this Agreement and pay all costs, fees, and expenses required for the staff and services provided by the YMCA under this Agreement. The YMCA shall at all times employ the following required staff under this Agreement for the Pool:

- 1. One Aquatic Director/Pool Manager. The YMCA shall employ one (1) qualified Aquatic Director/Pool Director with experience in all aspects of pool operations. The Aquatic Director/Pool Manager is required, at a minimum, to be trained in the operation of all Pool equipment, and must have the following experience and certifications:
 - a. Two (2) years or more of prior pool management experience.
 - b. YMCA Lifeguard or Red Cross Lifeguard
 - c. Red Cross or American Heart Association CPR/PR

2. One Head Lifeguard. The YMCA shall employ a designated Head Lifeguard. The Head Lifeguard shall be required, at a minimum, to be trained in the operation of all Pool Equipment, and to have at least two (2) years prior lifeguarding experience, and the YMCA Lifeguard or Red Cross Lifeguard certificate or applicable equivalent certificate approved by the City.
3. Lifeguards. The YMCA shall employ lifeguards who must be sixteen (16) years or older having the following certifications:
 - a. YMCA Lifeguard or Red Cross Lifeguard
 - b. Red Cross or American Heart Association CPR/PR & AED
 - c. Red Cross or American Heart Association First Aid
4. The YMCA will use its best efforts to recruit, train, and hire City residents to serve as Pool Lifeguards.

B. Daily Pool Operation

1. Admission to Pool Management of Cash Collections. At least one (1) YMCA staff member will be assigned to and stationed at each Pool public entry gate or gates while the Pool is open or in operation to monitor and control the Pool entrance and collect fees for use of the Pool. Daily cash collections from admissions and any other payment made for the Pool shall be counted at the end of the last hour of operation by (2) two YMCA staff members. The two (2) staff members who count the money collected shall also sign a written statement stating the amount collected and that the amount shown as collected in the verification is true and correct. The statement form shall be provided by the City. The collected money shall be delivered to the Taylor City Hall Finance Department, Monday through Friday.
2. Lifeguards. The Pool shall operate at full staff with no less than six (6) lifeguards on duty at Veterans Park and Pool. One (1) YMCA staff member shall verify vigilance of all duty lifeguards and assure no lifeguard is distracted from lifeguard duties. The YMCA shall comply with all governmental health and safety laws, rules, and regulations applicable to the Pool while operating the Pool under this Agreement. The Pool shall be staffed for full capacity at all times. Should the number of current patrons fail to justify the number of staff on-duty, the YMCA may provide the appropriate number of staff as deemed necessary by the Pool manager and YMCA. Full capacity shall not exceed 200 Pool occupants at any one time. The City shall provide and post signs at each Pool stating the maximum number of persons occupying limits.
3. City Rules and Enforcement. The Aquatic Director/Pool Manager and/or Head Lifeguard shall be responsible for enforcement of City rules pertaining to Pool use. The City shall make the City rules available to the YMCA when requested by the YMCA, and the YMCA shall be obligated to obtain the rules prior to Pool operation. In addition, the City may adopt additional City rules during the term of this Agreement and will provide notice of the rule so adapted to the YMCA. The YMCA shall ultimately be responsible for proper and safe Pool operation and shall have or adopt addition rules deemed reasonable and necessary to assure proper and safe Pool operation. The Aquatic Director/Pool Manager shall promptly report to the Parks & Recreation Director and/or Parks Superintendent any problems encountered in rule enforcement.

4. Daily Log of Activities. The YMCA shall maintain a log of daily activities occurring in the Pool during each day of operation, including YMCA Pool activities. The daily log shall include, without limitation, the number of Pool users tallied for each hour of the day, a water sample analysis required under this Agreement, any complaint received by the YMCA, and other information deemed necessary by the YMCA or the City. The form of the daily log shall be provided by the City. The daily log shall be available for review by the City when required by the City. The YMCA shall provide copies of the daily logs to the Parks & Recreation Director and/or Parks Superintendent at the end of the season unless otherwise requested during the term of this Agreement.

C. Pool Management

1. The City shall perform a Texas Department of Health Services inspection, determined by the City, and a National Standards (Professional Standards) Safety inspection, determined by the City, before the YMCA begins operation of the Pool.
2. The YMCA shall perform a Texas Department of Health Services inspection, determined by the City and a National Standards (Professional Standards) Safety inspection, determined by the City, of the Pool monthly. The Aquatic Director/Pool Manager shall prepare and submit the inspection results to the Parks & Recreation Director and/or Parks Superintendent within five days from completion of the Audit.
3. The YMCA shall not allow the use or possession of alcohol or any illegal substances at any time at or around the Pool.

D. Pool Maintenance.

1. The City will provide the YMCA necessary equipment to clean the pool, including vacuuming, brushing, and skimmer maintenance.
2. The YMCA Certified Pool Operation ("CPO") shall monitor and maintain proper chemical levels in the Pool in order to insure safety of all Pool users. The YMCA shall test chlorine and PH levels hourly and record each test results on the daily log. The chlorine levels shall be between 1.0 and 5.0 and the PH levels shall be between 7.2 and 7.8. In the event any test shows a result outside the required range allowed for the chlorine and PH, the YMCA CPO may administer chemicals. The CPO is authorized to close the Pool if the CPO deems continued Pool operation to be a potential health or safety issue. The CPO, upon decision to close the Pool, shall notify the Aquatic Director/Pool Director or any YMCA Pool staff member of the decision to close the Pool and the projected remedial action deemed necessary by the CPO to reopen the Pool.
3. The YMCA CPO shall conduct tests necessary to comply with all applicable federal, state and county laws as well as City Ordinances related to safe maintenance and operation of the City Pool. The City will maintain an adequate supply of required Pool chemicals.
4. The YMCA shall keep and maintain the Pool and Pool areas in a clean and neat appearance and will properly dispose of any waste, trash or refuse. The YMCA shall remove any unsightly appearance in or around the Pool. The maintenance shall include, without limitation, cleaning and maintaining all restrooms, dressing areas, and keeping any office

area in a neat and orderly condition. The Pool decks must be clean and neat and sprayed as often as necessary to keep them clean and neat. All drains, gutters, grating and gutter covers, sidewalks, fountains, jets and any other Pool-related item must be properly maintained and remain in a good, clean, neat and operational condition.

5. The YMCA shall inspect the Pool grounds, restrooms, and dressing areas no less than hourly to assure they are safe and clean.
6. The YMCA will initiate work orders for Pool repairs or maintenance required by the City through the Parks & Recreation Director and/or Parks Superintendent. A work order to the City shall be noted on the daily log.
7. The City will reimburse the YMCA the cost for safety equipment used at the Pool. Prior approval from the Parks & Recreation Director and/or Parks Superintendent must be obtained before the reimbursement can be paid by the City. The Aquatics Director/Pool Manager may expend no more than Seventy-Five and No/100 Dollars (\$75.00) from the daily cash receipts without prior approval for safety equipment deemed to have been needed immediately, provided the cash use is noted on the Daily Log and reported immediately to the Parks & Recreation Director and/or Parks Superintendent.

E. Additional Activities.

1. The YMCA shall be entitled to provide YMCA swim instruction and water aerobics each Tuesday through Friday between the hours of 8:00am to 12:00pm and 6:00pm to 8:00pm during the Agreement term. The YMCA will allow priority registration to Taylor residents of at least one (1) week prior to allowing any non-resident to enroll in these services. The YMCA will set its own rate for the cost of these services to be charged to the participants.

Pool parties may be held between the hours of 8:00pm to 10:00pm each Tuesday through Friday during the term of this Agreement and additionally between the hours of 10:00am to 12:00pm each Saturday during the term of this Agreement, except for July 4th of each year on which date no Pool party can be held. No pool parties may be held on Sundays. The YMCA will allow priority registration for Pool parties for Taylor residents of at least one (1) week prior to allowing any non-residents to enroll. The YMCA will set its own rate for the cost of these services to be charged to participants.

The Pool shall be emptied after any activity occurring before or after the hours of operation set forth in this Agreement to assure the activity participant does not remain in the Pool without paying the required Pool entrance fee. A participant may not remain in the Pool after an activity is complete and if a participant remains or reenters the Pool the participant must pay the required Pool admittance fee.

The YMCA shall not permit any day care centers outside the City to use the Pool as a group. Local centers may use the Pool during hours and at the regular daily rate as listed in the City Fee schedule.

2. The YMCA shall be entitled to install in compliance with manufacturer's instructions an inflatable obstacle course in the Pool, being the large swim pool. The YMCA shall be entitled to operate the inflatable obstacle course and permit swim Pool patron's admission to swim the inflatable obstacle course. The YMCA is permitted to charge each pool patron using the inflatable obstacle course a fee which the YMCA shall be entitled to retain. The YMCA can operate the inflatable obstacle course each day the Pool is open for admission. The YMCA will ensure that designated lap swim is available during operation hours including when the inflatable is in use. The YMCA shall close the inflatable obstacle course for use at any time the Pool reaches a capacity of 100 occupants. The YMCA is installing the inflatable obstacle course to encourage more use of the Pool and the City deems it to be the best interest to all its operation in accordance with these provisions.
3. The YMCA will be allowed to offer concessions on a daily basis. Additionally, the YMCA will be required comply with all food handler and food service regulations set forth by the Williamson County Cities and Health District.

IV. Compensation and Billing

- A. The YMCA shall be entitled to the fee for its services and obligations to the City under this Agreement in the amount of Ninety six Thousand eight hundred eighty one and 51/100 Dollars (\$96,881.51) each year during the term of this Agreement.
If delay occurs starting up any seasons, the City will notify the YMCA, as soon as known, and the City will pay any startup cost for the season and for the actual timeframe the pool was open during the season.
- B. The YMCA shall provide invoices to the City for it services on June 1st, July 1st and no later than September 10th, during each year of the Agreement term.
- C. The YMCA shall pay the City the fee required under the City Fee Ordinance for each person entering the Pool during the Pool operating hours. The YMCA may offer a discounted rate for YMCA members; however, the full amount as listed in the City fee schedule must be paid to the City for each admission regardless of membership. The YMCA shall pay the City \$5.00 for each swim lesson taught by a YMCA instructor using the Pool.

V. Compliance with Applicable Laws

The YMCA shall comply with all applicable federal, state, county, and City ordinances and regulations in performing all services to be rendered by the YMCA under this Agreement.

VI. Insurance

THE YMCA SHALL CARRY OR CAUSE TO BE CARRIED PUBLIC LIABILITY INSURANCE IN THE AMOUNTS OF: ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) FOR EACH PERSON; ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) FOR EACH OCCURRENCE; AND ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) PROPERTY DAMAGE LIABILITY INSURANCE FOR EACH OCCURRENCE. THE INSURANCE POLICIES OR THE COVERAGE SHALL NAME THE CITY AS AN ADDITIONAL INSURED AND THE POLICIES, OR DUPLICATE ORIGINALS THEREOF, MUST BE FILED WITH THE CITY BEFORE ANY OPERATIONS CONTEMPLATED BY THIS AGREEMENT ARE BEGUN BY THE YMCA. IN ADDITON, THE YMCA SHALL CARRY COMPLETE, ADEQUATE WORKMAN'S COMPENSATION INSURANCE COVERING ALL YMCA STAFF PROVIDED TO THE CITY UNDER THIS AGREEMENT.

VII. Term of Agreement; Termination

The term of this Agreement commences April 1, 2021 and terminates on the close of business Labor Day September 1, 2025 unless terminated earlier as hereinafter provide. The YMCA will notify the City Manager by July 27, 2021 whether it has the ability to provide lifeguards after Taylor ISD returns to school. In such case the YMCA is unable to provide lifeguards at such date the term of the agreement will terminate on that date of School. This Agreement may be terminated by either party by a prior ninety (90) day written notice of termination from the terminating party to the non-terminating party.

VIII. Miscellaneous

- A. Any notice necessary or appropriate relative to this Agreement shall be effective when deposited in the United States mail, either certified and/or registered mail, postage prepaid and addressed to:

YMCA of Greater Williamson County
Att: Jeff Andresen, CEO/President
P.O Box 819
Round Rock, Texas 78680

City of Taylor Texas
Attn: Brian LaBorde, City Manager
400 Porter Street
Taylor, Texas 76574

- B. It is understood and agreed that the YMCA shall not in any manner be considered a partner or join venture with the City, nor shall the YMCA be considered or hold itself out as an agent or official representative of the City. The YMCA shall be considered an independent contractor for the purposes of this Agreement and shall in no manner incur any expenses or liability on behalf of the City.
- C. THE YMCA AGREES TO AND SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND THE CITY, it's officers, agents, and employees from any and all claims, losses, causes of action and damages, suits, and liability for negligence and willful misconduct of the YMCA, including without limitation, all expenses of litigation, court costs, and attorney fees, for injury to or death to any person, or from damage to any property, arising from or in connection with the operations of the Pool, its officers, agents, and employees carried out in furtherance of this Agreement.

- D. No part of this Agreement may be assigned or delegated without the prior written consent of the other Party, and any attempted assignment of benefits or rights or delegation of duties or obligations shall be a breach of this Agreement.
- E. This Agreement will be constructed under and in accordance with the laws of the State of Texas, and all obligations of the parties created under it are performable in Williamson County, Texas.
- F. This Agreement is binding upon and inures to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted in the Agreement.
- G. In case any one or more of the provision contained in this Agreement is for any reason held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability does not affect any other provision, and this Agreement will be constructed as of the invalid, illegal, or unenforceable provision had never been contained in this Agreement.
- H. This Agreement constitutes the sole agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting its subject matter.

Dated this ____ day of _____, 2021

City of Taylor, Texas
A Texas Home Rule
Municipal Corporation

YMCA of Greater Williamson County,
A Texas non-Profit corporation

Exhibit A – Dates of Operation

Pool Hours City of Taylor, Murphy Park Pool

2021-2025

Saturday prior to Memorial Day – Opening Day of Pool

Sunday prior to the week of first day of school – Ends week day operations

After the start of school - Saturday and Sundays pool operations until Labor Day

Labor Day – Last Day of Pool operations

COVID 19 Delay Start Information

COVID protocols for operation of 2021 pool – City of Taylor and YMCA of Greater Williamson County will continue to communicate and determine when and if pools can open safely due to COVID. Listed below are dates that understanding of desired ability to open are needed by both parties:

May 1st – City of Taylor confirm operations date for start due to COVID. This would allow for normal opening day Saturday before Memorial Day.

June 1st - City of Taylor confirm operations date for start due to COVID, if COVID related delay has occurred

This would allow for opening day on June 15th.

June 15th – City of Taylor operations date for start due to COVID related delay, Last possible start date

If not able to start the season by June 15th could impact the availability of lifeguards and must be discussed at that time to determine if we would be able to open.



Agreement with the YMCA for pool management services

Pool Management Agreement

- City in 2016 approved an agreement with YMCA, ended in 2020
- Early this year, City pursued a new agreement with YMCA to start April 2021 till September 2025
- Agreement similar to past agreement and provides:
 - Staffing, daily operations, management and maintenance of the pool
 - YMCA provides swim instruction, water aerobics classes and pool party management
 - YMCA carries public liability insurance for operations
 - For 2021, possible early season close date due to lack of lifeguards July 27, 2021
 - Recruitment and hiring lifeguards as previous contract
 - City pays only for only months in operation

Recommendation

- Cost of agreement is \$96, 881.51 and would be funded out of the General Fund
- City Attorney has approved the terms
- Award agreement to YMCA and authorize City Manager to execute agreement



City Council Meeting ***March 25, 2021*** ***Transmittal Letter***

STRATEGIC PILLAR

☐ Streets/Infrastructure

☐ Quality of Life

☒ Economic Vitality

Agenda Item #: 3
Agenda Title: Receive the Comprehensive Annual Financial Report for Fiscal Year 2019-20

Council Action to be taken: Receive Presentation and Accept Report

Department Submitted: Finance Department

Staff Contact: Jeffrey Wood, Director of Finance

1. PURPOSE/DESCRIPTION

Texas state law requires that all general-purpose local governments publish a complete set of financial statements within six months of the close of each fiscal year, and such statements be presented in conformity with the generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of licensed certified public accountants. Pursuant to the statutory requirement and the requirement of Section 10.3 of the City Charter, we hereby issue the Comprehensive Annual Financial Report of the City of Taylor for the fiscal year ended September 30, 2020.

Mike Brooks of the accounting firm BrooksWatson & Company PLLC will present an overview of the financial audit.

2. STAFF ANALYSIS / BACKGROUND / PRIOR COUNCIL ACTIONS

The financial report is published to provide interested parties with detailed information concerning the financial condition and activities of the City of Taylor. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. Responsibility for the accuracy of the data and the fairness of its presentation rests with the City.

The City of Taylor's financial statements have been audited by the certified public accountants of BrooksWatson & Company, PLLC. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the stated 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.

3. PROS and CONS

<u>PROS</u>	<u>CONS</u>
• An independent audit ensures that the City is properly reporting its financial transactions • Independent auditors are obligated to report any deficiencies and make recommendations as they feel are necessary for the betterment of the City's operations and to prevent fraudulent activities • This audit complies with statutory and local requirements	• No cons to having an independent third party review of our financial transactions and reporting

4. RECOMMENDATION

Staff recommends that the Council receive and accept the report as presented.

5. FUNDING SOURCE

Funds are budgeted annually to cover the cost of the financial audit

6. TIMELINE

Immediate consideration to comply with state law

7. OTHER OPTIONS (In order of preference)

N/A

8. ATTACHMENTS

- 3a. [Comprehensive Annual Financial Report for FY2019-20](#)
- 3b. [SAS 114 Communication with Governance](#)
- 3c. [SAS 115 Communication of Findings](#)
- 3d. [Audit PowerPoint Presentation by Mike Brooks](#)

***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

of the

City of Taylor, Texas

**For the Year Ended
September 30, 2020**

Prepared by:
Finance Department

Jeffrey B. Wood
Director of Finance



City of Taylor, Texas

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INTRODUCTORY SECTION





March 18, 2021

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

Texas state law requires that all general-purpose local governments publish a complete set of financial statements within six months of the close of each fiscal year, and such statements be presented in conformity with the generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of licensed certified public accountants. Pursuant to that requirement and the requirement of Section 10.3 of the City Charter, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Taylor for the fiscal year ended September 30, 2020.

This report is published to provide the Mayor and City Council, city staff, our Citizens, representatives of financial institutions, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City. Responsibility for the accuracy of the data and the fairness of its presentation rests with the City. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. Because the cost of internal controls should not outweigh their benefits, the City of Taylor's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The City of Taylor's financial statements have been audited by the certified public accountants of BrooksWatson & Company, PLLC. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020, are free of material misstatement. The independent 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's report is presented as the first component of the financial section of this CAFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis to accompany the basic

financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Government

The City of Taylor, incorporated in 1876, is in eastern Williamson County in the central region of the State of Texas. It is located approximately 29 miles northeast of Austin and 7 miles east of State Highway 130 and 17 miles east of Interstate Highway 35. State Highway 95 and U.S. Highway 79 intersect in downtown Taylor. The City currently occupies a land area of 20.55 square miles and services approximately 18,333 residents. The City of Taylor is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City of Taylor operated under a Commission-Manager form of government from 1926 to 2001. In an election held on May 5, 2001, a charter amendment was approved changing the designation to a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council consisting of the Mayor and four Council members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committee members, and hiring the City Manager, City Attorney and Municipal Court Judge. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the government, and appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve three-year staggered terms. The three-year election cycle consists of two members being elected in consecutive years and a single member being elected in the third year of the cycle. Four of the Council members are elected by district with the remaining council member being elected at-large. After each election, the five members of the Council select one of the members to serve as Mayor until the next election.

The City of Taylor provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational activities and cultural events; and development services. Solid waste collection and water treatment are outsourced to Waste Connection of Texas and Brazos River Authority (BRA), respectively. Wastewater collection and treatment is provided by the City. In addition, the City of Taylor is also financially accountable for a legally separate economic development corporation, which is reported separately with the City of Taylor's financial statements. Additional information on this legally separate entity can be found in the Notes to the Financial Statements.

Local Economy

The local economy is expanding as evidenced by increasing sales tax collections and new construction activity. This expansion has been driven in part by the City's location in Central Texas. Affordable housing and business incentives are major factors that have contributed to the City's economic growth. In 2020, the City issued a total of 937 building permits with a total valuation of \$67,982,874. This is an increase in valuation of \$14,525,338 from the previous year.

For many years, the City's economy has been largely based in agriculture and manufacturing. These industries are still with the City today, however, the Taylor Economic Development Corporation actively recruits companies that add to the diversity of the City's local industry while providing residents with good employment.

Anticipated growth is expected for the east Williamson County region, especially along Chandler Road and State Highway 79. Continued improvements to both corridors will improve the overall connectivity and mobility to and within Taylor and will bring growth and new development to the area.

The COVID-19 pandemic brought unique challenges to the local economy in 2020. COVID-19 caused many businesses to operate at reduced levels and resulted in the permanent closure of some of these businesses. The unemployment in Williamson County was impacted by COVID-19 in 2020 and resulted in an unemployment rate of 5.9% as of September 2020. The County rate was lower than the national unemployment rate of 7.9%. Net migration and job growth both remain positive as Williamson County continues to benefit from the growing popularity of the Greater Austin region. Williamson County remains among the fastest growing counties in Texas.

Long –Term Financial Planning

During the 2019-20 fiscal year, the City issued a Combination Tax & Revenue Certificate of Obligations, Series 2020 to fund multiple streets, utilities, and drainage projects. Proceeds were also allocated for improvements to the Animal Shelter, and for the acquisition of land and design of a new justice center. The City continued to work towards completion of these projects during the 2020-21 fiscal year.

The City of Taylor utilizes long-term revenue and expenditure forecasts and a Capital Improvements Schedule to plan for projects and initiatives that promote the City's strategic pillars. These planning tools are utilized to focus on improvements in the following areas: Neighborhoods/Diversity & Population Size, Public Safety, Infrastructure/Transportation/City Facilities, Economic Vitality/Financial Health, Community Engagement, Customer Service, Arts, and Parks, Trails, & Open Spaces.

The City's fund balance/operating position continues to be an important factor in policy decisions. The City's Fund Balance Policy dictates that the minimum unassigned fund balance is an amount equal to 25% of annual general fund operating expenditures. These resources allow the City to avoid disruptions in services during economic downturns and to ensure that there will adequate liquid resources to serve as a financial cushion against the potential shock of unanticipated events.

Major Initiatives

In 2018 the City of Taylor was approved and received a Non-Urban Outdoor Grant of \$500,000 on a 50/50 reimbursement match basis, and this work continued during 2020. The funds are earmarked for the Taylor Regional Park and Sports Complex Phase II and Doak Street Park enhancement projects. Proposed developments for TRPSC include:

- ❖ Installation of lighted soccer field
- ❖ Walking trails bordered with native plants and educational signage
- ❖ A fishing pier
- ❖ Shaded picnic structures
- ❖ Batting cages
- ❖ Renovation of an existing football field into a multi-purpose sports field

The Doak Street Park improvements will include building a new playground.

Other major initiatives started during 2020 is an update to the Comprehensive Plan for Land Use, a Master Drainage Plan, a Master Park Improvement Plan, a complete street condition assessment, and a Public Utilities Master Plan. Although these plans were put in motion in 2020, most of the funding for these projects was included in the fiscal year 2020-21 budget. Several of these projects are still working towards completion.

The information presented in the financial statements is perhaps best understood when it is considered from a broader perspective of the specific environment within which the City of Taylor operates. City Council has adopted three strategic pillars:

- ❖ Quality of Life
- ❖ Economic Vitality
- ❖ Streets and Infrastructure

The City Council and City staff continue to work to ensure completion of ongoing projects that will provide infrastructure improvements to the City's roadways, downtown area, drainage systems, water/wastewater systems, municipal airport and parks.

Other Information

Fund Accounting: The City's accounting system is organized and operated on a "fund basis." Each fund is a distinct, self-balancing entity. A description of the various major funds and fund types is contained in the Notes of the financial statements. A description of each individual non-major fund is contained at the beginning of its related combined financial statement.

Basis of Accounting: The City's accounting records for all governmental funds are maintained on the modified accrual basis of accounting. This method recognizes revenue when it is measurable and available and expenditures when goods or services are received. All proprietary funds are accounted for using the accrual basis of accounting where revenue is recognized when it is earned, and expenses are recognized when they incur.

Budgetary Control: The annual budget serves as the foundation for the City of Taylor's financial planning and control. The operating budget includes anticipated revenues and expenditures for the General Fund, Special Revenue Funds, the Debt Service Funds, and Proprietary Funds. The budget is a planning device that defines the type, quality, and quantity of City goods and services that will be provided to our citizens. The budget is also a control device that serves as a system of "checks and balances" between levels of City government. The budgetary system ensures that individual departments contain their expenditures within limitations set by the City management, and that City management contains expenditures for the entire City within limitations set by the City Council.

All units and departments of the City of Taylor are required to submit requests for appropriations to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents a proposed budget to Council for review in June. The Council is required to hold a public hearing on the proposed budget and then adopt the final budget no later than September 15th.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Manager may authorize transfers of appropriations within a department and between departments within a fund, except for the General Fund. Increases or decreases of appropriations to a fund, however, requires approval of the City Council in the form of an ordinance that formally amends the adopted budget.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statement for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of the report.

Internal Control: City Management is responsible for establishing and maintaining a system of internal controls. This system is designed to provide a reasonable assurance that: (1) City assets are protected from loss, theft or misuse; and (2) City financial records and data are accurate and reliable. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it, and that the evaluation of cost and benefits requires estimates and judgments by management.

Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Taylor for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the twelfth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a local government must publish a Comprehensive Annual Financial Report that is easy to read and well organized, as well as meeting both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the requirements of the Certificate of Achievement Program and we will submit it to the GFOA for certification.

The presentation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance department and all department directors. I would like to express my appreciation to all members of the City departments that assisted and contributed to the preparation of this report. I would also like to thank the Mayor and the City Council for their continued support for maintaining the highest standards of professionalism in the management of the City of Taylor's financial operations.

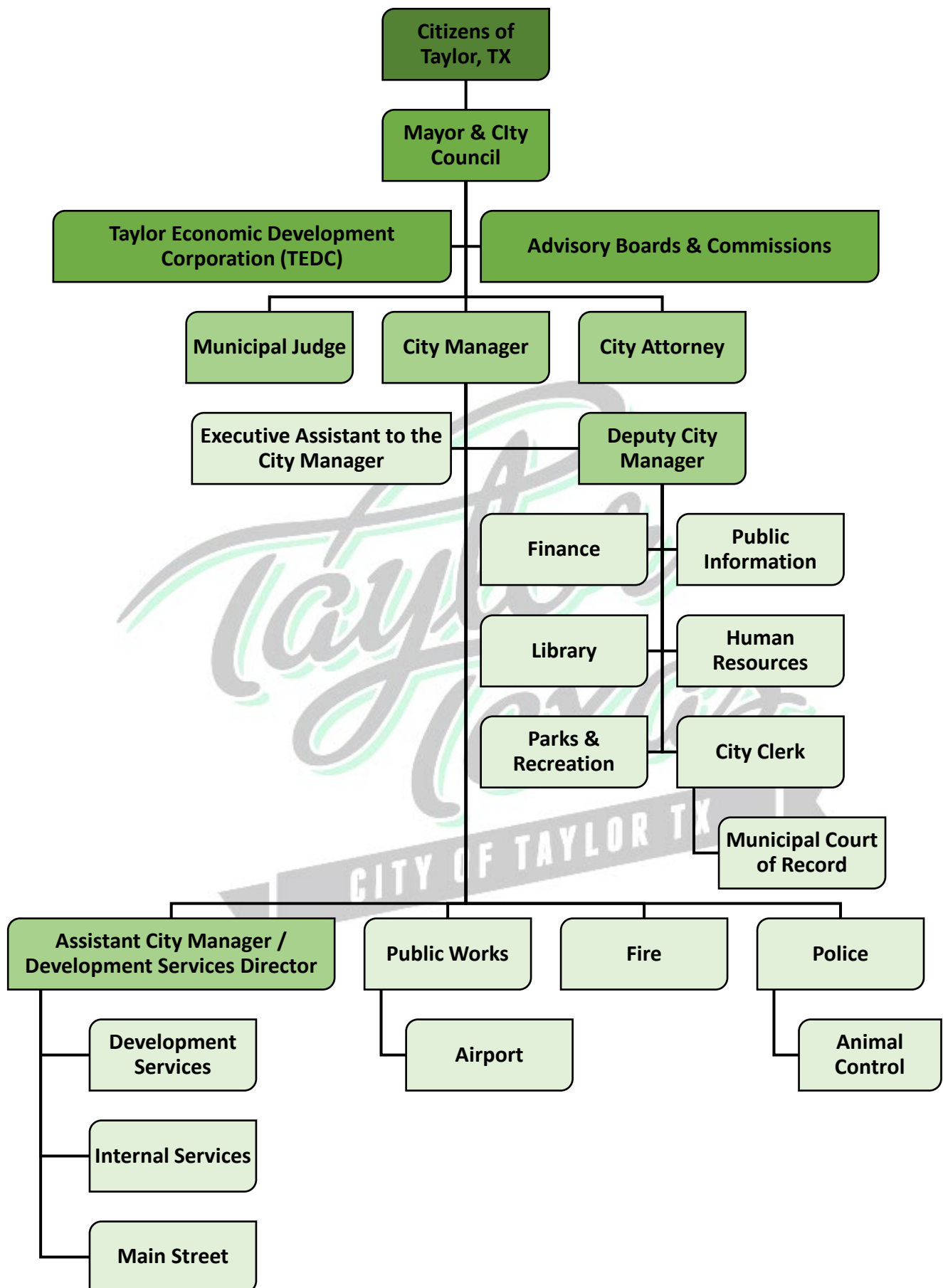
Furthermore, I would like to acknowledge the work of the independent auditors from BrooksWatson & Company, PLLC, which is greatly appreciated.

Respectfully submitted,

A handwritten signature in blue ink that reads "Jeffrey B. Wood". The signature is written in a cursive, flowing style.

Jeffrey B. Wood
Director of Finance

CITY ORGANIZATION CHART



City of Taylor, Texas

PRINCIPAL OFFICIALS

September 30, 2020

City Council

Brandt Rydell.....	Mayor	Term Expires May 2021
Dwayne Ariola.....	Mayor Pro Tem	Term Expires May 2023
Robert Garcia.....	Council Member	Term Expires May 2022
Mitchell Drummond.....	Council Member	Term Expires May 2021
Gerald Anderson.....	Council Member	Term Expires May 2022

City Staff

Brian LaBorde.....	City Manager
Jeffery Jenkins.....	Deputy City Manager
Rocio Lopez	Executive Assistant to the City Manager
Ted Hejl.....	City Attorney
Dianna Barker.....	City Clerk
Jeffrey Wood.....	Director of Finance
Daniel Baum.....	Fire Chief
Karen Ellis.....	Library Director
Tom Yantis.....	Asst. City Mgr./Director of Development Services
LaShon Gros.....	Director of Human Resources
James Gray.....	Director of Public Works
Lisa Thompson.....	Director of Internal Services
Kendra Dubee.....	Public Information Officer
Henry Fluck.....	Police Chief
Jan Harris.....	Main Street Manager



Government Finance Officers Association

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

Presented to

**City of Taylor
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Taylor, Texas (the "City") as of and for the year ended September 30, 2020, 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

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, 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 V.H to the financial statements, the City restated the beginning fund balance of the capital improvements fund and beginning net position of a discretely presented component unit due to accounting errors occurring in the prior year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, stylized font.

Brooks Watson & Co., PLLC
Certified Public Accountants
Houston, Texas
March 18, 2021



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



City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2020

As management of the City of Taylor, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (net position) at September 30, 2020 by \$75,521,766.
- The City's total net position increased by \$4,769,202. The majority of the City's net position is invested in capital assets and restricted for specific purposes.
- The City's governmental funds reported combined ending fund balances of \$18,973,290 at September 30, 2020, a decrease of \$288,947 from the prior fiscal year; this includes an increase of \$1,246,629 in the general fund, a decrease of \$782,199 in the capital improvements fund, an increase of \$139,808 in the I&S fund, and a decrease in the transportation user fee fund of \$914,550.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$5,173,649 or 35% of total general fund expenditures.
- The City's outstanding bonds and certificates of obligation payable decreased by \$3,730,000 from the prior year. The total bonds and certificates of obligation payable at the close of the fiscal year were \$54,950,000.
- The City's net pension liability totaled \$4,659,387 as of year end.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2020

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, culture and recreation, community development, public safety, and public works. The business-type activities of the City include water and sewer, airport, and cemetery operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Taylor Economic Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 22-27 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2020

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

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital improvements fund, the I&S for CO bonds fund, and the transportation user fee fund (a special revenue fund), which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, I&S for CO bonds, and special revenue funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 28-33 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its public utilities, airport and cemetery operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the maintenance and purchase of equipment.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer fund since it is considered a major fund of the City.

The basic proprietary fund financial statements can be found on pages 36-45 of this report.

City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2020

Component Units

The City maintains the accounting and financial statements for two component units. The Taylor Economic Development Corporation and the Tax Increment Financing Funds are discretely presented component units displayed on the government-wide financial statements.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 47-94 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's changes in net pension liability and employer contributions to the plan.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Taylor, Texas, assets exceed liabilities by \$75,521,766 as of September 30, 2020, in the primary government.

The largest portion of the City's net position, \$64,740,237, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

City of Taylor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2020

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 20,877,805	\$ 13,048,206	\$ 33,926,011	\$ 22,369,289	\$ 12,675,895	\$ 35,045,184
Capital assets, net	70,377,041	39,019,331	109,396,372	68,265,282	39,335,540	107,600,822
Total Assets	91,254,846	52,067,537	143,322,383	90,634,571	52,011,435	142,646,006
Deferred Outflows of Resources	1,476,894	714,533	2,191,427	2,099,923	893,989	2,993,912
Other liabilities	5,450,241	3,008,581	8,458,822	5,192,827	2,626,466	7,819,293
Long-term liabilities	35,532,100	25,079,608	60,611,708	39,691,171	27,265,416	66,956,587
Total Liabilities	40,982,341	28,088,189	69,070,530	44,883,998	29,891,882	74,775,880
Deferred Inflows of Resources	789,744	131,770	921,514	95,533	15,941	111,474
Net Position:						
Net investment						
in capital assets	47,078,362	17,661,875	64,740,237	44,951,472	16,703,213	61,654,685
Restricted	3,514,866	-	3,514,866	3,241,616	-	3,241,616
Unrestricted	366,427	6,900,236	7,266,663	(438,125)	6,294,388	5,856,263
Total Net Position	\$ 50,959,655	\$ 24,562,111	\$ 75,521,766	\$ 47,754,963	\$ 22,997,601	\$ 70,752,564

Governmental activities current assets decreased by \$1,491,484 due to the expenditure of bond proceeds on capital projects. Governmental activities long-term liabilities decreased by \$4,159,071 due to payments on long-term debt and a decrease in pension liabilities. TMRS had a significant increase in investment income due to favorable market conditions which led to the decrease in the net pension liability. Business-type activities long-term liabilities decrease by \$2,185,808 primarily due to the aforementioned changes in debt and pension liabilities.

City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2020

Statement of Activities:

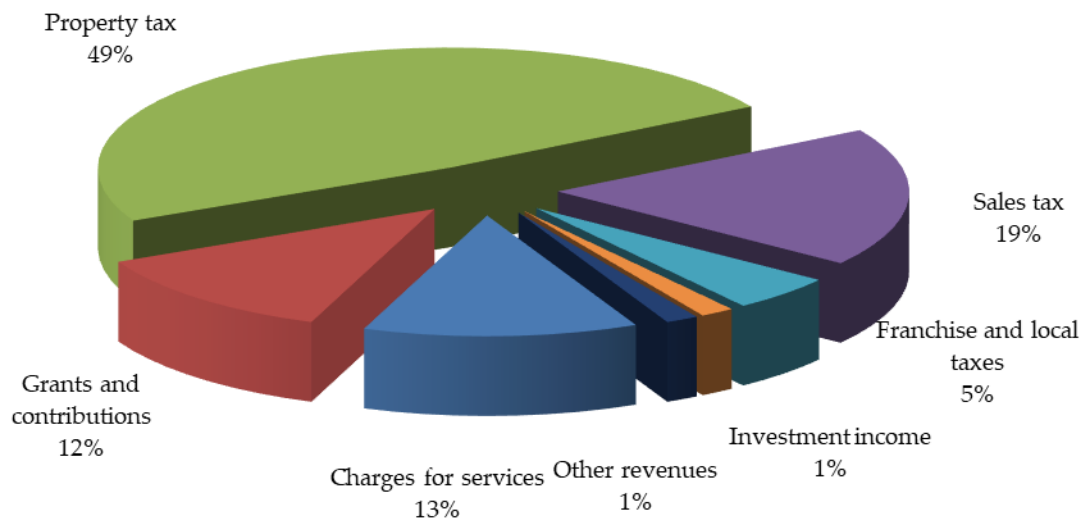
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2020			For the Year Ended September 30, 2019		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 2,570,775	\$ 12,546,043	\$ 15,116,818	\$ 2,415,512	\$ 12,368,236	\$ 14,783,748
Operating grants	608,967	-	608,967	527,698	-	527,698
Capital grants	1,853,806	-	1,853,806	1,238,407	156,197	1,394,604
General revenues:						
Property tax	9,918,365	-	9,918,365	8,885,991	-	8,885,991
Sales tax	3,795,264	-	3,795,264	3,438,534	-	3,438,534
Franchise and local taxes	989,105	-	989,105	958,665	-	958,665
Investment income	318,116	93,775	411,891	518,264	128,330	646,594
Other revenues	306,007	121,365	427,372	476,896	138,273	615,169
Total Revenues	20,360,405	12,761,183	33,121,588	18,459,967	12,791,036	31,251,003
Expenses						
General government	4,261,634	-	4,261,634	4,990,929	-	4,990,929
Culture and recreation	1,566,968	-	1,566,968	1,359,674	-	1,359,674
Community development	1,660,342	-	1,660,342	1,371,973	-	1,371,973
Public safety	6,694,441	-	6,694,441	6,924,255	-	6,924,255
Public works	3,611,256	-	3,611,256	3,915,394	-	3,915,394
Interest and fiscal charges	1,114,377	974,782	2,089,159	1,013,513	882,959	1,896,472
Public utility	-	6,431,671	6,431,671	-	5,918,157	5,918,157
Airport	-	450,818	450,818	-	405,680	405,680
Cemetery operating	-	156,441	156,441	-	175,801	175,801
Sanitation	-	1,429,656	1,429,656	-	1,427,419	1,427,419
Total Expenses	18,909,018	9,443,368	28,352,386	19,575,738	8,810,016	28,385,754
Change in Net Position Before Transfers	1,451,387	3,317,815	4,769,202	(1,115,771)	3,981,020	2,865,249
Transfers	1,753,305	(1,753,305)	-	1,437,725	(1,437,725)	-
Total	1,753,305	(1,753,305)	-	1,437,725	(1,437,725)	-
Change in Net Position	3,204,692	1,564,510	4,769,202	321,954	2,543,295	2,865,249
Beginning Net Position	47,754,963	22,997,601	70,752,564	47,433,009	20,454,306	67,887,315
Ending Net Position	\$ 50,959,655	\$ 24,562,111	\$ 75,521,766	\$ 47,754,963	\$ 22,997,601	\$ 70,752,564

City of Taylor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2020

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

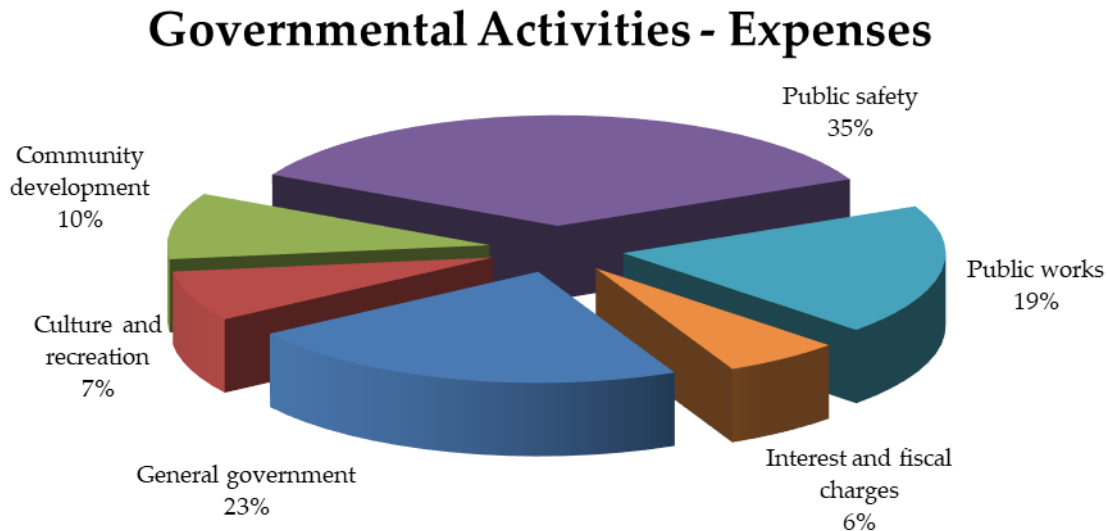
Governmental Activities - Revenues



For the year ended September 30, 2020, revenues from governmental activities totaled \$20,360,405. Property tax, charges for services and sales tax are the City's largest general revenue sources. Overall revenue increased \$1,900,438 or 10% from the prior year. Property tax revenue increased \$1,032,374 due to an increase in property values and a growing tax base. Sales tax revenue increased by \$356,730 due to increasing economic growth within the City and COVID-19 fueling the increase in local purchases. Charges for services increased \$155,263 due to an increase in building permit revenue. Investment income decreased by \$200,148 due to lower savings rates and less cash on hand during the year. Capital grants increased \$615,399 due primarily due to land granted to the City by the Taylor ISD. All other revenues remained relatively stable when compared to the previous year.

City of Taylor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2020

This graph shows the governmental function expenses of the City:

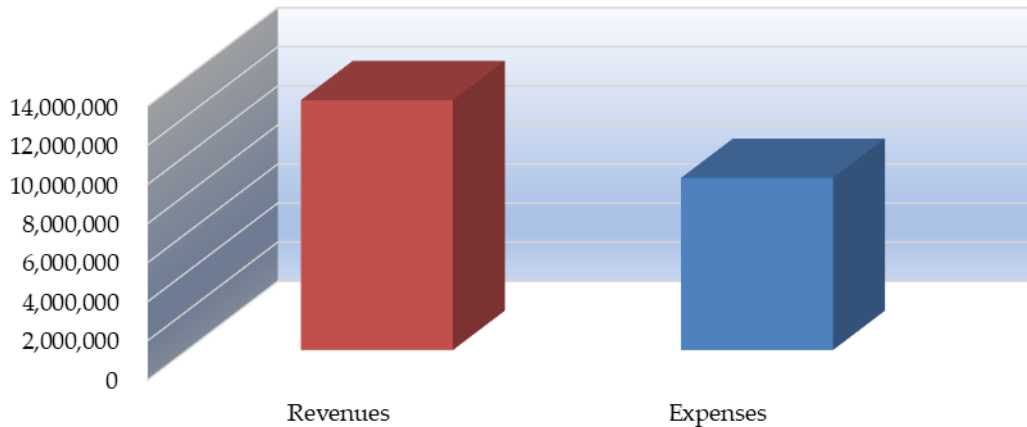


For the year ended September 30, 2020, expenses for governmental activities totaled \$18,909,018. This represents a decrease of \$666,720 or 3% from the prior year. The City's largest functional expense is public safety totaling \$6,694,441. Public safety decreased \$229,814 or 3% when compared to the prior year primarily due to a significant reduction in the TMRS pension liabilities and related employee expense. General government expenses decreased by \$729,295 or 15% primarily due to a decrease in the City's pension liability, resulting in less employee benefit expenses. Community development increased by \$288,369 or 21% primarily as a result of increased salaries and contracted review costs as well as recognition of more depreciation expenses in the current year. Public works expense decreased by \$304,138 or 8% primarily due less street projects undertaken by the transportation user fee fund when compared to the prior year. All remaining expenses remained relatively consistent with the previous year.

City of Taylor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2020

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2020, charges for services by business-type activities totaled \$12,546,043. This is an increase of \$177,807, or 1%, from the previous year. The City completed a utility rate study in November of 2015 which examined the future operating and capital financing requirements of the utility system and determine the adequacy of existing rates to meet the related requirements. The study recommended increases in both water and sewer rates which are to be phased in through fiscal year 2019. No change in rates occurred in the current year which led to consistent revenue.

The estimated increased revenues are noted in the following excerpt from the study:

YEAR	WATER	SEWER	COMBINED
2016	9.0%	34.0%	19.0%
2017	11.0%	18.0%	14.1%
2018	8.0%	12.0%	9.9%
2019	3.0%	3.0%	3.0%
2020	0.0%	0.0%	0.0%

Total expenses increased \$633,352 or 7% to a total of \$9,443,368. Public utility expenses totaled \$7,364,429 while airport, cemetery operations, and sanitation totaled \$492,842, \$156,441, and \$1,429,656, respectively. The largest increase in expenses was seen in public utility expenses. This increase was mainly attributed to personnel costs, treated water contract expenses, and supplies expenses.

City of Taylor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2020

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At September 30, 2020, the City's governmental funds reported combined fund balances of \$18,973,290, a decrease of \$288,947 in comparison with the prior year. Approximately 27% of this amount, \$5,173,649, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted* or *committed* to indicate that it is 1) not in spendable form \$697,390, 2) committed \$4,823,449 or 3) restricted for particular purposes \$8,278,802.

As of the end of the year the general fund reflected a total fund balance of \$7,221,196. Of this, \$1,668,247 is considered restricted and \$5,173,649 is unassigned. General fund balance increased by \$1,246,629. This increase can be attributed to greater than anticipated sales and property tax revenues for the year ended.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$5,173,649 is 35% of total general fund operating expenditures.

The capital improvements fund had an ending fund balance of \$5,461,326 as of yearend. Total fund balance decreased by \$782,199 from the prior year due to capital outlay expenditures exceeding capital financing during the year. During the year, the City expended \$2,749,950 on various capital improvement projects recorded in this fund.

The I&S for CO bonds fund had an ending fund balance of \$787,564 at September 30, 2020, an increase of \$139,808 when compared to the previous year. During the year, the fund recorded total principal and interest payments of \$2,697,712 and property tax revenue of \$2,453,308. The increase in fund balance was a direct result of intergovernmental revenue received from the TIF fund in the current year.

The transportation user fee fund had an ending fund balance of \$4,237,677 at September 30, 2020, an decrease of \$914,550 when compared to the prior year. The decrease is a direct result of capital project expenditures in the current year.

City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2020

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the City's largest proprietary fund, the public utility fund, totaled \$18,803,017. Unrestricted net position at the close of the fiscal year amounted to \$5,408,283, a total increase of \$1,519,587 from the previous year. Total investment in capital assets, net of related debt of was \$13,394,734, and capital assets, net of depreciation totaled \$33,330,964.

GENERAL FUND BUDGETARY HIGHLIGHTS

Supplemental budget amendments were approved during the fiscal year increasing total budgeted expenditures by \$284,936 and increasing total revenues by \$1,014,500 resulting in a net increase in budgeted fund balance of \$905,514. The primary reasons for the budget revision were due to higher than expected sales and property taxes. Expenditures were amended to account for general revisions to reflect actual operating results. Total budgeted revenues of \$13,927,734 were less than actual revenues of \$13,990,747, resulting in a total positive revenue variance of \$63,013. Total budgeted expenditures of \$15,130,640 were more than actual expenditures of \$14,864,668, resulting in a total positive expenditure variance of \$265,972.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$70,377,041 in a variety of capital assets and infrastructure, net of accumulated depreciation including assets recorded in the internal service funds of \$3,240,611. The City's business-type activities funds had invested \$39,019,331 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure.

Major capital asset additions during the current year include the following:

- 3rd Street improvements of \$488,768.
- Various infrastructure improvements totaling \$864,049
- Animal shelter remodel for \$118,324
- New gateway signs totaling \$241,804
- Audio/Video equipment for \$39,782
- New fire truck for \$758,080
- Waterline replacement for \$105,000
- 2020 Utility infrastructure improvements totaling \$774,811.

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

City of Taylor, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2020

LONG-TERM DEBT

The City's outstanding bonds and certificates of obligation payable net of all premiums and discounts decreased by \$4,286,805 or 7% from the prior year. The total bonds and certificates of obligation payable at the close of the fiscal year were \$58,881,863, net of all premiums and discounts. All of the City's debt is backed by a full-faith credit pledge of property taxes with a limited pledge of revenues of the enterprise/utility system. The City monitors its debt obligations and callable bonds for refinancing opportunities with market conditions.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The local economy is expanding as evidenced by increasing sales tax collections and new construction activity. In FY2020, the City issued a total of 937 building permits with a total valuation of \$67,982,874. This is an increase in permit valuation of \$14,525,338 from the previous year. While growth brings additional revenue to the City, it also increases the demands on City services. The FY2021 budget will include funding to plan for future growth by updating the City's Comprehensive Plan, by completing a public utilities assessment, and completing a comprehensive drainage improvements plan. The FY2021 budget also continues to address its aging infrastructure through a series of improvements that are funded by a combination of utility revenues and debt proceeds.

Meeting the challenges created by growth takes financial resources, a Council vision, and budgetary constraint. The Avery Glen residential development began construction in early 2019 and continued to build out during FY2020 and should be completely built out by Q2 of FY2021. The Grove residential development began infrastructure construction in 2020 and will build out over the next two to three years. Both developments could seek approval for additional builds if the economy continues to grow. In addition, a new mixed residential development named Castlewood received initial approval in 2020 and continues to work toward final approval and ground-breaking. Other residential developments are currently under consideration.

On the commercial side, Hart Components was completing construction on a new manufacturing facility within the City limits and anticipates the start of production in the second half of 2020. Hart Components will provide both property tax and sales tax revenues. In addition, RCR Taylor Logistics Park, a master planned rail-served logistic & industrial park broke ground in 2019 and continues to develop and market the property. New construction is anticipated on this site in 2021.

For many years, the City's economy has been largely based in agriculture and manufacturing. These industries are still with the City today, however, the Taylor Economic Development Corporation actively recruits companies that add to the diversity of the City's local industry while providing residents with good employment. A major industry that is located within the City of Taylor is the

City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2020

Electric Reliability Council of Texas (ERCOT), which manages the flow of electric power to more than 26 million Texas customers, or about 90 percent of the state's electric load. ERCOT is the City's largest employer, while the Taylor Independent School District (TISD) is the second largest employer in the City.

The City's Fund Balance Policy requires that the General Fund maintains a minimum of three months of operating expenditures as unassigned reserves, which currently equates to \$3,716,167. At the end of fiscal year 2020, unassigned fund balance in the General Fund is \$5,173,649. It is intended that the available fund balance beyond the minimum be used for capital outlay, unbudgeted personnel expenses and emergency expenditures. For the fiscal year 2021, fund balance in all budgeted funds is projected to remain at adequate levels to provide for unexpected decreases in revenue plus extraordinary unbudgeted expenditures.

The property tax rate for fiscal year 2020-21 is \$0.809215 per \$ 100 valuation. Approximately 75 percent of this rate, or \$0.613755, is utilized for General Fund activities. The remaining 25 percent, or \$0.195460, is used for debt service. The General Fund's portion of property tax revenue for fiscal year 2020-21 is estimated to be \$7,497,000. Sales tax revenue for fiscal year 2020-21 is budgeted at \$3,140,000. The COVID-19 pandemic created a unique budgeting challenge that resulted in a very conservative approach for tax revenue estimates. It is possible that the City will recognize property and sales tax revenues in excess of what is budgeted.

The largest revenue source for the Utility Fund is water and wastewater fees, accounting for 98 percent of utility revenues. A water and sewer rate study was completed and adopted by Council during fiscal year 2014-2015 and rate increases were implemented beginning in fiscal year 2015-16 and increased annually for the next four years, ending in 2019. There was not a rate increase for water or sewer services in fiscal year 2019-20, nor was a rate increase budgeted for fiscal year 2020-21. A new rate study was initiated in 2020 and will be presented to Council for consideration in early 2021. Any rate increases recommended by the study will likely take effect in fiscal year 2022. Water and sewer rate increases are used to cover increasing operational costs, to fund future projects and build up reserves in the Public Utilities Fund. The current rate system, which focuses on water conservation, implements an increasing tier rate which charges a higher price for water at higher levels of consumption.

The City Council approved an ordinance establishing a Transportation User Fee (TUF) that applied to businesses and residents within the City of Taylor city limits. The new rate took effect in June of 2016. A flat fee of \$8.00 per residential unit was assessed, with commercial customers being assessed at 6 distinct tier rates that ranged from \$25 to \$133 per month. The total annual revenue generated from the TUF is projected to be \$790,000 for the fiscal year 2021. The TUF was designed to address a portion of the street repair and maintenance expenses for Taylor's aged infrastructure but is not enough to meet the demands of all the lower rated streets.

The sanitation fee for residential garbage is a base charge of \$ 12.04 per month. There is no change in rates in the budget for the fiscal year 2021.

City of Taylor, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2020

The City Council approved a residential curbside recycling program in December of 2017. The program's initial cost was \$2.50 per month per resident with the City paying \$.75 per month per resident for the first year of service. After the first year, the cost share ended and the rate increased to \$3.25 per month. There is no rate increase budgeted for fiscal year 2021.

The drainage fee for a single-family dwelling remains at \$3.00 per month in fiscal year 2021.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance at 400 Porter St., Taylor Texas 76574 or call (512) 352-5997.

FINANCIAL STATEMENTS

City of Taylor, Texas

STATEMENT OF NET POSITION (Page 1 of 2) September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 18,299,074	\$ 11,198,098	\$ 29,497,172
Investments	997,390	-	997,390
Restricted cash-customer deposits	-	474,981	474,981
Receivables, net	1,581,341	1,275,239	2,856,580
Due from primary government	-	-	-
Internal balances	-	-	-
Inventories	-	99,888	99,888
Total Current Assets	20,877,805	13,048,206	33,926,011
Land held for investment	-	-	-
Capital assets:			
Non-depreciable	6,573,697	2,195,134	8,768,831
Net depreciable capital assets	63,803,344	36,824,197	100,627,541
Noncurrent Assets	70,377,041	39,019,331	109,396,372
Total Assets	91,254,846	52,067,537	143,322,383
<u>Deferred Outflows of Resources</u>			
Deferred charge on refunding	256,840	529,146	785,986
Pension outflows	1,052,278	175,575	1,227,853
OPEB outflows	167,776	9,812	177,588
Total Deferred Outflows of Resources	1,476,894	714,533	2,191,427

Component Units			
	Taylor		Tax Increment
	EDC		Financing
\$	2,879,882	\$	271,554
	-		-
	-		-
	222,177		-
	7,209		-
	-		-
	-		-
	3,109,268		271,554
	409,787		-
	-		-
	38,349		-
	448,136		-
	3,557,404		271,554
	-		-
	-		-
	-		-
	-		-

City of Taylor, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Accounts payable and accrued liabilities	1,451,024	588,073	2,039,097
Due to component unit	7,209	-	7,209
Customer deposits	-	474,981	474,981
Compensated absences, current	1,233,724	26,856	1,260,580
Accrued interest payable	132,776	118,671	251,447
Long-term debt due within one year	2,625,508	1,800,000	4,425,508
Total Current Liabilities	5,450,241	3,008,581	8,458,822
Noncurrent liabilities:			
Net pension liability	3,993,127	666,260	4,659,387
OPEB liability	1,282,047	73,855	1,355,902
Compensated absences, noncurrent	137,080	2,984	140,064
Debt due in more than one year	30,119,846	24,336,509	54,456,355
	35,532,100	25,079,608	60,611,708
Total Liabilities	40,982,341	28,088,189	69,070,530
<u>Deferred Inflows of Resources</u>			
Pension inflows	765,323	127,695	893,018
OPEB Inflows	24,421	4,075	28,496
Total Deferred Inflows of Resources	789,744	131,770	921,514
<u>Net Position</u>			
Net investment in capital assets	47,078,362	17,661,875	64,740,237
Restricted for:			
Debt service	787,564	-	787,564
Capital projects	571,223	-	571,223
Community development	-	-	-
Cemetery land purchase	131,384	-	131,384
Moody museum	253,693	-	253,693
Library bequest funds	282,835	-	282,835
Cemetery - nonexpendable	697,390	-	697,390
Municipal court	94,730	-	94,730
Other purposes	696,047	-	696,047
Unrestricted	366,427	6,900,236	7,266,663
Total Net Position	\$ 50,959,655	\$ 24,562,111	\$ 75,521,766

See Notes to Financial Statements.

Component Units	
Taylor EDC	Tax Increment Financing
10,880	26,517
-	-
-	-
14,402	-
-	-
-	-
25,282	26,517
-	-
-	-
1,600	-
-	-
1,600	-
26,882	26,517
-	-
-	-
-	-
38,349	-
-	-
-	-
3,492,173	245,037
-	-
-	-
-	-
-	-
-	-
-	-
-	-
\$ 3,530,522	\$ 245,037

City of Taylor, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 4,261,634	\$ 1,867,402	\$ 608,967	\$ 877,420
Culture and recreation	1,395,692	-	-	-
Community development	1,831,618	-	-	976,386
Public safety	6,694,441	203,814	-	-
Public works	3,611,256	499,559	-	-
Interest and fiscal charges	1,114,377	-	-	-
Total Governmental Activities	<u>18,909,018</u>	<u>2,570,775</u>	<u>608,967</u>	<u>1,853,806</u>
Business-Type Activities				
Public Utility	7,364,429	10,279,494	-	-
Airport	492,842	395,988	-	-
Cemetery Operating	156,441	220,123	-	-
Sanitation	1,429,656	1,650,438	-	-
Total Business-Type Activities	<u>9,443,368</u>	<u>12,546,043</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 28,352,386</u>	<u>\$ 15,116,818</u>	<u>\$ 608,967</u>	<u>\$ 1,853,806</u>
Component Units				
Taylor Economic Development Corporation	\$ 867,127	\$ -	\$ -	\$ -
Tax Increment Financing	616,304	-	-	-
Total Component Units	<u>\$ 1,483,431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes
 Property tax
 Sales tax
 Franchise and local taxes
 Investment income
 Other revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Taylor EDC	Tax Increment Financing
\$ (907,845)	\$ -	\$ (907,845)	\$ -	\$ -
(1,395,692)	-	(1,395,692)	-	-
(855,232)	-	(855,232)	-	-
(6,490,627)	-	(6,490,627)	-	-
(3,111,697)	-	(3,111,697)	-	-
(1,114,377)	-	(1,114,377)	-	-
(13,875,470)	-	(13,875,470)	-	-
-	2,915,065	2,915,065	-	-
-	(96,854)	(96,854)	-	-
-	63,682	63,682	-	-
-	220,782	220,782	-	-
-	3,102,675	3,102,675	-	-
(13,875,470)	3,102,675	(10,772,795)	-	-
			(867,127)	-
			-	(616,304)
			(867,127)	(616,304)
9,918,365	-	9,918,365	-	165,525
3,795,264	-	3,795,264	1,265,088	-
989,105	-	989,105	-	-
318,116	93,775	411,891	10,325	6,442
306,007	121,365	427,372	-	91,680
1,753,305	(1,753,305)	-	-	-
17,080,162	(1,538,165)	15,541,997	1,275,413	263,647
3,204,692	1,564,510	4,769,202	408,286	(352,657)
47,754,963	22,997,601	70,752,564	3,122,236	597,694
\$ 50,959,655	\$ 24,562,111	\$ 75,521,766	\$ 3,530,522	\$ 245,037

City of Taylor, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2020

	General	Capital Improvements	I & S For CO Bonds
<u>Assets</u>			
Cash and cash equivalents	\$ 5,944,311	\$ 5,754,581	\$ 719,638
Investments	997,390	-	-
Receivables, net	1,178,228	210,531	57,334
Due from other funds	162,532	-	67,926
Total Assets	\$ 8,282,461	\$ 5,965,112	\$ 844,898
<u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 815,160	\$ 503,786	\$ -
Due to other funds	67,926	-	-
Due to component unit	7,209	-	-
Total Liabilities	890,295	503,786	-
<u>Deferred Inflows of Resources</u>			
Unavailable revenue - property taxes	170,970	-	57,334
Total Deferred Inflows of Resources	170,970	-	57,334
<u>Fund Balances</u>			
Nonspendable:			
Permanent fund	-	-	-
Restricted for:			
Debt service	-	-	787,564
Capital projects	571,223	5,461,326	-
Library donation fund	282,835	-	-
Roadway impact fund	295,274	-	-
Special revenue	-	-	-
Moody museum	253,693	-	-
Other purposes	265,222	-	-
Committed for:			
Drainage	-	-	-
ERCOT	275,000	-	-
Givens Community Center	80,000	-	-
Cattainer	24,300	-	-
Road maintenance	-	-	-
Unassigned reported in:			
General fund	5,173,649	-	-
Total Fund Balances	7,221,196	5,461,326	787,564
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,282,461	\$ 5,965,112	\$ 844,898

See Notes to Financial Statements.

Transportation User Fee	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,203,301	\$ 1,404,164	\$ 18,025,995
-	-	997,390
82,822	52,426	1,581,341
-	-	230,458
<u>\$ 4,286,123</u>	<u>\$ 1,456,590</u>	<u>\$ 20,835,184</u>

\$ 48,446	\$ 28,531	\$ 1,395,923
-	162,532	230,458
-	-	7,209
<u>48,446</u>	<u>191,063</u>	<u>1,633,590</u>

-	-	228,304
<u>-</u>	<u>-</u>	<u>228,304</u>

-	697,390	697,390
-	-	787,564
-	-	6,032,549
-	-	282,835
-	-	295,274
-	361,665	361,665
-	-	253,693
-	-	265,222
-	206,472	206,472
-	-	275,000
-	-	80,000
-	-	24,300
4,237,677	-	4,237,677
-	-	5,173,649
<u>4,237,677</u>	<u>1,265,527</u>	<u>18,973,290</u>

<u>\$ 4,286,123</u>	<u>\$ 1,456,590</u>	<u>\$ 20,835,184</u>
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City of Taylor, Texas

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

September 30, 2020

Fund Balances - Total Governmental Funds	\$ 18,973,290
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Adjustments for the Statement of Net Position:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets - non-depreciable	6,573,697
Capital assets - net depreciable	60,562,733

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	228,304
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Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.

Deferred charge on refunding	256,840
Pension Outflows-TMRS	1,032,539
OPEB Outflows-TMRS	57,699
OPEB Outflows-Retiree healthcare	108,974

Internal service funds are used by management to charge the cost of equipment services and replacement to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Net position - governmental activities	323,931
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Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pension Inflows-TMRS	(750,967)
OPEB Inflows-TMRS	(23,963)

Some liabilities, including bonds payable and compensated absences, are not reported as liabilities in the governmental funds.

Net pension liability	(3,918,224)
OPEB liability-Supplemental Death Fund	(434,333)
OPEB liability-Retiree Healthcare	(839,411)
Accrued interest	(132,776)
Bond premium	(1,432,819)
Compensated absences	(1,365,859)
Non-current liabilities due in one year	(2,115,000)
Non-current liabilities due in more than one year	(26,145,000)

Net Position of Governmental Activities	\$ 50,959,655
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See Notes to Financial Statements.

City of Taylor, Texas

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

For the Year Ended September 30, 2020

	General	Capital Improvements	I & S For CO Bonds
<u>Revenues</u>			
Property tax	\$ 7,436,415	\$ -	\$ 2,453,308
Sales tax	3,795,264	-	-
Franchise and local taxes	822,272	-	-
License and permits	840,831	-	-
Charges for services	223,699	-	-
Fines and forfeitures	192,865	-	-
Intergovernmental	259,467	976,386	339,500
Investment income	144,054	83,012	10,287
Other revenues	275,880	-	1,148
Total Revenues	13,990,747	1,059,398	2,804,243
<u>Expenditures</u>			
Current:			
General government	3,589,314	-	-
Culture and recreation	1,579,745	-	-
Community development	1,190,988	-	-
Public safety	6,686,089	-	-
Public works	1,818,532	-	-
Debt service:			
Principal retirement	-	-	1,760,000
Interest and fiscal charges	-	-	937,712
Capital outlay	-	2,749,950	-
Total Expenditures	14,864,668	2,749,950	2,697,712
Excess of Revenues Over (Under) Expenditures	(873,921)	(1,690,552)	106,531
<u>Other Financing Sources (Uses)</u>			
Transfers in	2,135,150	1,089,501	280,577
Transfers (out)	(14,600)	(181,148)	(247,300)
Total Other Financing Sources (Uses)	2,120,550	908,353	33,277
Net Change in Fund Balances	1,246,629	(782,199)	139,808
Beginning fund balances	5,974,567	6,243,525	647,756
Ending Fund Balances	\$ 7,221,196	\$ 5,461,326	\$ 787,564

See Notes to Financial Statements.

Transporation User Fee	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 9,889,723
-	-	3,795,264
-	166,833	989,105
-	-	840,831
793,556	508,875	1,526,130
-	10,949	203,814
-	10,000	1,585,353
45,575	26,387	309,315
-	40,858	317,886
839,131	763,902	19,457,421
-	271,608	3,860,922
-	-	1,579,745
-	-	1,190,988
-	-	6,686,089
337,138	-	2,155,670
85,000	-	1,845,000
208,442	-	1,146,154
-	37,855	2,787,805
630,580	309,463	21,252,373
208,551	454,439	(1,794,952)
-	58,398	3,563,626
(1,123,101)	(491,472)	(2,057,621)
(1,123,101)	(433,074)	1,506,005
(914,550)	21,365	(288,947)
5,152,227	1,244,162	19,262,237
\$ 4,237,677	\$ 1,265,527	\$ 18,973,290

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City of Taylor, Texas

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

For the Year Ended September 30, 2020

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

Net changes in fund balances - total governmental funds	\$	(288,947)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		3,190,484
Contributed capital		877,420
Depreciation expense		(2,491,794)
Net effect of capital disposals		(19,939)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		28,642
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Pension expense		338,513
OPEB expense		(93,223)
Compensated absences		(222,894)
Accrued interest		33,566
Amortization of deferred charges on refunding		(49,972)
Amortization of bond premium and discounts		163,856

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

Principal payments		1,845,000
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Internal service funds are used by management to charge the cost of equipment services and replacement to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

		(106,020)
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Change in Net Position of Governmental Activities	\$	3,204,692
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See Notes to Financial Statements.

City of Taylor, Texas

STATEMENT OF NET POSITION (Page 1 of 2)

PROPRIETARY FUNDS

September 30, 2020

	Business-Type Activities Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 9,741,106	\$ 1,079,868	\$ 109,328
Restricted cash:			
Customer deposits	474,981	-	-
Receivables, net	1,016,462	18,568	15,796
Inventories	99,888	-	-
Total Current Assets	11,332,437	1,098,436	125,124
<u>Noncurrent Assets</u>			
Capital assets:			
Non-depreciable	1,322,421	872,713	-
Net depreciable capital assets	32,008,543	4,808,631	7,023
Total Noncurrent Assets	33,330,964	5,681,344	7,023
Total Assets	44,663,401	6,779,780	132,147
<u>Deferred Outflows of Resources</u>			
Deferred charge on refunding	527,224	1,922	-
Pension outflows	161,085	5,884	8,606
OPEB outflows	9,002	329	481
Total Deferred Outflows of Resources	697,311	8,135	9,087

Business-Type Activities Enterprise Funds		Governmental Activities
Sanitation	Total	Internal Service
\$ 267,796	\$ 11,198,098	\$ 273,079
-	474,981	-
224,413	1,275,239	-
-	99,888	-
492,209	13,048,206	273,079
-	2,195,134	-
-	36,824,197	3,240,611
-	39,019,331	3,240,611
492,209	52,067,537	3,513,690
-	529,146	-
-	175,575	19,739
-	9,812	1,103
-	714,533	20,842

City of Taylor, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

PROPRIETARY FUNDS

September 30, 2020

	Business-Type Activities		
	Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable	426,963	4,642	14,010
Customer deposits	474,981	-	-
Current maturities of long-term debt	1,775,000	25,000	-
Compensated absences, current	26,856	-	-
Accrued interest	112,620	6,051	-
Total Current Liabilities	2,816,420	35,693	14,010
<u>Noncurrent Liabilities</u>			
Long-term debt	22,938,361	1,398,148	-
Compensated absences, noncurrent	2,984	-	-
Net pension liability	611,275	22,328	32,657
OPEB liability	67,760	2,475	3,620
Total Liabilities	26,436,800	1,458,644	50,287
<u>Deferred Inflows of Resources</u>			
Pension inflows	117,157	4,279	6,259
OPEB Inflows	3,738	137	200
Total Deferred Inflows of Resources	120,895	4,416	6,459
<u>Net Position</u>			
Net investment in capital assets	13,394,734	4,260,118	7,023
Unrestricted	5,408,283	1,064,737	77,465
Total Net Position	\$ 18,803,017	\$ 5,324,855	\$ 84,488

See Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities
Sanitation	Total	Internal Service
142,458	588,073	55,101
-	474,981	-
-	1,800,000	510,508
-	26,856	4,451
-	118,671	-
142,458	3,008,581	570,060
-	24,336,509	2,542,027
-	2,984	494
-	666,260	74,903
-	73,855	8,303
142,458	28,088,189	3,195,787
-	127,695	14,356
-	4,075	458
-	131,770	14,814
-	17,661,875	599,009
349,751	6,900,236	(275,078)
\$ 349,751	\$ 24,562,111	\$ 323,931

City of Taylor, Texas

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

For the Year Ended September 30, 2020

	Business-Type Activities		
	Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
<u>Operating Revenues</u>			
Water revenue	\$ 5,843,492	\$ -	\$ -
Sewer revenue	4,436,002	-	-
Airport services	-	395,988	-
Cemetery services	-	-	220,123
Sanitation	-	-	-
Other income	36,914	-	1,475
Charges for services	-	-	-
State grants	-	-	-
Rents and royalties	82,976	-	-
Total Operating Revenues	10,399,384	395,988	221,598
<u>Operating Expenses</u>			
Personnel services	1,515,480	83,427	71,966
Contractual services	3,173,325	200,021	82,568
Material and supplies	520,683	3,677	1,405
Depreciation	1,222,183	163,693	502
Total Operating Expenses	6,431,671	450,818	156,441
Operating Income (Loss)	3,967,713	(54,830)	65,157
<u>Nonoperating Revenues (Expenses)</u>			
Investment income	84,632	9,143	-
Interest expense	(932,758)	(42,024)	-
Total Nonoperating Revenues (Expenses)	(848,126)	(32,881)	-
Income Before Transfers & Capital Contributions	3,119,587	(87,711)	65,157
<u>Transfers and Capital Contributions</u>			
Transfers in	-	-	25,895
Transfers (out)	(1,600,000)	(15,000)	-
Change in Net Position	1,519,587	(102,711)	91,052
Beginning net position	17,283,430	5,427,566	(6,564)
Ending Net Position	\$ 18,803,017	\$ 5,324,855	\$ 84,488

See Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities
Sanitation	Total	Internal Service
\$ -	\$ 5,843,492	\$ -
-	4,436,002	-
-	395,988	-
-	220,123	-
1,650,438	1,650,438	-
-	38,389	8,060
-	-	1,259,055
-	-	-
-	82,976	-
1,650,438	12,667,408	1,267,115
-	1,670,873	178,680
1,429,656	4,885,570	495,601
-	525,765	-
-	1,386,378	839,282
1,429,656	8,468,586	1,513,563
220,782	4,198,822	(246,448)
-	93,775	8,801
-	(974,782)	(115,673)
-	(881,007)	(106,872)
220,782	3,317,815	(353,320)
-	25,895	247,300
(164,200)	(1,779,200)	-
56,582	1,564,510	(106,020)
293,169	22,997,601	429,951
\$ 349,751	\$ 24,562,111	\$ 323,931

City of Taylor, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 1 of 2)
For the Year Ended September 30, 2020

	Business-Type Activities		
	Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 10,409,134	\$ 387,880	\$ 219,492
Payments to suppliers and contractors	(3,445,803)	(202,551)	(82,299)
Payments to employees for salaries and benefits	(1,562,937)	(85,160)	(278,447)
Net Cash Provided (Used) by Operating Activities	5,400,394	100,169	(141,254)
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfer in	-	-	25,895
Transfer (out)	(1,600,000)	(15,000)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(1,600,000)	(15,000)	25,895
<u>Cash Flows from Capital and Related Financing Activities</u>			
Purchases of capital assets	(1,057,289)	(12,880)	-
Proceeds from capital debt	-	-	-
Principal paid on capital debt	(1,630,000)	(65,000)	-
Interest paid on capital debt	(990,417)	(43,700)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,677,706)	(121,580)	-
<u>Cash Flows from Investing Activities</u>			
Proceeds from sale of investments	497,862	-	-
Interest on investments	84,632	9,143	-
Net Cash Provided by Investing Activities	582,494	9,143	-
Net Increase (Decrease) in Cash and Cash Equivalents	705,182	(27,268)	(115,359)
Beginning cash and cash equivalents	9,510,905	1,107,136	224,687
Cash and Cash Equivalents (Including Restricted Cash)	\$ 10,216,087	\$ 1,079,868	\$ 109,328

See Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities
Sanitation	Total	Internal Service
\$ 1,636,827	\$ 12,653,333	\$ 1,267,115
(1,429,612)	(5,160,265)	(507,161)
-	(1,926,544)	(184,495)
207,215	5,566,524	575,459
-	25,895	247,300
(164,200)	(1,779,200)	-
(164,200)	(1,753,305)	247,300
-	(1,070,169)	(1,394,870)
-	-	163,750
-	(1,695,000)	(637,854)
-	(1,034,117)	(120,062)
-	(3,799,286)	(1,989,036)
-	497,862	-
-	93,775	8,801
-	591,637	8,801
43,015	605,570	(1,157,476)
224,781	11,067,509	1,430,555
\$ 267,796	\$ 11,673,079	\$ 273,079

City of Taylor, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 2 of 2)
For the Year Ended September 30, 2020

	Business-Type Activities		
	Enterprise Funds		
	Public Utilities	Airport	Cemetery Operating
<u>Reconciliation of Operating Income (Loss)</u>			
<u>to Net Cash Provided (Used) by Operating Activities</u>			
Operating Income (Loss)	\$ 3,967,713	\$ (54,830)	\$ 65,157
Adjustments to reconcile operating income to net cash provided (used):			
Depreciation	1,222,183	163,693	502
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(15,069)	(8,108)	(2,106)
Due from other funds	-	-	-
Deferred Outflows of Resources:			
Pension outflows	112,833	(2,324)	(3,399)
OPEB outflows	(8,428)	(376)	(550)
Increase (Decrease) in:			
Accounts payable	271,329	(213)	1,674
Customer deposits	24,819	-	-
Net pension liability	(270,451)	(9,879)	(14,449)
OPEB liability	12,319	450	658
Deferred Inflows of Resources:			
Pension inflows	104,805	6,568	178
OPEB inflows	1,465	3,828	15,026
Net Cash Provided (Used) by Operating Activities	\$ 5,400,394	\$ 100,169	\$ (141,254)

See Notes to Financial Statements.

Business-Type Activities Enterprise Funds		Governmental Activities
Sanitation	Total	Internal Service
\$ 220,782	\$ 4,198,822	\$ (246,448)
-	1,386,378	839,282
(13,611)	(38,894)	-
-	-	(1,360)
-	107,110	(7,797)
-	(9,354)	(1,261)
44	272,834	(10,200)
-	24,819	-
-	(294,779)	(33,139)
-	13,427	1,510
-	111,551	35,928
-	20,319	(1,056)
<u>\$ 207,215</u>	<u>\$ 5,566,524</u>	<u>\$ 575,459</u>

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City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The City of Taylor, Texas is a municipal corporation incorporated under *Article XI, Section 5* of the *Constitution of the State of Texas (Home Rule Amendment)* in 1914. The City operates under a Council-Manager form of government. The City provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

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

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

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Discretely Presented Component Units

Taylor Economic Development Corporation

The Taylor Economic Development Corporation (the "TEDC") serves all citizens of the City and is governed by a five member board of directors appointed by the Taylor City Council. An Executive Director is appointed by the TEDC board to carry out the Board's administrative and policy initiatives. The TEDC is a 4A Corporation and is supported by a half-cent sales tax voted by referendum in 1994. The scope of public service of the TEDC benefits the government and its citizens and is operated primarily within geographic boundaries of the City.

Separately issued audited financial statements are available from TEDC, 316 North Main, Taylor, TX 76574.

Tax Increment Financing Fund

The Tax Increment Financing fund is legally separate from the City and was created to encourage and accelerate planned development within the City limits. The fund accounts for all tax and expenditure activity associated with the fund's primary purpose. The tax increment is derived from the difference in appraised value between the year in which the reinvestment zone is established (base year) and each year the reinvestment zone is in existence. The Board of Directors shall consist of at least five members, but no more than fifteen members including any members appointed by the participating taxing units, and that the Taylor Main Street Advisory Board is appointed to serve as the Board of Directors. The current Board is not primarily comprised of City Council members. Therefore, discrete presentation is appropriate. Separately issued audited financial statements are not available. However, the fund's government wide presentation represents a complete presentation of the entity's activity.

C. Basis of Presentation - Government-Wide and Fund Financial Statements

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

As discussed earlier, the government has two discretely presented component units and are shown in separate columns in the government-wide financial statements.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

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 and transit functions 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.

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

The government reports the following major governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, culture and recreation, and community development.

Capital Improvements Fund

The capital improvements fund accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

I&S for CO Bonds Fund

The City accounts for the accumulation of financial resources for the payments of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the I & S for CO Bonds fund is restricted exclusively for debt service expenditures.

Transportation User Fee Fund

The transportation user fee fund collects revenues used to fund street maintenance and reconstruction of streets related expenditures and projects.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

The government reports the following major enterprise funds:

Public Utilities Fund

Water and wastewater services provided by the City are accounted for in the public utilities fund. Activities of the fund include administration, operation and maintenance of the water and wastewater system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Airport

The Airport fund accounts for the administration, operation and maintenance of the municipal airport.

Cemetery Operating Fund

The Cemetery operating fund accounts for the administration, operation and maintenance of the cemetery.

Sanitation Fund

The Sanitation fund accounts for the operation and maintenance of the sanitation department.

Additionally, the government reports the following fund types:

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. These funds consist of the hotel/motel tax, Texas capital, main street revenue, cemetery land purchases, municipal court special fee, tax increment, drainage and transportation user fee funds.

Internal Service Funds

Revenues and expenses related to services provided to organizations inside the City on a cost reimbursement basis are accounted for in an internal service fund. The City's internal service funds include the equipment services and equipment replacement funds.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

Permanent Fund

Chapter 6 Section 6-8 of the City Code establishes a cemetery trust fund subject to control of the City Council. Interest income from the investment of the permanent fund is to be used for beautification and upkeep of the cemetery. The City's only permanent fund is the cemetery permanent fund.

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

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

D. Measurement focus and basis of accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

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.

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

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

E. Assets, Liabilities, Deferred Outflows / Inflows, and Fund Equity or Net Position

1. Deposits and Investments

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

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

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

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). Inventories of supplies are reported at cost, whereas inventories held for resale are reported at lower of cost or market. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and capital items received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure	5 to 30 years
Buildings and improvements	25 years

6. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Net Position Flow Assumption

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

8. Fund Balance Flow Assumptions

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

9. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

The government has adopted a policy to maintain a minimum reserve of unassigned fund balance in the general fund at an amount equal to or greater than 25% of operating expenditures of that fund.

10. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

11. Pensions

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

12. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

In addition to the contributions made to TMRS, the City provides certain other post-employment benefits to its retirees and dependents. Full time City of Taylor employees who retire from the City under the Texas Municipal Retirement System on or after January 1, 2000, and who are covered by the City of Taylor group hospitalization and medical insurance at the time of retirement, will be eligible to receive the current health plan which is an 80/20 HMO insurance plan that includes a \$500 deductible for individual and a \$1,000 deductible for family medical insurance provided by the City to its employees, from the date of retirement until the 5th anniversary date after retirement.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

13. Estimates

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

Legislation was passed in 1979 and amended in 1981 by the Texas Legislature which affects the method of property assessment and tax collection in the City. This legislation, with certain exceptions, exempts intangible personal property and household goods. In addition, this legislature creates a "Property Tax Code" and provides, among other things, for the establishment of county-wide appraisal districts and for a State Property Tax Board which commenced operation in January 1980. The appraisal of property within the City is the responsibility of the Williamson County Tax Appraisal District. The Appraisal District is

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The value of real property within the Appraisal District must be reviewed at least every four years. The City, at its own expense, 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 property within the City limits. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements and revaluation, exceeds the rate of the previous year by more than eight percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than eight percent above the rate of the previous year.

3. Compensated Absences

City employees earn vacation and sick leave, which may either be taken or accumulated, up to certain amounts, until retirement or termination. In the event of termination, resignation or retirement, all full-time employees, other than policeman and firemen, will be reimbursed for accrued vacation time up to 120 hours. Policeman and firemen, upon termination, resignation or retirement, will be reimbursed for accrued sick and vacation time according to civil service regulations. For all other employees, sick leave is not paid at termination or retirement.

All vacation and qualifying sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the public utility fund, airport fund, cemetery operating, and sanitation funds are charges to customers for sales and services. The public utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, I&S for CO bonds, hotel/motel tax, main street revenue, municipal court security and technology, tax increment fund, drainage, transportation user fee, cemetery permanent, and enterprise funds. Capital project funds have no binding annual budget. Project-length financial plans are adopted for all capital projects; accordingly, no comparison of budget to actual is presented in the financial statements. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the fund level. No funds can be transferred or added which affect the total fund expenditures without City Council approval. Appropriations lapse at the end of the year. Several supplemental budget appropriations were made during the year.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

A. Expenditures Over Appropriations

For the year ended September 30, 2020, expenditures exceeded appropriations at the legal level of control as follows:

Tax Increment Financing	\$10,653
Drainage	\$5,758
Cemetery Permanent	\$10,895

B. Deficit Fund Balance

At September 30, 2020, the equipment services funds have a deficit net position of \$25,881. The deficits will be eliminated in the future through reimbursements from other funds.

C. Restricted/Committed Fund Equity

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balances restricted/committed by the City:

	<u>Restricted</u>	<u>Committed</u>
Debt service	\$ 787,564	\$ -
Capital projects	6,032,549	-
Cemetery land purchase	131,384	-
Municipal court	* 94,730	-
Moody museum	253,693	-
Library bequest funds	282,835	-
Roadway impact fees	295,274	-
PEG Fees	164,254	-
Public safety	9,381	-
Other purposes	227,138	-
ERCOT	-	275,000
Givens Community Center	-	80,000
Cattainer	-	24,300
Drainage	-	206,472
Road maintenance	-	4,237,677
Total	<u>\$ 8,278,802</u>	<u>\$ 4,823,449</u>

* Restricted by enabling legislation

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2020, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)	Credit Rating
Municipal bonds	\$ 997,390	2.50	AAA
External investment pools	28,310,589	0.13	AAAm
Total fair value	<u>\$ 29,307,979</u>		
Portfolio weighted average maturity		0.20	

As of September 30, 2020, the component units had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)	Credit Rating
External investment pools	\$ 855,994	0.13	AAAm
Total fair value	<u>\$ 855,994</u>		
Portfolio weighted average maturity		0.13	

Interest rate risk In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk: The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2020, the City's investment in investment pools were rated AAAm by Standard & Poor's.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2020, the market values of pledged securities and FDIC exceeded bank balances.

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

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2020, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

TexSTAR

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated AAAM by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Texas CLASS

MBIA is a participant of the Texas CLASS program. Texas CLASS has been established for governmental entities pursuant to the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Texas CLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator. The Board administers the affairs of the Trust and enters into contracts and agreements on behalf of the Trust in order to effectuate the terms of the Trust Agreement. It also selects consultants for Texas CLASS, including the Program Administrator and the Custodian. MBIA's Texas CLASS is rated AAA by Fitch. There were no limitations or restrictions on withdrawals.

B. Fair Value Measurement

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 active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are remeasured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The City's financial instruments consist of cash and cash equivalents, investments in certificates of deposits maturing in greater than three months, and accounts receivable. The estimated fair value of cash, cash equivalents, investments, and accounts receivable approximate their carrying amounts due to the short-term nature of these instruments.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

The following table sets forth by level, within the fair value hierarchy, the City's fair value measurements at September 30, 2020.

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Municipal Bonds	\$ 997,390	\$ 997,390	\$ -	\$ -
Total Assets at fair value	\$ 997,390	\$ 997,390	\$ -	\$ -

C. Receivables

The following comprise receivable balances of the primary government at year end:

	Governmental Activities					
	General	I&S for CO Bonds	Capital Improvements	Transportation User Fee	Nonmajor Governmental	Total
Property taxes	\$ 170,970	\$ 57,334	\$ -	\$ -	\$ -	\$ 228,304
Sales tax	656,949	-	-	-	-	656,949
Franchise taxes	223,431	-	-	-	-	223,431
Accounts	-	-	-	98,616	66,785	165,401
Other	126,878	-	210,531	-	-	337,409
Allowance	-	-	-	(15,794)	(14,359)	(30,153)
	<u>\$ 1,178,228</u>	<u>\$ 57,334</u>	<u>\$ 210,531</u>	<u>\$ 82,822</u>	<u>\$ 52,426</u>	<u>\$ 1,581,341</u>

Business-Type Activities					
	Public Utilities	Airport	Cemetery Operating	Sanitation	Total
Accounts	\$ 1,043,607	\$ 18,568	\$ 15,796	\$ 229,544	\$ 1,307,515
Allowance	(27,145)	-	-	(5,131)	(32,276)
	<u>\$ 1,016,462</u>	<u>\$ 18,568</u>	<u>\$ 15,796</u>	<u>\$ 224,413</u>	<u>\$ 1,275,239</u>

The Taylor Economic Development Corporation receivables consisted entirely of sales tax.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

D. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 2,557,024	\$ 382,659	\$ -	\$ 2,939,683
Construction in progress	2,683,002	2,898,635	(1,947,623)	3,634,014
Construction in progress - internal service funds	107,814	-	(107,814)	-
Total capital assets not being depreciated	<u>5,347,840</u>	<u>3,281,294</u>	<u>(2,055,437)</u>	<u>6,573,697</u>
Capital assets, being depreciated:				
Streets and bridges	54,694,820	-	11,701	54,706,521
Parks and dams	17,199,949	5,600	1,879,822	19,085,371
Sidewalks, curbs and gutters	3,789,523	-	-	3,789,523
Buildings and improvements	10,916,510	544,077	23,200	11,483,787
Operating equipment	3,211,474	236,933	-	3,448,407
Equipment in internal service funds	6,192,512	1,394,870	67,848	7,655,230
Total capital assets being depreciated	<u>96,004,788</u>	<u>2,181,480</u>	<u>1,982,571</u>	<u>100,168,839</u>
Less accumulated depreciation				
Streets and bridges	18,527,656	1,375,918	-	19,903,574
Parks and dams	3,637,191	580,292	-	4,217,483
Sidewalks, curbs and gutters	678,972	94,738	-	773,710
Buildings and improvements	3,768,933	321,944	(12,961)	4,077,916
Operating equipment	2,859,291	118,902	-	2,978,193
Equipment in internal service funds	3,615,303	839,282	(39,966)	4,414,619
Total accumulated depreciation	<u>33,087,346</u>	<u>3,331,076</u>	<u>(52,927)</u>	<u>36,365,495</u>
Net capital assets being depreciated	<u>62,917,442</u>	<u>(1,149,596)</u>	<u>2,035,498</u>	<u>63,803,344</u>
Total Capital Assets	<u><u>\$ 68,265,282</u></u>	<u><u>\$ 2,131,698</u></u>	<u><u>\$ (19,939)</u></u>	<u><u>\$ 70,377,041</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 263,728
Community development	144,682
Public safety	607,606
Public works	1,475,778
Internal service funds	839,282
Total Governmental Activities Depreciation Expense	<u><u>\$ 3,331,076</u></u>

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

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

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 1,317,035	\$ -	\$ -	\$ 1,317,035
Construction in progress	148,358	787,691	(57,950)	878,099
Total capital assets not being depreciated	<u>1,465,393</u>	<u>787,691</u>	<u>(57,950)</u>	<u>2,195,134</u>
Capital assets, being depreciated:				
Plant distribution and collection	49,721,568	145,248	57,950	49,924,766
Buildings	10,718,045	-	-	10,718,045
Runway	2,238,416	-	-	2,238,416
Equipment	834,283	137,230	-	971,513
Total capital assets being depreciated	<u>63,512,312</u>	<u>282,478</u>	<u>57,950</u>	<u>63,852,740</u>
Less accumulated depreciation				
Plant distribution and collection	20,620,873	1,057,718	-	21,678,591
Buildings	3,394,025	248,255	-	3,642,280
Runway	856,933	55,960	-	912,893
Equipment	770,334	24,445	-	794,779
Total accumulated depreciation	<u>25,642,165</u>	<u>1,386,378</u>	<u>-</u>	<u>27,028,543</u>
Net capital assets being depreciated	<u>37,870,147</u>	<u>(1,103,900)</u>	<u>57,950</u>	<u>36,824,197</u>
Total Capital Assets	<u><u>\$ 39,335,540</u></u>	<u><u>\$ (316,209)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 39,019,331</u></u>

Depreciation was charged to business-type activities as follows:

Public Utilities	\$ 1,222,183
Airport	163,693
Cemetery	502
Total Business-type Activities Depreciation Expense	<u><u>\$ 1,386,378</u></u>

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

A summary of changes in discretely presented component unit capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets being depreciated				
Industrial building	\$ -	\$ -	\$ -	\$ -
Leasehold improvements	26,795	-	-	26,795
Commercial sign	17,244	-	-	17,244
Office Equipment	35,723	-	-	35,723
Total capital assets being depreciated	<u>79,762</u>	<u>-</u>	<u>-</u>	<u>79,762</u>
Less accumulated depreciation				
Industrial building	-	-	-	-
Leasehold improvements	1,787	1,787	-	3,574
Commercial sign	5,316	1,724	-	7,040
Office Equipment	28,659	2,140	-	30,799
Total Accumulated Depreciation	<u>35,762</u>	<u>5,651</u>	<u>-</u>	<u>41,413</u>
Total Capital Assets, Net	<u>\$ 44,000</u>	<u>\$ (5,651)</u>	<u>\$ -</u>	<u>\$ 38,349</u>

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

E. Long-term Debt

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2020. In general, the City uses the debt service fund and general fund to liquidate governmental long-term liabilities and pension liabilities, respectively.

	Beginning Balance	Additions	Payments/ Refunding	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, notes and other payables:					
General Obligation Bonds	\$ 9,680,000	\$ -	\$ (975,000)	\$ 8,705,000	\$ 1,135,000
Combination Tax and Revenue Certificates of Obligation	20,425,000	-	(870,000)	19,555,000	980,000
Revenue Certificates of Obligation - ISF	1,910,000	-	(190,000)	1,720,000	195,000
Less deferred amounts:					
For discounts	(2,310)	-	2,310	-	-
For premiums	1,598,985	-	(166,166)	1,432,819	-
For premiums - ISF	48,281	-	(4,389)	43,892	-
Total Bonds Payable	<u>33,659,956</u>	<u>-</u>	<u>(2,203,245)</u>	<u>31,456,711</u>	<u>2,310,000</u>
Note Payable - internal service fund	391,289	-	(180,849)	210,440	137,447
Capital Lease - internal service fund	1,181,458	163,750	(267,005)	1,078,203	178,061
Total Governmental Activities	<u>\$ 35,232,703</u>	<u>\$ 163,750</u>	<u>\$ (2,651,099)</u>	<u>\$ 32,745,354</u>	<u>\$ 2,625,508</u>
Long-term liabilities due in more than one year				<u>\$ 30,119,846</u>	
Business-Type Activities:					
General Obligation Bonds	\$ 9,105,000	\$ -	\$ (695,000)	\$ 8,410,000	\$ 505,000
Combination Tax and Revenue Certificates of Obligation	17,560,000	-	(1,000,000)	16,560,000	1,295,000
Less deferred amounts:					
For discounts	(2,133)	-	2,133	-	-
For premiums	1,273,098	-	(106,589)	1,166,509	-
Total Bonds Payable	<u>27,935,965</u>	<u>-</u>	<u>(1,799,456)</u>	<u>26,136,509</u>	<u>1,800,000</u>
Total Business-Type Activities	<u>\$ 27,935,965</u>	<u>\$ -</u>	<u>\$ (1,799,456)</u>	<u>\$ 26,136,509</u>	<u>\$ 1,800,000</u>
Long-term liabilities due in more than one year				<u>\$ 24,336,509</u>	

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Long-term debt applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund. The general fund has typically been used to liquidate the liability for compensated absences for governmental activities. Capital leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset. The Taylor EDC has an unused line of credit totaling \$3,500,000. Assets under capital lease have a net book value of \$1,029,847 of year end.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

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

	Governmental Activities	Business - Type Activities	Total
General Obligation Bonds:			
\$3,945,000 General Obligation Refunding Bonds, Series 2010, due in installments through 2022, interest at 1.5% to 4%	\$ 180,000	\$ 50,000	\$ 230,000
\$5,450,000 General Obligation Refunding Bonds, Series 2012, due in installments through 2025, interest at 1% to 2.5%	2,560,000	560,000	3,120,000
\$4,595,000 General Obligation Refunding Bonds, Series 2015, due in installments through 2025, interest at 2.9%	1,865,000	1,375,000	3,240,000
\$8,010,000 General Obligation Refunding Bonds, Series 2016, due in installments through 2034, interest at 4%	2,945,000	5,065,000	8,010,000
\$3,020,000 General Obligation Refunding Bonds, Series 2017, due in installments through 2029, interest at 2% to 4%	1,155,000	1,360,000	2,515,000
Total General Obligation Bonds	\$ 8,705,000	\$ 8,410,000	\$ 17,115,000
Combination Tax and Revenue Certificates of Obligation:			
\$4,200,000 Combination Tax and Revenue Certificates of Obligation, Series 2006, due in annual installments through 2026, interest at 4.45%	\$ -	\$ 3,410,000	\$ 3,410,000
\$10,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2007, due in annual installments through 2027, interest at 3.83%	2,500,000	5,160,000	7,660,000
\$3,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2012, due in annual installments through 2032, interest at 4.25% to 5%	1,980,000	-	1,980,000
\$3,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2013, due in annual installments through 2033, interest at 4%	2,795,000	-	2,795,000
\$5,340,000 Combination Tax and Revenue Certificates of Obligation, Series 2017, due in annual installments through 2037, interest at 2.9-3.25%	1,350,000	3,620,000	4,970,000
\$5,440,000 Combination Tax and Revenue Certificates of Obligation, Series 2018, due in annual installments through 2030, interest at 3%	4,625,000	-	4,625,000
\$12,590,000 Combination Tax and Revenue Certificates of Obligation, Series 2019, due in annual installments through 2044, interest at 2.75%	8,025,000	4,370,000	12,395,000
Total Combination Tax and Revenue/Certificates of Obligation	\$ 21,275,000	\$ 16,560,000	\$ 37,835,000

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

	Governmental Activities	Business - Type Activities	Total
Less deferred amounts:			
Discounts and premiums	\$ 1,476,711	\$ 1,166,509	\$ 2,643,220
Notes Payable			
\$300,000 Note Payable to Citizens Bank, due in monthly installments of \$5,329 through June 2020, interest at 2.5%	66,568	-	66,568
\$320,000 Note Payable to Citizens Bank, due in annual installments of \$68,626 through August 2021, interest at 3.05%	143,871	-	143,871
Capital Leases Payable:			
\$53,931 Capital lease payable to John Deere, due in monthly installments of \$4,733 through 2017, interest at 3.25%	24,448	-	12,408
\$27,372 Capital lease payable to John Deere, due in monthly installments of \$229 through 2018, interest at 3.25%	12,408	-	22,167
\$72,633 Capital lease payable to Wells Fargo, due in monthly installments of \$28,815 through 2017, interest at 3.25%	22,167	-	24,799
\$52,750 Capital lease payable to Wells Fargo, due in monthly installments of \$28,815 through 2017, interest at 3.25%	24,799	-	748,507
\$1,030,100 Capital lease payable to Community Leasing, due in annually installments of \$91,322 through 2030, interest at 3.79%	748,507	-	748,507
\$192,000 Capital lease payable to Frost Bank, due in annual installments of \$41,076 through 2023, interest at 3.48%	115,110	-	115,110
\$163,750 Capital lease payable to Clayton Holdings, LLC, due in annual installments of \$34,550.64 through 2024, interest at 2.25%	130,765	-	130,765
Total Notes and Capital Leases Payable	1,288,643	-	2,012,702
Total Debt	\$ 32,745,354	\$ 26,136,509	\$ 58,881,863

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

The annual requirements to amortize the City's long-term activities debt issues outstanding at year ending were as follows:

General Obligation Bonds

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 1,135,000	\$ 273,485	\$ 505,000	\$ 301,537
2022	1,160,000	244,473	520,000	288,621
2023	1,205,000	214,856	515,000	275,276
2024	880,000	184,997	375,000	262,283
2025	735,000	162,842	535,000	252,060
2026	460,000	143,600	530,000	238,400
2027	150,000	125,200	1,255,000	217,200
2028	355,000	119,200	1,950,000	167,000
2029	400,000	105,000	330,000	89,000
2030	410,000	89,000	355,000	75,800
2031	430,000	72,600	360,000	61,600
2032	440,000	55,400	380,000	47,200
2033	465,000	37,800	395,000	32,000
2034	480,000	19,200	405,000	16,200
Total	\$ 8,705,000	\$ 1,847,653	\$ 8,410,000	\$ 2,324,177

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Combination Tax and Revenue Certificates of Obligations

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 1,175,000	\$ 382,817	\$ 1,295,000	\$ 621,539
2022	1,200,000	363,577	1,345,000	569,462
2023	1,245,000	342,037	1,420,000	514,188
2024	1,625,000	319,247	1,665,000	456,066
2025	1,835,000	293,786	1,585,000	389,578
2026	2,190,000	259,489	1,665,000	325,587
2027	2,255,000	218,005	1,025,000	255,952
2028	1,605,000	175,312	420,000	215,754
2029	1,425,000	144,994	430,000	200,424
2030	1,230,000	119,629	445,000	186,249
2031	930,000	98,267	460,000	171,584
2032	970,000	81,307	475,000	156,374
2033	675,000	63,597	495,000	140,674
2034	340,000	50,097	510,000	124,284
2035	350,000	43,297	525,000	107,404
2036	365,000	36,297	545,000	89,979
2037	385,000	28,997	565,000	71,919
2038	395,000	23,222	220,000	54,094
2039	405,000	17,297	225,000	47,494
2040	125,000	10,969	235,000	40,463
2041	130,000	8,938	240,000	32,825
2042	135,000	6,825	250,000	25,025
2043	140,000	4,631	255,000	16,900
2044	145,000	2,356	265,000	8,613
Total	\$ 21,275,000	\$ 3,094,990	\$ 16,560,000	\$ 4,822,427

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

The annual requirements to amortize capital leases outstanding at year ending were as follows:

Year ending September 30,	Governmental Activities		Total
	Principal	Interest	
2021	\$ 178,061	\$ 37,360	\$ 215,421
2022	167,626	31,638	199,264
2023	146,328	26,421	172,749
2024	104,176	21,696	125,872
2025	73,054	18,268	91,322
2026	75,822	15,500	91,322
2027	78,696	12,626	91,322
2028	81,679	9,643	91,322
2029	84,774	6,548	91,322
2030	87,987	3,335	91,322
Total	\$ 1,078,203	\$ 183,035	\$ 1,261,238

The annual requirements to amortize notes and other obligations payable outstanding at year ending were as follows:

Year ending September 30,	Governmental Activities		Total
	Principal	Interest	
2021	\$ 137,447	\$ 6,346	\$ 143,793
2022	72,993	2,175	75,168
Total	\$ 210,440	\$ 8,521	\$ 218,961

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

F. Other Long-term Liabilities

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general and enterprise funds to liquidate compensated absences.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 1,142,965	\$ 621,656	\$ (398,762)	\$ 1,365,859	\$ 1,229,273
Compensated Absences in internal service funds	4,945	8,017	(8,017)	4,945	4,451
Total Governmental Activities	<u>\$ 1,147,910</u>	<u>\$ 629,673</u>	<u>\$ (406,779)</u>	<u>\$ 1,370,804</u>	<u>\$ 1,233,724</u>
Business-Type Activities:					
Compensated Absences	\$ 29,840	\$ 45,028	\$ (45,028)	\$ 29,840	\$ 26,856
Total Business-Type Activities	<u>\$ 29,840</u>	<u>\$ 45,028</u>	<u>\$ (45,028)</u>	<u>\$ 29,840</u>	<u>\$ 26,856</u>
Component Unit Activities - Taylor EDC					
Compensated Absences	\$ 11,740	\$ 4,262	\$ -	\$ 16,002	\$ 14,402
Total Component Unit Activities	<u>\$ 11,740</u>	<u>\$ 4,262</u>	<u>\$ -</u>	<u>\$ 16,002</u>	<u>\$ 14,402</u>

G. Deferred Charges on Refunding

Deferred charges resulting from the issuance of series 2009, 2010, 2012, 2015, 2016 and 2017 general obligation refunding bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding bonds. Current year balances for governmental and business-type activities totaled \$256,840 and \$529,146, respectively. Current year amortization expense for governmental and business-type activities totaled \$49,973 and \$65,659, respectively.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

H. Interfund Transactions

Transfers between the primary government funds during the 2020 year were as follows:

Transfer out:	Transfer In:						Total
	General	Capital Improvements	I&S for CO Bonds	Nonmajor Government	Cemetery Operating	Equipment Replacement	
General	\$ -	\$ -	\$ -	\$ 14,600	\$ -	\$ -	\$ 14,600
Capital Improvements	175,950	-	-	5,198	-	-	181,148
I&S for CO Bonds	-	-	-	-	-	247,300	247,300
Transportation	-	1,089,501	-	33,600	-	-	1,123,101
Nonmajor Governmental	180,000	-	280,577	5,000	25,895	-	491,472
Public Utilities	1,600,000	-	-	-	-	-	1,600,000
Airport	15,000	-	-	-	-	-	15,000
Sanitation	164,200	-	-	-	-	-	164,200
Total	\$ 2,135,150	\$ 1,089,501	\$ 280,577	\$ 58,398	\$ 25,895	\$ 247,300	\$ 3,836,821

Transfers between funds were primarily to support capital projects and operation of funds.

The compositions of interfund balances as of the year ended September 30, 2020 were as follows:

Payable Fund:	Receivable Fund:		
	General	I&S For CO Bonds	Total
General	\$ -	\$ 67,926	67,926
Nonmajor governmental	162,532	-	162,532
Total	\$ 162,532	\$ 67,926	\$ 230,458

Interfund receivables and payables relate to various amounts used to cover operational and capital expenditures. All balances are expected to be resolved in the subsequent year.

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

B. Commitments and Contingent Liabilities

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

C. Construction Commitments

In November 2019, the City of Taylor awarded a bid for the Community Development Grant (CDBG) reconstruction of the Dickey-Givens Community Center in the amount of \$515,348. As of September 30, 2020, this project had \$37,015 remaining.

In June 2020, the City of Taylor awarded a bid for the Community Development Block Grant (CDBG) reconstruction of W. Third St in the amount of \$1,107,255. As of September 30, 2020, this project had \$941,848 remaining.

In June 2020, the City of Taylor awarded a bid for the 2019 Infrastructure Bond Street Reconstruction of W. Third St in the amount of \$5,560,514. As of September 30, 2020 this project had \$5,208,215 remaining.

D. Defined Benefit Pension Plans

1. Plan Description

The City of Taylor, Texas participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

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

2. Benefits Provided

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

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

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

	<u>Plan Year 2018</u>	<u>Plan Year 2019</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	1.5 to 1	1.5 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI
Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	110
Inactive employees entitled to but not yet receiving benefits	127
Active employees	<u>159</u>
Total	<u>396</u>

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

3. 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 of Taylor, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Taylor, Texas were 12.70% and 11.88% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$1,113,923, and were equal to the required contributions.

4. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75%
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

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

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2109 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

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

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/18	\$ 32,037,059	\$ 25,316,189	\$ 6,720,870
Changes for the year:			
Service cost	1,401,414	-	1,401,414
Interest	2,112,720	-	2,112,720
Change in benefit terms	(645,002)	-	(645,002)
Difference between expected and actual experience	368,547	-	368,547
Changes of assumptions	239,530	-	239,530
Contributions – employer	-	1,035,374	(1,035,374)
Contributions – employee	-	610,069	(610,069)
Net investment income	-	3,916,028	(3,916,028)
Benefit payments, including refunds of emp. contributions	(1,586,423)	(1,586,423)	-
Administrative expense	-	(22,115)	22,115
Other changes	-	(664)	664
Net changes	1,890,786	3,952,269	(2,061,483)
Balance at 12/31/19	\$ 33,927,845	\$ 29,268,458	\$ 4,659,387

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 Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 9,793,006	\$ 4,659,387	\$ 490,107

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

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

For the year ended September 30, 2020, the City recognized pension expense of \$711,871.

At September 30, 2020, 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
Difference between projected and investment earnings	\$	\$ 893,018
Changes in actuarial assumptions	173,178	-
Differences between expected and actual economic experience	232,755	-
Contributions subsequent to the measurement date	821,920	-
Total	\$ 1,227,853	\$ 893,018

The City reported \$821,920 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2020	\$ (120,124)
2021	(93,210)
2022	167,686
2023	(441,440)
2024	-
Thereafter	-
	\$ (487,088)

Supplemental Death Benefits Fund

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

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

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	72
Inactive employees entitled to but not yet receiving benefits	25
Active employees	159
Total	256

The City's contributions to the TMRS SDBF for the years ended 2020, 2019 and 2018 were \$6,251, \$5,982 and \$5,321, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates (*RETIREE-only portion of the rate*)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2018	0.07%	0.07%	100.0%
2019	0.07%	0.07%	100.0%
2020	0.07%	0.07%	100.0%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2019, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%, including inflation per year
Discount rate	2.375%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. For service retirees and beneficiary mortality rates, the OPEB liability and the OPEB contribution rates utilized the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%. For disabled annuitants mortality rates, the OPEB liability and the OPEB contribution rates utilized the mortality tables for healthy retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 2.75%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

1% Decrease (1.75%)	Current Single Rate Assumption 2.75%	1% Increase (3.75%)
\$ 625,624	\$ 516,491	\$ 432,831

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/18	\$ 422,593
Changes for the year:	
Service Cost	22,660
Interest	15,985
Difference between expected and actual experience	(21,171)
Changes of assumptions	82,525
Benefit payments	(6,101)
Net changes	93,898
Balance at 12/31/19	\$ 516,491

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$47,110.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 28,496
Change in assumptions	64,061	-
Contributions subsequent to measurement date	4,553	-
Total	\$ 68,614	\$ 28,496

The City reported \$4,553 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2021.

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Year ended December 31:		
2020	\$	8,465
2021		8,465
2022		5,943
2023		6,021
2024		6,671
Thereafter		-
	\$	<u>35,565</u>

E. Deferred Compensation Plan

The City has established a deferred compensation plan (the 457 plan) in accordance with Internal Revenue Code, Section 457. The 457 plan, available to all employees, permits them to defer a portion of their salaries until future years. The benefits of the plan are not available to employees until termination, retirement, or unforeseeable emergency. Benefits are available to employee's beneficiaries in case of death.

All amounts of compensation deferred under the 457 plan, all property rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan) subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of the general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the City that the City has no liability for investment losses under the 457 plan, but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the 457 plan assets to satisfy the claims of general creditors in the future.

The City's deferred compensation plan is administered by a private corporation under contract with the City. Participant and City contributions totaled \$52,993 for the year ended September 30, 2020.

F. Other Post-Employment Benefits

Health Care Benefit Provided by Plan

In addition to the contributions made to TMRS, the City provides certain other post-employment benefits to its retirees and dependents. This plan is considered a single-employer defined benefit plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and the fund is considered to be unfunded. Full time City of Taylor employees who retire from the City under the Texas Municipal Retirement System on or after January 1, 2000, and who are covered by the City of Taylor

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

group hospitalization and medical insurance at the time of retirement, will be eligible to receive current health plan which is an 80/20 HMO insurance plan that includes a \$500 deductible for individual and a \$1,000 deductible for family medical insurance provided by the City to its employees, from the date of retirement until the 5th anniversary date after retirement. The City will pay the full premiums for the HMO insurance coverage for any retiree who retired between January 1, 2000 and August 11, 2005 until the 5th anniversary date after retirement unless anyone of the three events listed below, also pertaining to retirements after August 11, 2005, occurs. Employees retiring after August 11, 2005, shall not receive full premium payment from the City. The City will pay only the premium amount paid by the City for its active employees provided the retiree pays the difference, if any, between the amount paid by the City for active employees and the full premium required for the retiree HMO insurance coverage.

Payments by the City will continue until the 5th anniversary date after retirement unless any one of the following three events occurs:

1. The retiree attains the age of 65 years, or;
2. The retiree becomes eligible for hospitalization and medical insurance coverage by virtue of other employment; or
3. The retiree becomes eligible for disability retirement provided by the Federal Government that is paid for less than a 100% disability of the retiree.

Deferred Retirement Benefits

Employees who terminate their employment but do not formally retire under the Texas Municipal Retirement System are not eligible for retiree health care benefits. An employee must be covered by the City of Taylor's health insurance plan at the time of retirement.

Duty Death in Service Retirement Benefits

With the passage of SM 872, the City of Taylor will be required to do the following:

1. To provide health benefit coverage to the surviving spouse of a peace officer or firefighter killed in the line of duty at the same rate paid by current employees;
2. Allows an eligible survivor up to 180 days to apply for health coverage;
3. To provide an eligible surviving spouse coverage until the surviving spouse becomes eligible for federal Medicare benefits;
4. To provide an eligible minor coverage until the minor turns 18.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Non-duty in Service Retirement Benefits

Survivors of employees who die while actively employed are not eligible for retiree health care benefits.

Duty and Non-duty Disabled Retirement Benefits

Employees who retire under a disability retirement are eligible for retiree health care benefits as long as they are covered on the health insurance plan at the time of retirement and meet the criteria as listed under the normal retirement benefits.

Benefits for Spouses of Retired Employees

Retiree may purchase retiree health care coverage for eligible spouses and dependents at their own expense. Surviving spouses and dependents of deceased retired member's insurance coverage will terminate the end of the month the retiree dies.

Non-Medicare and Medicare-Eligible Provisions

City of Taylor coverage ceases when the retiree becomes eligible for Medicare coverage. Retirees are required to enroll in Medicare once they are eligible. Retiree pays full Medicare premiums.

Vision Coverage

Vision coverage is part of the health insurance plan at no extra cost.

Dental Coverage

City of Taylor does not offer dental coverage for retirees or their dependents. This is offered as Cobra insurance. If the retiree is interested then the retiree pays the premium.

Life Insurance Coverage

Life insurance coverage is part of the Pension plan at \$7,500 for retirees and one times the annual salary for active employees.

Retiree Opt-Out

Retirees who decide to opt-out of the retiree health care plan will not be eligible to opt back in when coverage from cobra or another entity ceases. There is no additional premium payment provided for those who opt out of the retiree health care plan.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

Benefits Paid By the Plan

Retiree medical coverage is the same coverage provided to active City of Taylor employees in accordance with the term and conditions of the current City's health plan. Employees retiring after August 11, 2005 the City of Taylor will play only the premium amount paid by the City for its active employees provided the retiree pays the difference.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.25%. The discount rate was based on the Bond Buyer GO Bond 20 Year Index rate as of September 30, 2020.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 2.25%, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

1% Decrease (1.25%)	Current Single Rate Assumption 2.25%	1% Increase (3.25%)
\$ 908,299	\$ 839,411	\$ 774,906

Healthcare Cost Trend

1% Decrease (3.5%)	Current Healthcare Cost Trend (4.5%)	1% Increase (5.5%)
\$ 748,721	\$ 839,411	\$ 945,364

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 9/30/2019	\$ 671,551
Changes for the year:	
Service Cost	44,401
Interest	28,470
Difference between expected and actual experience	46,574
Changes of assumptions	77,880
Benefit payments	(29,465)
Net changes	167,860
Balance at 9/30/2020	\$ 839,411

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$88,351.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 40,781	\$ -
Change in assumptions	68,193	-
Total	\$ 108,974	\$ -

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

Year ended September 30:	
2021	\$ 15,480
2022	15,480
2023	15,480
2024	15,480
2025	15,480
Thereafter	31,574
	\$ 108,974

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

Employees covered by benefit terms

At the September 30, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

<u>Status</u>	<u>Employee</u>	<u>Employee & Spouse</u>
Inactive employees or beneficiaries currently receiving benefits	1	2
Active employees	91	53
Total	92	55

Funding Status and Funding Progress

Actuarial valuations of an ongoing program involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Program, assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The current valuation dated and measured as of September 30, 2020 uses the mortality table: RPH 2014 Total Table with Projection MP-2019 and turnover: rates varying based on genera, age, and select and ultimate at 9 years. Rates based on the TMRS actuarial assumptions from the 2017 retirement plan valuation report.

Actuarial Methods and Assumptions

There have been no substantive changes in the retiree plan since the last full valuation. Therefore, the interim-year projection study is based on the census information, benefit schedules and costs for the fiscal year 2018 actuarial valuation for the development of the GASB 75 disclosures related to OPEB benefits for the year ended September 30, 2020 and roll forward using a measurement date of September 30, 2020.

Projections of benefits for financial reporting purposes are based on the substantive program (the program as understood by the employer and the Program members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Program members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

City of Taylor, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

The following is a summary of the actuarial assumptions:

Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent-of-Payroll
Asset Valuation Method	N/A
Discount Rate	2.25%
Inflation Rate	2.5%
Salary Growth	3.0%
Healthcare Cost Trend Rate (Initial/Ultimate)	4.5% for medical

The amount of OPEB expenses during the year were \$711,871 and \$88,351 for the SDB and Retiree Healthcare plans, respectively, totaling \$800,222.

G. Tax Abatement Disclosures

The City of Taylor negotiates property tax abatement agreements on an individual basis. The City has tax abatement agreements with three entities as of September 30, 2020:

<u>Purpose</u>	<u>Percentage of Taxes Abated during the Fiscal Year</u>	<u>Amount of Taxes Abated during the Fiscal Year Property Tax</u>
Construction of a 20,000sf data center information services facility with machinery and equipment to create positive economic benefits through employment and tax revenue.	75%	\$ 89,959
Total		\$ 89,959

Each agreement was negotiated under Article III, Section 52-a, Texas Constitution, and Chapter 380, Texas Local Gov't Code, stating that the City may establish and provide for the administration of a program for making loans and grants of public money to promote state or local economic development and to stimulate business and commercial activity in the municipality. The agreement is in accordance with Section 501.103, Texas Local Gov't Code. Taxes were abated through a rebate of taxes received. Recipients of the sales tax abatements agree to operate within the City limits through the term of their agreement.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. The City has chosen to disclose information about its tax abatement agreements individually. It established a quantitative threshold of 100% percent of the total dollar amount of taxes abated during the year.

City of Taylor, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2020

H. Restatement

Due to an accounting error relating to timing of expenditures incurred, the City restated beginning fund balance of the general and nonmajor governmental funds. The restatement of beginning net position/fund balance is as follows:

	<u>Governmental Activities</u>	<u>General</u>	<u>Nonmajor Governmental</u>
Prior year ending net position/ fund balance, as reported	\$ 47,733,657	\$ 5,950,121	\$ 1,247,302
To correct timing of expenditures incurred	21,306	24,446	(3,140)
Restated beginning net position/fund balance	<u>\$ 47,754,963</u>	<u>\$ 5,974,567</u>	<u>\$ 1,244,162</u>

I. Subsequent Events

There were no material subsequent events through March 18, 2021, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

City of Taylor, Texas

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

GENERAL FUND (Page 1 of 2)

For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 7,234,000	\$ 7,502,187	\$ 7,436,415	\$ (65,772)
Sales tax	3,395,000	3,747,522	3,795,264	47,742
Franchise and local taxes	930,963	757,083	822,272	65,189
License and permits	333,308	843,690	840,831	(2,859)
Charges for services	291,840	224,497	223,699	(798)
Fines and forfeitures	304,400	192,866	192,865	(1)
Intergovernmental	121,572	138,809	259,467	120,658
Investment income	154,500	144,055	144,054	(1)
Other revenues	147,651	377,025	275,880	(101,145)
Total Revenues	12,913,234	13,927,734	13,990,747	63,013
Expenditures				
Current:				
General government				
City council	164,688	275,777	275,622	155
City management	672,574	677,615	676,615	1,000
Public information	170,963	168,534	168,416	118
Human resources	242,056	241,033	240,750	283
Financial services	582,467	605,974	605,253	721
Municipal court	407,379	353,214	352,801	413
Building maintenance	501,225	475,791	475,412	379
Information technology	218,882	244,853	244,739	114
Nondepartmental	614,128	622,745	549,706	73,039
Total general government	3,574,362	3,665,536	3,589,314	76,222
Culture and recreation				
Moody museum	7,952	7,480	7,480	-
Public library	503,138	499,313	497,060	2,253
Parks and recreation	1,023,713	1,090,630	1,075,205	15,425
Total culture and recreation	1,534,803	1,597,423	1,579,745	17,678

City of Taylor, Texas

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

GENERAL FUND (Page 2 of 2)

For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community development				
Planning and development	\$ 1,043,847	\$ 1,133,642	\$ 1,105,936	\$ 27,706
Main Street program	113,681	85,191	85,052	139
Total community development	1,157,528	1,218,833	1,190,988	27,845
Public safety				
Fire department	2,617,355	2,693,960	2,570,314	123,646
Police department	3,912,922	3,932,655	3,916,082	16,573
Animal control	224,561	199,872	199,693	179
Total public safety	6,754,838	6,826,487	6,686,089	140,398
Public works				
Maintenance	1,673,423	1,652,447	1,654,397	(1,950)
Engineering and inspection	150,750	169,914	164,135	5,779
Total public works	1,824,173	1,822,361	1,818,532	3,829
Total Expenditures	14,845,704	15,130,640	14,864,668	265,972
Revenues Over (Under) Expenditures	(1,932,470)	(1,202,906)	(873,921)	328,985
<u>Other Financing Sources (Uses)</u>				
Transfers in	1,959,200	2,135,150	2,135,150	-
Transfers (out)	(14,600)	(14,600)	(14,600)	-
Total Other Financing Sources (Uses)	1,944,600	2,120,550	2,120,550	-
Net Change in Fund Balance	\$ 12,130	\$ 917,644	1,246,629	\$ 328,985
Beginning fund balance			5,974,567	
Ending Fund Balance			\$ 7,221,196	

Notes to Required Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

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City of Taylor, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION USER FEE
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Charges for services	\$ 793,698	\$ 749,138	\$ 793,556	\$ 44,418
Investment income	2,500	45,575	45,575	-
Total Revenues	796,198	794,713	839,131	44,418
<u>Expenditures</u>				
Public works	490,000	338,946	337,138	1,808
Debt service:				
Principal	85,000	85,000	85,000	-
Interest	208,442	208,442	208,442	-
Total Expenditures	783,442	632,388	630,580	1,808
Excess of Revenues Over (Under) Expenditures	12,756	162,325	208,551	46,226
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	(1,123,101)	(1,123,101)	-
Total Other Financing Sources (Uses)	-	(1,123,101)	(1,123,101)	-
Net Change in Fund Balance	\$ 12,756	\$ (960,776)	(914,550)	\$ 46,226
Beginning fund balance			5,152,227	
Ending Fund Balance			\$ 4,237,677	

Notes to Required Supplementary Information

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

City of Taylor, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	¹ 12/31/2019	12/31/2018	12/31/2017
Total pension liability			
Service cost	\$ 1,401,414	\$ 1,182,552	\$ 1,041,311
Interest	2,112,720	2,033,920	1,924,860
Changes in benefit terms	(645,002)	-	-
Differences between expected and actual experience	368,547	(21,953)	(109,310)
Changes of assumptions	239,530	-	-
Benefit payments, including refunds of participant contributions	(1,586,423)	(1,396,663)	(1,226,886)
Net change in total pension liability	1,890,786	1,797,856	1,629,975
Total pension liability - beginning	32,037,059	30,239,203	28,609,228
Total pension liability - ending (a)	33,927,845	32,037,059	30,239,203
Plan fiduciary net position			
Contributions - employer	\$ 1,035,374	\$ 963,711	\$ 865,382
Contributions - members	610,069	567,366	508,931
Net investment income	3,916,028	(778,480)	3,147,066
Benefit payments, including refunds of participant contributions	(1,586,423)	(1,396,663)	(1,226,886)
Administrative expenses	(22,115)	(15,038)	(16,304)
Other	(664)	(786)	(826)
Net change in plan fiduciary net position	3,952,269	(659,890)	3,277,363
Plan fiduciary net position - beginning	25,316,189	25,976,079	22,698,716
Plan fiduciary net position - ending (b)	\$ 29,268,458	\$ 25,316,189	\$ 25,976,079
Fund's net pension liability - ending (a) - (b)	\$ 4,659,387	\$ 6,720,870	\$ 4,263,124
 Plan fiduciary net position as a percentage of the total pension liability	 86.27%	 79.02%	 85.90%
Covered payroll	\$ 8,715,264	\$ 8,105,224	\$ 7,246,423
Fund's net pension liability as a percentage of covered payroll	53.46%	82.92%	58.83%

Notes to schedule:

1) This schedule is presented to illustrate the requirement to show information for ten calendar years. However, until a full ten-year trend is compiled, only available information is shown.

12/31/2016	12/31/2015	12/31/2014
\$ 968,428	\$ 969,566	\$ 849,391
1,820,956	1,807,443	1,722,971
-	-	-
(103,381)	(453,575)	(316,854)
-	67,202	-
(1,139,378)	(1,327,734)	(889,978)
1,546,625	1,062,902	1,365,530
27,062,603	25,999,701	24,634,171
28,609,228	27,062,603	25,999,701
\$ 823,209	\$ 856,984	\$ 816,847
472,404	477,619	443,939
1,428,482	31,157	1,123,153
(1,139,378)	(1,327,734)	(889,978)
(16,128)	(18,976)	(11,725)
(867)	(937)	(964)
1,567,722	18,113	1,481,272
21,130,994	21,112,881	19,631,609
\$ 22,698,716	\$ 21,130,994	\$ 21,112,881
\$ 5,910,512	\$ 5,931,609	\$ 4,886,820

79.34%	78.08%	81.20%
\$ 6,748,626	\$ 6,823,122	\$ 6,341,992
87.58%	86.93%	77.05%

City of Taylor, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Actuarially determined employer contributions	\$ 1,113,923	\$ 1,015,485	\$ 939,599	\$ 853,691
Contributions in relation to the actuarially determined	\$ 1,113,923	\$ 1,015,485	\$ 939,599	\$ 853,691
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 8,711,109	\$ 8,545,927	\$ 7,900,339	\$ 7,124,866
Employer contributions as a percentage of covered payroll	12.70%	11.88%	11.89%	11.98%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes 1) Decreased repeating COLA from 70% to 30%.
2) Increased municipal matching ratio from 1.5 - 1 to 2 - 1.

	<u>9/30/2016</u>	<u>9/30/2015</u> ¹
\$	812,004	\$ 830,507
\$	812,004	\$ 830,507
\$	-	\$ -
\$	6,602,710	\$ 6,572,876
	12.30%	12.64%

City of Taylor, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN

Year Ended:

	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u> ¹
Total OPEB liability			
Service cost	\$ 22,660	\$ 24,316	\$ 19,565
Interest	15,985	14,756	14,401
Differences between expected and actual experience	(21,171)	(17,300)	-
Changes of assumptions	82,525	(29,995)	33,502
Benefit payments, including refunds of participant contributions	(6,101)	(5,674)	(4,348)
Net change in total OPEB liability	<u>93,898</u>	<u>(13,897)</u>	<u>63,120</u>
Total OPEB liability - beginning	<u>422,593</u>	<u>\$ 436,490</u>	<u>\$ 373,370</u>
Total OPEB liability - ending (a)	<u><u>516,491</u></u>	<u><u>\$ 422,593</u></u>	<u><u>\$ 436,490</u></u> ²
 Covered payroll	 \$ 8,715,264	 \$ 8,105,224	 \$ 7,246,423
City's total OPEB liability as a percentage of	5.93%	5.21%	6.02%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten calendar years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

City of Taylor, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS RETIREE HEALTHCARE

Year Ended:

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	¹
Total OPEB liability				
Service cost	\$ 44,401	\$ 44,401	\$ 42,669	
Interest	28,470	25,128	25,079	
Changes in benefit terms	-	-	-	
Differences between expected and actual experience	46,574	-	-	
Changes of assumptions	77,880	-	-	
Benefit payments, including refunds of participant contributions	(29,465)	(33,771)	(13,977)	
Net change in total OPEB liability	<u>167,860</u>	<u>35,758</u>	<u>53,771</u>	
Total OPEB liability - beginning	<u>671,551</u>	<u>\$ 635,793</u>	<u>\$ 582,022</u>	
Total OPEB liability - ending (a)	<u><u>839,411</u></u>	<u><u>\$ 671,551</u></u>	<u><u>\$ 635,793</u></u>	²
 Covered payroll	 \$ 7,206,702	 \$ 6,466,936	 \$ 6,466,936	
City's total OPEB liability as a percentage of covered payroll	 11.65%	 10.38%	 9.83%	

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten calendar years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

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***COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES***

City of Taylor, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020

	Hotel/ Motel Tax	Texas Capital	Main Street Revenue	Cemetery Land	Municipal Court Security/Tech
<u>Assets</u>					
Cash and cash equivalents	\$ 87,239	\$ 4,252	\$ 72,591	\$ 243,233	\$ 94,730
Accounts receivable, net	-	-	-	-	-
Total Assets	\$ 87,239	\$ 4,252	\$ 72,591	\$ 243,233	\$ 94,730
<u>Liabilities</u>					
Accounts payable	\$ 27,792	\$ -	\$ -	\$ -	\$ 739
Due to other funds	-	-	-	111,849	-
Total Liabilities	27,792	-	-	111,849	739
<u>Fund Balances</u>					
Nonspendable	-	-	-	-	-
Restricted	59,447	4,252	72,591	131,384	93,991
Committed	-	-	-	-	-
Total Fund Balances	59,447	4,252	72,591	131,384	93,991
Total Liabilities and Fund Balances	\$ 87,239	\$ 4,252	\$ 72,591	\$ 243,233	\$ 94,730

Drainage	Total Nonmajor Special Revenue	Cemetery Permanent Fund	Total Nonmajor Governmental
\$ 154,046	\$ 656,091	\$ 748,073	\$ 1,404,164
52,426	52,426	-	52,426
<u>\$ 206,472</u>	<u>\$ 708,517</u>	<u>\$ 748,073</u>	<u>\$ 1,456,590</u>
\$ -	\$ 28,531	\$ -	\$ 28,531
-	111,849	50,683	162,532
<u>-</u>	<u>140,380</u>	<u>50,683</u>	<u>191,063</u>
-	-	697,390	697,390
-	361,665	-	361,665
206,472	206,472	-	206,472
<u>206,472</u>	<u>568,137</u>	<u>697,390</u>	<u>1,265,527</u>
<u>\$ 206,472</u>	<u>\$ 708,517</u>	<u>\$ 748,073</u>	<u>\$ 1,456,590</u>

City of Taylor, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended September 30, 2020

	Hotel/ Motel Tax	Texas Capital	Main Street Revenue	Cemetery Land	Municipal Court Security/Tech
<u>Revenues</u>					
Hotel occupancy tax	\$ 166,833	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Fines and fees	-	-	-	-	10,949
Intergovernmental	-	-	10,000	-	-
Other revenue	-	-	37,786	-	3,072
Investment income	-	-	-	492	-
Total Revenues	<u>166,833</u>	<u>-</u>	<u>47,786</u>	<u>492</u>	<u>14,021</u>
<u>Expenditures</u>					
General government	182,388	-	58,681	-	24,635
Capital outlay	-	-	-	-	-
Total Expenditures	<u>182,388</u>	<u>-</u>	<u>58,681</u>	<u>-</u>	<u>24,635</u>
Revenues Over (Under)					
Expenditures	<u>(15,555)</u>	<u>-</u>	<u>(10,895)</u>	<u>492</u>	<u>(10,614)</u>
<u>Other Financing Sources</u>					
<u>(Uses)</u>					
Transfers in	-	-	19,600	38,798	-
Transfers (out)	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing					
Sources (Uses)	<u>(5,000)</u>	<u>-</u>	<u>19,600</u>	<u>38,798</u>	<u>-</u>
Net Change in Fund					
Balances	<u>(20,555)</u>	<u>-</u>	<u>8,705</u>	<u>39,290</u>	<u>(10,614)</u>
Beginning fund balances	80,002	4,252	63,886	92,094	104,605
Ending Fund Balances	<u>\$ 59,447</u>	<u>\$ 4,252</u>	<u>\$ 72,591</u>	<u>\$ 131,384</u>	<u>\$ 93,991</u>

Drainage	Total Nonmajor Special Revenue	Cemetery Permanent Fund	Total Nonmajor Governmental
\$ -	\$ 166,833	\$ -	\$ 166,833
499,559	499,559	9,316	508,875
-	10,949	-	10,949
-	10,000	-	10,000
-	40,858	-	40,858
-	492	25,895	26,387
499,559	728,691	35,211	763,902
5,904	271,608	-	271,608
37,855	37,855	-	37,855
43,759	309,463	-	309,463
455,800	419,228	35,211	454,439
-	58,398	-	58,398
(460,577)	(465,577)	(25,895)	(491,472)
(460,577)	(407,179)	(25,895)	(433,074)
(4,777)	12,049	9,316	21,365
211,249	556,088	688,074	1,244,162
\$ 206,472	\$ 568,137	\$ 697,390	\$ 1,265,527

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City of Taylor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL I&S FOR CO BONDS

For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 2,321,242	\$ 2,387,536	\$ 2,453,308	\$ 65,772
Investment income	25,000	10,288	10,287	(1)
Intergovernmental	339,500	339,500	339,500	-
Other revenue	-	1,148	1,148	-
Total Revenues	<u>2,685,742</u>	<u>2,738,472</u>	<u>2,804,243</u>	<u>65,771</u>
Expenditures				
Debt service:				
Principal retirement	1,950,000	1,760,000	1,760,000	-
Interest and fiscal charges	994,819	937,714	937,712	2
Total Expenditures	<u>2,944,819</u>	<u>2,697,714</u>	<u>2,697,712</u>	<u>2</u>
Excess of Revenues Over (Under) Expenditures	<u>(259,077)</u>	<u>40,758</u>	<u>106,531</u>	<u>65,773</u>
Other Financing Sources (Uses)				
Transfers in	280,577	280,577	280,577	-
Transfers (out)	-	(247,300)	(247,300)	-
Total Other Financing Sources (Uses)	<u>280,577</u>	<u>33,277</u>	<u>33,277</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 21,500</u>	<u>\$ 74,035</u>	<u>139,808</u>	<u>\$ 65,773</u>
Beginning fund balance			647,756	
Ending Fund Balance			<u>\$ 787,564</u>	

Notes to Supplementary Information

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

City of Taylor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL HOTEL/MOTEL TAX

For the Year Ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Hotel occupancy tax	\$ 70,000	\$ 166,834	\$ 166,833	\$ (1)
Total Revenues	<u>70,000</u>	<u>166,834</u>	<u>166,833</u>	<u>(1)</u>
<u>Expenditures</u>				
General government	65,000	182,388	182,388	-
Total Expenditures	<u>65,000</u>	<u>182,388</u>	<u>182,388</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>5,000</u>	<u>(15,554)</u>	<u>(15,555)</u>	<u>(1)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(5,000)	(5,000)	(5,000)	-
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (20,554)</u>	<u>(20,555)</u>	<u>\$ (1)</u>
Beginning fund balance			80,002	
Ending Fund Balance			<u>\$ 59,447</u>	

Notes to Supplementary Information

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

City of Taylor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MAIN STREET REVENUE

For the Year Ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 10,000	-
Other revenue	24,000	37,785	37,786	\$ 1
Total Revenues	<u>34,000</u>	<u>47,785</u>	<u>47,786</u>	<u>1</u>
<u>Expenditures</u>				
General government	47,500	58,680	58,681	(1)
Total Expenditures	<u>47,500</u>	<u>58,680</u>	<u>58,681</u>	<u>(1)</u>
Excess of Revenues Over (Under) Expenditures	<u>(13,500)</u>	<u>(10,895)</u>	<u>(10,895)</u>	<u>-</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	19,600	19,600	19,600	-
Total Other Financing Sources (Uses)	<u>19,600</u>	<u>19,600</u>	<u>19,600</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 6,100</u>	<u>\$ 8,705</u>	<u>8,705</u>	<u>\$ -</u>
Beginning fund balance			63,886	
Ending Fund Balance			<u>\$ 72,591</u>	

Notes to Supplementary Information

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

City of Taylor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL MUNICIPAL COURT SECURITY AND TECHNOLOGY For the Year Ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Charges for services	\$ 20,464	\$ 14,021	\$ 14,021	\$ -
Total Revenues	<u>20,464</u>	<u>14,021</u>	<u>14,021</u>	<u>-</u>
<u>Expenditures</u>				
General government	38,553	32,306	24,635	7,671
Total Expenditures	<u>38,553</u>	<u>32,306</u>	<u>24,635</u>	<u>7,671</u>
Net Change in Fund Balance	<u>\$ (18,089)</u>	<u>\$ (18,285)</u>	(10,614)	<u>\$ 7,671</u>
Beginning fund balance			104,605	
Ending Fund Balance			<u>\$ 93,991</u>	

Notes to Supplementary Information

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

City of Taylor, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL TAX INCREMENT FINANCING For the Year Ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Charges for services	\$ 168,348	\$ 165,525	\$ 165,525	\$ -
Intergovernmental	98,000	91,680	91,680	-
Investment income	8,000	6,443	6,442	(1)
Total Revenues	<u>274,348</u>	<u>263,648</u>	<u>263,647</u>	<u>(1)</u>
<u>Expenditures</u>				
General government	374,500	605,651	616,304	(10,653)
Total Expenditures	<u>374,500</u>	<u>605,651</u>	<u>616,304</u>	<u>(10,653) *</u>
Net Change in Fund Balance	<u>\$ (100,152)</u>	<u>\$ (342,003)</u>	(352,657)	<u>\$ (10,654)</u>
Beginning fund balance			597,694	
Ending Fund Balance			<u>\$ 245,037</u>	

Notes to Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

City of Taylor, Texas

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

DRAINAGE

For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Charges for services	\$ 500,760	\$ 466,538	\$ 499,559	\$ 33,021
Total Revenues	500,760	466,538	499,559	33,021
<u>Expenditures</u>				
General government	650	146	5,904	(5,758)
Total Expenditures	650	38,001	43,759	(5,758) *
Excess of Revenues Over (Under) Expenditures	500,110	428,537	455,800	27,263
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(460,577)	(460,577)	(460,577)	-
Total Other Financing Sources (Uses)	(460,577)	(460,577)	(460,577)	-
Net Change in Fund Balance	\$ 39,533	\$ (32,040)	(4,777)	\$ 27,263
Beginning fund balance			211,249	
Ending Fund Balance			\$ 206,472	

Notes to Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

City of Taylor, Texas

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

For the Year Ended September 30, 2020

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 6,300	\$ 9,316	\$ 3,016
Investment income	15,000	25,895	10,895
Total Revenues	21,300	35,211	13,911
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(15,000)	(25,895)	(10,895) *
Total Other Financing Sources (Uses)	(15,000)	(25,895)	(10,895)
Net Change in Fund Balance	\$ 6,300	9,316	\$ 3,016
Beginning fund balance		688,074	
Ending Fund Balance		\$ 697,390	

Notes to Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

City of Taylor, Texas
STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2020

	Equipment Services	Equipment Replacement	Total
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 85,355	\$ 187,724	\$ 273,079
Total Current Assets	85,355	187,724	273,079
<u>Noncurrent Assets</u>			
Capital assets:			
Net depreciable capital assets	-	3,240,611	3,240,611
Total Noncurrent Assets	-	3,240,611	3,240,611
Total Assets	85,355	3,428,335	3,513,690
<u>Deferred Outflows of Resources</u>			
Pension outflows	19,739	-	19,739
OPEB outflows	1,103	-	1,103
Total Deferred Outflows of Resources	20,842	-	20,842
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	29,113	25,988	55,101
Current maturities of long-term debt	-	510,508	510,508
Compensated absences, current	4,451	-	4,451
Total Current Liabilities	33,564	536,496	570,060
<u>Noncurrent Liabilities</u>			
Long-term debt	-	2,542,027	2,542,027
Compensated absences, noncurrent	494	-	494
OPEB liability	8,303	-	8,303
Net pension liability	74,903	-	74,903
Total Liabilities	117,264	3,078,523	3,195,787
<u>Deferred Inflows of Resources</u>			
Pension inflows	14,356	-	14,356
OPEB inflows	458	-	458
Total Deferred Inflows of Resources	14,814	-	14,814
<u>Net Position</u>			
Net investment in capital assets	-	599,009	599,009
Unrestricted	(25,881)	(249,197)	(275,078)
Total Net Position	\$ (25,881)	\$ 349,812	\$ 323,931

See Notes to Financial Statements.

City of Taylor, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS

For the Year Ended September 30, 2020

	Equipment Services	Equipment Replacement	Total
<u>Operating Revenues</u>			
Charges for services	\$ 694,668	\$ 564,387	\$ 1,259,055
Other revenue	53	8,007	8,060
Total Operating Revenues	694,721	572,394	1,267,115
<u>Operating Expenses</u>			
Personnel services	178,680	-	178,680
Contractual services	475,789	19,812	495,601
Depreciation	-	839,282	839,282
Total Operating Expenses	654,469	859,094	1,513,563
Operating Income (Loss)	40,252	(286,700)	(246,448)
<u>Nonoperating Revenues (Expenses)</u>			
Investment income	-	8,801	8,801
Interest expense	-	(115,673)	(115,673)
Total Nonoperating Revenues (Expenses)	-	(106,872)	(106,872)
<u>Transfers</u>			
Transfers in	-	247,300	247,300
Total Transfers	-	247,300	247,300
Change in Net Position	40,252	(146,272)	(106,020)
Beginning net position	(66,133)	496,084	429,951
Ending Net Position	\$ (25,881)	\$ 349,812	\$ 323,931

See Notes to Financial Statements.

City of Taylor, Texas
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (Page 1 of 2)
For the Year Ended September 30, 2020

	Equipment Services	Equipment Replacement	Total
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 694,721	\$ 572,394	\$ 1,267,115
Payments to suppliers and contractors	(462,506)	(44,655)	(507,161)
Payments to employees for salaries and benefits	(184,495)	-	(184,495)
Net Cash Provided (Used) by Operating Activities	47,720	527,739	575,459
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfer in	-	247,300	247,300
Net Cash Provided (Used) by Noncapital Financing Activities	-	247,300	247,300
<u>Cash Flows from Capital and Related Financing Activities</u>			
Purchases of capital assets	-	(1,394,870)	(1,394,870)
Proceeds from capital debt	-	163,750	163,750
Principal paid on capital debt	-	(637,854)	(637,854)
Interest paid on capital debt	-	(120,062)	(120,062)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(1,989,036)	(1,989,036)
<u>Cash Flows from Investing Activities</u>			
Interest on investments	-	8,801	8,801
Net Cash Provided by Investing Activities	-	8,801	8,801
Net (Decrease) in Cash and Cash Equivalents	47,720	(1,205,196)	(1,157,476)
Beginning cash and cash equivalents	37,635	1,392,920	1,430,555
Ending Cash and Cash Equivalents	\$ 85,355	\$ 187,724	\$ 273,079

See Notes to Financial Statements.

City of Taylor, Texas
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (Page 2 of 2)
For the Year Ended September 30, 2020

	<u>Equipment Services</u>	<u>Equipment Replacement</u>	<u>Total</u>
<u>Reconciliation of Operating (Loss)</u>			
<u>to Net Cash Provided by Operating Activities</u>			
Operating Income (Loss)	\$ 40,252	\$ (286,700)	\$ (246,448)
Adjustments to reconcile operating income to net cash provided (used):			
Depreciation	-	839,282	839,282
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Due to other funds	8,213	(9,573)	(1,360)
Deferred Outflows of Resources:			
Pension outflows	(7,797)	-	(7,797)
OPEB outflows	(1,261)	-	(1,261)
Increase (Decrease) in:			
Accounts payable	5,070	(15,270)	(10,200)
Net pension liability	(33,139)	-	(33,139)
OPEB liability	1,510	-	1,510
Deferred Inflows of Resources:			
Pension inflows	35,928	-	35,928
OPEB inflows	(1,056)	-	(1,056)
Net Cash Provided (Used) by Operating Activities	<u>\$ 47,720</u>	<u>\$ 527,739</u>	<u>\$ 575,459</u>

See Notes to Financial Statements.

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STATISTICAL SECTION

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

Contents	Page
Financial Trends	126
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	136
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	142
<i>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.</i>	
Demographic and Economic Information	149
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	152
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

City of Taylor, Texas
NET POSITION BY COMPONENT
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental activities				
Net investment in capital assets	\$ 47,078,362	\$ 44,951,472	\$ 45,342,543	\$ 42,810,269
Restricted	3,514,866	3,241,616	3,580,816	2,627,354
Unrestricted (Deficit)	<u>366,427</u>	<u>(438,125)</u>	<u>(1,490,350)</u>	<u>(812,248)</u>
Total governmental activities net position	<u><u>\$ 50,959,655</u></u>	<u><u>\$ 47,754,963</u></u>	<u><u>\$ 47,433,009</u></u>	<u><u>\$ 44,625,375</u></u>
Business-type activities				
Net investment in capital assets	\$ 17,661,875	\$ 16,703,213	\$ 16,205,762	\$ 13,463,393
Unrestricted (Deficit)	<u>6,900,236</u>	<u>6,294,388</u>	<u>4,248,544</u>	<u>2,719,836</u>
Total business-type activities net position	<u><u>\$ 24,562,111</u></u>	<u><u>\$ 22,997,601</u></u>	<u><u>\$ 20,454,306</u></u>	<u><u>\$ 16,183,229</u></u>
Primary government				
Net investment in capital assets	\$ 64,740,237	\$ 61,654,685	\$ 61,548,305	\$ 56,273,662
Restricted	3,514,866	3,241,616	3,580,816	2,627,354
Unrestricted	<u>7,266,663</u>	<u>5,856,263</u>	<u>2,758,194</u>	<u>1,907,588</u>
Total primary government net position	<u><u>\$ 75,521,766</u></u>	<u><u>\$ 70,752,564</u></u>	<u><u>\$ 67,887,315</u></u>	<u><u>\$ 60,808,604</u></u>

Source: City Audited Financials.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 41,563,836	\$ 41,623,407	\$ 41,768,181	\$ 42,658,990	\$ 39,458,232	\$ 42,533,107
3,248,859	2,787,325	2,676,573	2,630,586	7,311,640	4,142,402
<u>(1,790,067)</u>	<u>(1,155,715)</u>	<u>(1,311,590)</u>	<u>2,842,851</u>	<u>2,436,264</u>	<u>2,753,160</u>
<u><u>\$ 43,022,628</u></u>	<u><u>\$ 43,255,017</u></u>	<u><u>\$ 43,133,164</u></u>	<u><u>\$ 48,132,427</u></u>	<u><u>\$ 49,206,136</u></u>	<u><u>\$ 49,428,669</u></u>
\$ 13,597,654	\$ 13,247,923	\$ 12,540,010	\$ 9,092,144	\$ 12,109,434	\$ 12,332,757
<u>658,527</u>	<u>220,034</u>	<u>1,146,589</u>	<u>5,339,652</u>	<u>1,967,586</u>	<u>1,533,418</u>
<u><u>\$ 14,256,181</u></u>	<u><u>\$ 13,467,957</u></u>	<u><u>\$ 13,686,599</u></u>	<u><u>\$ 14,431,796</u></u>	<u><u>\$ 14,077,020</u></u>	<u><u>\$ 13,866,175</u></u>
\$ 55,161,490	\$ 54,871,330	\$ 54,308,191	\$ 51,751,134	\$ 51,567,666	\$ 54,865,864
3,248,859	2,787,325	2,676,573	2,630,586	7,311,640	4,142,402
<u>(1,131,540)</u>	<u>(935,681)</u>	<u>(165,001)</u>	<u>8,182,503</u>	<u>4,403,850</u>	<u>4,286,578</u>
<u><u>\$ 57,278,809</u></u>	<u><u>\$ 56,722,974</u></u>	<u><u>\$ 56,819,763</u></u>	<u><u>\$ 62,564,223</u></u>	<u><u>\$ 63,283,156</u></u>	<u><u>\$ 63,294,844</u></u>

City of Taylor, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	2020	2019	2018	2017
Expenses				
Governmental activities:				
General government	\$ 4,261,634	\$ 5,012,235	\$ 3,365,998	\$ 3,903,456
Culture and recreation	1,395,692	1,359,674	1,252,029	1,266,740
Community services	1,831,618	1,371,973	833,796	854,916
Public safety	6,694,441	6,924,255	6,404,119	5,987,519
Public works	3,611,256	3,915,394	3,230,070	3,012,792
Interest on long-term debt	1,114,377	1,013,513	983,114	931,650
Total governmental activities expenses	18,909,018	19,597,044	16,069,126	15,957,073
Business-type activities:				
Public utilities fund	6,431,671	5,918,157	5,418,007	5,036,902
Airport fund	450,818	405,680	369,772	380,583
Cemetery operating fund	156,441	175,801	160,970	172,778
Sanitation fund	1,429,656	1,427,419	1,403,324	1,378,240
Interest on long-term debt	974,782	882,959	891,073	932,864
Total business-type activities expenses	9,443,368	8,810,016	8,243,146	7,901,367
Total primary government expenses	\$ 28,352,386	\$ 28,407,060	\$ 24,312,272	\$ 23,858,440
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,867,402	\$ 1,589,404	\$ 1,348,310	\$ 1,433,520
Public safety	203,814	335,026	373,280	279,426
Public works	499,559	491,082	486,165	332,653
Community services	-	-	-	-
Operating grants and contributions	608,967	527,698	204,610	126,478
Capital grants and contributions	1,853,806	1,238,407	1,319,107	2,166,109
Total governmental activities program revenues	5,033,548	4,181,617	3,731,472	4,338,186
Business-type activities:				
Charges for services:				
Public utilities fund	10,279,494	10,118,130	9,756,417	9,081,323
Airport fund	395,988	419,847	413,634	364,728
Cemetery fund	220,123	197,994	158,910	86,733
Sanitation fund	1,650,438	1,632,265	1,608,016	1,642,591
Capital grants and contributions	-	156,197	2,263,131	-
Total business-type activities program revenues	12,546,043	12,524,433	14,200,108	11,175,375
Total primary government program revenues	\$ 17,579,591	\$ 16,706,050	\$ 17,931,580	\$ 15,513,561

2016	2015	2014	2013	2012	2011
\$ 3,647,370	\$ 4,860,808	\$ 4,862,420	\$ 4,770,073	\$ 3,820,796	\$ 4,106,565
1,132,102	1,098,786	1,109,876	1,112,269	1,056,650	-
866,779	628,159	661,224	655,822	502,428	343,860
5,292,525	5,233,324	5,135,384	4,654,499	4,501,449	4,937,819
2,767,401	2,839,114	2,919,795	2,905,400	2,778,499	4,334,567
946,971	911,760	970,486	1,009,285	900,074	826,560
14,653,148	15,571,951	15,659,185	15,107,348	13,559,896	14,549,371
5,287,437	5,167,958	4,865,365	4,696,288	4,883,367	6,005,089
386,176	407,521	473,911	480,214	395,849	426,345
178,182	146,682	163,769	133,354	120,031	88,368
1,362,258	-	-	-	-	-
861,912	1,067,397	1,107,014	1,202,405	1,219,817	-
8,075,965	6,789,558	6,610,059	6,512,261	6,619,064	6,519,802
\$ 22,729,113	\$ 22,361,509	\$ 22,269,244	\$ 21,619,609	\$ 20,178,960	\$ 21,069,173
\$ 795,794	\$ 1,732,647	\$ 1,740,528	\$ 1,631,501	\$ 2,283,280	\$ 2,515,187
248,042	266,967	319,668	323,928	247,130	382,919
326,121	299,593	330,203	325,698	69,481	-
-	-	-	-	-	338,965
498,965	141,889	129,182	127,201	-	-
353,415	470,172	142,440	184,969	-	707,816
2,222,337	2,911,268	2,662,021	2,593,297	2,599,891	3,944,887
7,804,655	6,300,263	6,875,146	6,929,109	7,150,801	7,568,944
426,245	450,606	484,048	500,255	426,859	669,510
145,705	117,340	135,458	118,160	120,529	119,721
1,638,338	-	-	-	-	-
24,580	530,695	79,326	164,979	-	-
10,039,523	7,398,904	7,573,978	7,712,503	7,698,189	8,358,175
\$ 12,261,860	\$ 10,310,172	\$ 10,235,999	\$ 10,305,800	\$ 10,298,080	\$ 12,303,062

City of Taylor, Texas
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

	2020	2019	2018	2017
Net (Expenses) Revenue				
Governmental activities	\$ (13,875,470)	\$ (15,415,427)	\$ (12,337,654)	\$ (11,618,887)
Business-type activities	3,102,675	3,714,417	5,956,962	3,274,008
Total primary government net expense	<u>\$ (10,772,795)</u>	<u>\$ (11,701,010)</u>	<u>\$ (6,380,692)</u>	<u>\$ (8,344,879)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 9,918,365	\$ 8,885,991	\$ 8,270,706	\$ 7,655,907
Sales taxes	3,795,264	3,438,534	3,244,108	2,989,454
Franchise taxes	989,105	958,665	1,001,000	938,187
Investment earnings	318,116	518,264	259,866	110,551
Other revenues	306,007	476,896	495,695	603,343
Transfers	1,753,305	1,437,725	1,873,913	1,493,201
Total governmental activities	<u>17,080,162</u>	<u>15,716,075</u>	<u>15,145,288</u>	<u>13,790,643</u>
Business-type activities:				
Investment earnings	93,775	128,330	48,199	24,796
Miscellaneous	121,365	138,273	139,829	174,389
Transfers	(1,753,305)	(1,437,725)	(1,873,913)	(1,493,201)
Total business-type activities	<u>(1,538,165)</u>	<u>(1,171,122)</u>	<u>(1,685,885)</u>	<u>(1,294,016)</u>
Total primary government	<u><u>\$ 15,541,997</u></u>	<u><u>\$ 14,544,953</u></u>	<u><u>\$ 13,459,403</u></u>	<u><u>\$ 12,496,627</u></u>
Change in Net Position				
Governmental activities	\$ 3,204,692	\$ 300,648	\$ 2,807,634	\$ 2,171,756
Business-type activities	1,564,510	2,543,295	4,271,077	1,979,992
Total primary government	<u><u>\$ 4,769,202</u></u>	<u><u>\$ 2,843,943</u></u>	<u><u>\$ 7,078,711</u></u>	<u><u>\$ 4,151,748</u></u>

Source: City Audited Financials.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ (12,430,811)	\$ (12,660,683)	\$ (12,997,164)	\$ (12,514,051)	\$ (10,960,005)	\$ (10,604,484)
1,963,558	609,346	963,919	1,200,242	1,079,125	1,838,373
<u>\$ (10,467,253)</u>	<u>\$ (12,051,337)</u>	<u>\$ (12,033,245)</u>	<u>\$ (11,313,809)</u>	<u>\$ (9,880,880)</u>	<u>\$ (8,766,111)</u>
\$ 7,247,922	\$ 6,858,118	\$ 6,420,308	\$ 6,374,806	\$ 6,212,695	\$ 6,078,005
2,962,203	2,952,740	2,744,362	2,535,174	2,411,533	2,219,629
939,301	1,087,771	1,103,835	1,055,651	890,874	816,039
38,666	19,475	31,020	38,322	25,783	38,451
251,452	626,032	212,420	384,719	391,765	1,373,359
1,416,323	1,251,871	1,244,003	1,051,670	869,999	805,020
<u>12,855,867</u>	<u>12,796,007</u>	<u>11,755,948</u>	<u>11,440,342</u>	<u>10,802,649</u>	<u>11,330,503</u>
2,825	465	412	3,149	5,467	10,086
208,164	423,418	161,510	203,055	221,503	619,970
(1,386,323)	(1,251,871)	(1,244,003)	(1,051,670)	(869,999)	(805,020)
<u>(1,175,334)</u>	<u>(827,988)</u>	<u>(1,082,081)</u>	<u>(845,466)</u>	<u>(643,029)</u>	<u>(174,964)</u>
<u>\$ 11,680,533</u>	<u>\$ 11,968,019</u>	<u>\$ 10,673,867</u>	<u>\$ 10,594,876</u>	<u>\$ 10,159,620</u>	<u>\$ 11,155,539</u>
\$ 425,056	\$ 135,324	\$ (1,241,216)	\$ (1,073,709)	\$ (157,356)	\$ 726,019
788,224	(218,642)	(118,162)	354,776	436,096	1,663,409
<u>\$ 1,213,280</u>	<u>\$ (83,318)</u>	<u>\$ (1,359,378)</u>	<u>\$ (718,933)</u>	<u>\$ 278,740</u>	<u>\$ 2,389,428</u>

City of Taylor, Texas

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund				
Restricted	\$ 1,668,247	\$ 1,557,807	\$ 1,955,258	\$ 1,133,876
Committed	379,300	460,085	10,785	10,785
Assigned	-	-	-	-
Unassigned	5,173,649	3,932,229	3,481,297	3,427,943
Total general fund	<u><u>\$ 7,221,196</u></u>	<u><u>\$ 5,950,121</u></u>	<u><u>\$ 5,447,340</u></u>	<u><u>\$ 4,572,604</u></u>
 All Other Governmental Funds				
Non-spendable	\$ 697,390	\$ 688,074	\$ 679,385	\$ 670,852
Restricted	6,610,555	7,239,260	4,973,144	3,944,577
Committed	4,444,149	5,363,476	884,560	1,388,667
Total all other governmental funds	<u><u>\$ 11,752,094</u></u>	<u><u>\$ 13,290,810</u></u>	<u><u>\$ 6,537,089</u></u>	<u><u>\$ 6,004,096</u></u>

Source: City Audited Financials.

2016	2015	2014	2013	2012	2011
\$ 1,223,913	\$ 865,526	\$ 778,132	\$ 781,021	\$ 612,452	\$ 615,461
10,785	10,785	10,785	10,785	10,785	17,739
-	-	-	-	409,969	-
3,285,095	3,216,861	3,290,862	3,686,745	3,855,829	2,943,662
<u>\$ 4,519,793</u>	<u>\$ 4,093,172</u>	<u>\$ 4,079,779</u>	<u>\$ 4,478,551</u>	<u>\$ 4,889,035</u>	<u>\$ 3,576,862</u>
\$ 703,783	\$ 697,882	\$ 701,766	\$ 697,543	\$ 729,268	\$ 735,606
4,422,813	5,058,875	7,244,749	7,778,543	6,389,661	2,886,566
697,454	450,768	462,996	450,114	327,257	155,415
<u>\$ 5,824,050</u>	<u>\$ 6,207,525</u>	<u>\$ 8,409,511</u>	<u>\$ 8,926,200</u>	<u>\$ 7,446,186</u>	<u>\$ 3,777,587</u>

City of Taylor, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2020	2019	2018	2017
Revenues				
Taxes	\$ 14,674,092	\$ 13,283,190	\$ 12,484,783	\$ 11,583,548
Licenses, permits, and fees	840,831	492,187	280,039	331,723
Charges for services	1,526,130	1,588,299	1,554,436	1,434,450
Fines and forfeitures	203,814	335,026	373,280	279,426
Intergovernmental	1,585,353	1,766,105	1,523,717	2,292,587
Investment earnings	309,315	476,346	253,842	110,548
Other revenues	317,886	299,600	798,161	227,976
Total Revenues	19,457,421	18,240,753	17,268,258	16,260,258
Expenditures				
Current:				
General government	3,860,922	3,605,447	3,106,456	3,620,828
Culture and recreation	1,579,745	1,485,635	1,308,251	1,255,298
Community development	1,190,988	1,097,759	829,836	828,646
Public safety	6,686,089	7,004,920	6,333,181	5,705,113
Public works	2,155,670	2,629,260	1,494,728	1,304,925
Debt Service:				
Principal retirement	1,845,000	1,655,000	1,455,000	1,290,000
Interest and fiscal changes	1,146,154	761,379	689,374	725,728
Bond issuance costs	-	120,931	112,216	34,807
Capital outlay:	2,787,805	2,840,031	5,538,230	4,348,143
Unrealized loss on investments	-	-	557	35,019
Total Expenditures	21,252,373	21,200,362	20,867,829	19,148,507
Excess of Revenues Over (Under)				
Expenditures	(1,794,952)	(2,959,609)	(3,599,571)	(2,888,249)
Other financing sources (uses)				
Transfers in	3,563,626	1,964,603	3,576,414	2,441,818
Transfers (out)	(2,057,621)	(729,574)	(2,098,750)	(987,462)
Debt issuance	-	8,165,000	4,825,000	1,620,000
Premium on debt issuance	-	816,082	249,402	46,750
Payments to escrow agent	-	-	(1,544,766)	-
Total Other Financing Sources				
(Uses)	1,506,005	10,216,111	5,007,300	3,121,106
Net Change in Fund Balances	\$ (288,947)	\$ 7,256,502	\$ 1,407,729	\$ 232,857
Debt service as percentage of				
noncapital expenditures	16.6%	13.2%	14.1%	13.6%

Source: City Audited Financials.

2016	2015	2014	2013	2012	2011
\$ 11,297,631	\$ 10,880,953	\$ 10,246,691	\$ 9,940,659	\$ 9,588,691	\$ 9,168,082
282,906	214,560	134,322	101,808	169,159	92,220
839,009	1,817,680	1,936,409	1,855,391	1,948,547	1,794,596
248,042	266,967	319,668	323,928	247,130	382,919
673,865	612,061	271,622	312,170	146,780	1,046,781
40,324	19,256	31,020	38,322	25,381	38,452
505,598	601,386	174,181	382,384	235,561	1,294,289
13,887,375	14,412,863	13,113,913	12,954,662	12,361,249	13,817,339
3,031,068	4,132,938	4,193,947	4,147,828	3,874,060	2,527,926
1,141,441	1,099,300	1,107,678	1,110,059	-	343,860
841,276	632,021	660,441	631,422	-	-
5,134,332	5,174,338	4,915,960	4,441,585	4,051,068	4,214,072
1,153,524	1,252,245	1,316,652	1,374,935	2,465,390	3,823,790
1,494,972	1,271,180	1,207,384	1,213,983	993,484	938,129
692,008	861,304	919,438	823,110	839,966	808,698
95,074	-	-	134,800	54,500	-
794,863	3,253,720	775,494	1,883,518	825,405	2,086,699
-	-	-	-	-	-
14,378,558	17,677,046	15,096,994	15,761,240	13,103,873	14,743,174
(491,183)	(3,264,183)	(1,983,081)	(2,806,578)	(742,624)	(925,835)
2,029,948	1,822,939	1,633,050	1,126,893	1,595,738	1,648,065
(1,054,459)	(747,349)	(565,430)	(578,678)	(747,342)	(853,657)
5,845,000	-	-	6,990,000	4,875,000	1,030,000
544,267	-	-	254,070	-	-
(6,152,746)	-	-	(4,132,346)	-	(964,535)
1,212,010	1,075,590	1,067,620	3,659,939	5,723,396	859,873
\$ 720,827	\$ (2,188,593)	\$ (915,461)	\$ 853,361	\$ 4,980,772	\$ (65,962)
16.1%	14.6%	14.7%	14.5%	15.0%	13.8%

City of Taylor, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years (Unaudited)

(amounts expressed in thousands)

Fiscal Year Ended Sept 30	Real Property			Personal Property		Less Exemptions Real Property
	Residential Assessed Value	Commercial Assessed Value	Agriculture	Personal	Other	
2011	\$ 451,487	\$ 197,816	\$ 39,566	\$ 128,562	\$ -	\$ 39,471
2012	444,086	220,153	38,771	144,280	-	26,915
2013	444,424	229,683	39,361	137,607	-	28,839
2014	482,453	238,861	43,761	133,642	-	31,398
2015	526,702	248,870	44,524	148,777	-	30,906
2016	579,978	264,734	48,240	155,488	-	34,349
2017	678,682	275,597	50,185	156,899	-	37,156
2018	737,483	291,010	52,915	154,804	-	43,906
2019	807,773	316,189	63,127	164,307	-	53,831
2020	814,077	340,511	66,323	161,119		60,414

Notes: The appraisal of property within the City is the responsibility of the Williamson County Appraisal District. The Appraisal District is required under the Texas Property Tax Code to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal, and the market data comparison basis of appraisal, and the method considered most appropriate by the chief appraiser is to be used. The value placed upon property within the Appraisal District is subject to review by a three member Appraisal Review Board.

Source: Williamson County Appraisal District.

Total Assessed Value	Tax Rate	Estimated Tax Value	Ratio of Total Assessed Value to Total Estimated Actual Value
\$ 777,960	\$ 0.81389	\$ 777,960	100.0%
820,375	0.81389	820,375	100.0%
822,236	0.81389	822,236	100.0%
867,319	0.81390	867,319	100.0%
937,967	0.81389	937,967	100.0%
1,014,091	0.81389	1,014,091	100.0%
1,124,207	0.80389	1,124,207	100.0%
1,192,307	0.79800	1,192,307	100.0%
1,297,565	0.78800	1,297,565	100.0%
1,321,616	0.80922	1,321,616	100.0%

City of Taylor, Texas
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years (Unaudited)

Fiscal Year	CITY OF TAYLOR			WILLIAMSON COUNTY			
	Operating	Debt Service	Total Rate	Operating	Debt Service	RD/FM Operating	Total Rate
2011	\$ 0.58982	\$ 0.22407	\$ 0.81389	\$ 0.28769	\$ 0.17000	\$ 0.03000	\$ 0.48769
2012	0.57302	0.24087	0.81389	0.28153	0.16750	0.04000	0.48903
2013	0.57302	0.24087	0.81389	0.28153	0.16750	0.04000	0.48903
2014	0.59069	0.22321	0.81390	0.27903	0.16750	0.04000	0.48653
2015	0.59344	0.22045	0.81389	0.27403	0.16750	0.04000	0.48153
2016	0.59344	0.22045	0.81389	0.26903	0.16750	0.04000	0.47653
2017	0.59949	0.20441	0.80389	0.26903	0.16750	0.04000	0.47653
2018	0.60178	0.19622	0.79800	0.25903	0.16750	0.04000	0.46653
2019	0.59600	0.19200	0.78800	0.25153	0.16750	0.04000	0.45903
2020	0.61155	0.19766	0.80922	0.25153	0.16719	0.04000	0.45872

The entire City was located in Williamson County and within the Taylor Independent School
Note: District.

Source: Williamson County Tax Collector.

TAYLOR SCHOOL DISTRICT

Operating	Debt Service	Total Rate	Total Direct & Overlapping Rates
\$ 1.04000	\$ 0.41000	\$ 1.45000	\$ 2.75158
1.17000	0.28000	1.45000	2.75292
1.17000	0.28000	1.45000	2.75292
1.17000	0.28000	1.45000	2.75043
1.17000	0.28000	1.45000	2.74542
1.17000	0.40000	1.57000	2.86042
1.17000	0.40000	1.57000	2.85042
1.17000	0.40000	1.57000	2.83453
1.17000	0.40000	1.57000	2.81703
1.06830	0.40000	1.46830	2.73623

City of Taylor, Texas
PRINCIPAL PROPERTY TAX PAYERS
Current and Nine Years Ago (Unaudited)

Taxpayer	2020			2011		
	Assessed Valuation	Rank	Percentage of Total City Assessed Valuation	Assessed Valuation	Rank	Percentage of Total City Assessed Valuation
Electric Reliability						
Council of TX Inc	\$ 36,460,778	1	2.81%	\$ -	-	-
CoreCivic	15,220,805	2	1.17%	-	-	-
ONCOR Electric Delivery						
Co	13,594,854	3	1.05%	-	-	-
Electric Reliability						
Council of TX Inc	13,138,026	4	1.01%	-	-	-
Durcon Laboratory Tops						
Inc.	11,341,892	5	0.87%	-	-	-
HEB Grocery Company LP	11,268,426	6	0.87%	-	-	-
Union Pacific RR CO	9,673,628	7	0.75%	-	-	-
WalMart Real Estate						
Business Trust	9,586,200	8	0.74%	-	-	-
WBW Development						
Group LLC-Series 033	8,604,019	9	0.66%	-	-	-
Taylor CPB Property LLC	7,940,640	10	0.61%	-	-	-
ERCOT	-	-	-	\$31,464,400	1	4.02%
Electric Reliability						
Council of TX	-	-	-	19,579,634	2	2.50%
CCA Properties of Texas LP	-	-	-	13,200,000	3	1.69%
HEB Grocery Co LP	-	-	-	11,557,671	4	1.48%
Wal-Mart Real Estate Trust	-	-	-	10,294,624	5	1.32%
ONCOR Electric Delivery						
Co	-	-	-	8,220,841	6	1.05%
Texas HWY 95 LP	-	-	-	6,217,444	7	0.80%
Wal-Mart Stores East Inc	-	-	-	5,333,673	8	0.68%
Taylor CPB Property	-	-	-	5,112,960	9	0.65%
Union Pacific RR Co.	-	-	-	4,276,869	10	0.55%
Total	\$ 136,829,268			\$ 115,258,116		

Source: Williamson County Tax Collector.

City of Taylor, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal year of the Levy			Percentage of Tax Levy	Percentage of Tax Levy
		Amount	Percentage of Tax Levy			
2011	\$ 6,050,622	\$ 5,976,895	98.8%	\$ 69,593	\$ 6,046,488	99.9%
2012	6,195,426	6,119,868	98.8%	70,957	6,190,825	99.9%
2013	6,255,176	6,197,753	99.1%	52,521	6,250,274	99.9%
2014	6,352,505	6,292,672	99.1%	53,405	6,346,077	99.9%
2015	6,797,312	6,723,090	98.9%	65,904	6,788,994	99.9%
2016	7,318,681	7,245,999	99.0%	62,277	7,308,276	99.9%
2017	7,754,442	7,678,073	99.0%	61,848	7,739,921	99.8%
2018	8,377,844	8,274,955	98.8%	78,746	8,353,701	99.7%
2019	8,978,568	8,881,948	98.9%	57,048	8,938,996	99.6%
2020	9,988,936	9,894,518	99.1%	-	9,894,518	99.1%

Source: Williamson County Appraisal District Reports.

City of Taylor, Texas
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Certificates of Obligation	Premiums/ Discounts	Contractual Obligation	Capital Lease	Note Payable
2011	\$ 9,192,005	\$ 9,768,476	72,281	\$ 145,398	\$ 418,071	\$ -
2012	8,723,764	14,516,902	65,197	120,375	351,050	-
2013	8,739,097	16,479,268	293,387	93,267	340,278	-
2014	7,884,431	16,183,943	267,506	68,244	582,143	-
2015	7,059,764	15,796,861	241,626	43,221	379,215	285,899
2016	11,871,687	10,230,646	737,333	-	1,425,252	228,547
2017	10,205,000	11,490,000	710,249	-	1,310,951	424,225
2018	10,635,000	15,010,000	929,110	-	1,232,192	582,657
2019	9,680,000	22,335,000	1,644,956	-	1,181,458	391,289
2020	8,705,000	21,275,000	1,476,711	-	1,078,203	210,440

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

Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
Combination Tax & Revenue Bonds	General Obligation Bonds	Premiums/ Discounts			
\$ 25,441,524	\$ 5,982,995	\$ 149,009	51,169,759	16.12%	3,242
23,228,602	5,380,070	126,434	52,512,394	16.09%	3,266
21,420,022	5,971,060	181,061	53,517,440	16.25%	3,349
21,044,132	5,087,051	152,052	51,269,502	14.34%	3,110
20,650,000	4,178,042	123,043	48,757,671	15.01%	3,126
13,280,000	10,759,095	1,004,096	49,536,656	13.73%	3,005
16,690,000	8,685,000	956,162	50,471,587	12.49%	2,851
14,025,000	9,790,000	1,063,146	53,267,105	13.65%	3,137
17,560,000	9,105,000	1,270,965	63,168,668	15.08%	3,680
16,560,000	8,410,000	1,166,509	58,881,863	12.99%	3,387

City of Taylor, Texas
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Obligation Bonds	Premiums/ Discounts	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value¹ of Property	Per Capita²
2011	\$ 15,175,000	\$ -	\$ 287,894	\$ 14,887,106	1.91%	943
2012	14,103,834	191,631	145,607	13,958,227	1.70%	868
2013	14,710,158	458,021	236,346	14,473,812	1.76%	906
2014	12,971,482	412,207	225,505	12,745,977	1.47%	773
2015	11,237,806	366,392	185,697	11,052,109	1.18%	709
2016	22,630,782	1,752,228	276,695	22,354,087	2.20%	1,356
2017	18,890,000	1,609,052	387,965	18,502,035	1.65%	1,045
2018	20,425,000	1,808,742	573,932	19,851,068	1.66%	1,169
2019	18,785,000	1,653,335	645,602	18,139,398	1.40%	1,057
2020	17,115,000	1,435,049	719,638	16,395,362	1.24%	943

¹See the Schedule of Assessed and Estimated Actual Value of Taxable Property for property value data.

²Population data can be found in the Schedule of Demographic and Economic Statistics.

Note:

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

City of Taylor, Texas
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2020 (Unaudited)

	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Governmental Unit			
Debt repaid with property taxes:			
Williamson County	\$ 1,010,794,956	1.77%	\$ 17,891,071
Taylor ISD	\$ 61,164,943	100.00%	61,164,943
Subtotal, overlapping debt			<u>79,056,014</u>
 City of Taylor	 \$ 32,745,354	 100%	 <u>32,745,354</u>
 Total direct and overlapping debt			 <u><u>\$ 111,801,368</u></u>

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping by the residents and businesses of Statistical. This process recognizes that, when considering the city's ability governments that is borne 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 the every taxpayer is a resident--and therefore responsible for repaying the debt--of each overlapping government.

¹ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Source: Data from Texas Municipal Advisory Council

City of Taylor, Texas
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years (Unaudited)
(amounts expressed in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt limit	\$ 345,508	\$ 337,849	\$ 309,053	\$ 290,341
Total net debt applicable to limit	<u>58,162</u>	<u>62,523</u>	<u>30,850</u>	<u>29,915</u>
Legal debt margin	<u><u>\$ 287,345</u></u>	<u><u>\$ 275,326</u></u>	<u><u>\$ 278,203</u></u>	<u><u>\$ 260,426</u></u>

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	\$ 1,321,616
Add back: exempt real property	<u>60,414</u>
Total assessed value	<u><u>1,382,030</u></u>
Debt limit (10% of total assessed value)	345,508
Debt applicable to limit:	
Total Debt	58,882
Less: Amount set aside for repayment of general obligation debt	<u>(720)</u>
Total net debt applicable to limit	<u><u>58,162</u></u>
Legal debt margin	<u><u>\$ 287,345</u></u>

Note: There is no direct debt limitation in the City Charter or under state law. The City operates under a Home Rule Charter (Article XI, Section 5, Texas Constitution), that limits the maximum tax rate, for all city purposes, to \$2.50 per \$100 assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for general obligation debt service.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 262,110	\$ 242,218	\$ 224,679	\$ 212,769	\$ 211,823	\$ 204,358
25,164	37,137	37,205	37,875	37,719	35,210
<u>\$ 236,946</u>	<u>\$ 205,082</u>	<u>\$ 187,474</u>	<u>\$ 174,894</u>	<u>\$ 169,148</u>	<u>\$ 166,941</u>

City of Taylor, Texas
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Water Revenue Bonds						
	Utility	Less:	Net	Debt Service			Coverage
	Service	Operating	Available				
	Charges	Expenses	Revenue	Principal	Interest		
2011	\$ 8,185,627	\$ 3,386,091	\$ 4,799,536	\$ -	\$ -	100.0%	
2012	7,259,363	3,704,075	3,555,288	-	-	100.0%	
2013	6,929,109	3,529,757	3,399,352	-	-	100.0%	
2014	6,875,146	3,618,109	3,257,037	-	-	100.0%	
2015	6,300,263	3,824,509	2,475,754	-	-	100.0%	
2016	7,804,655	3,917,205	3,887,450	-	-	100.0%	
2017	9,081,323	3,769,347	5,311,976	-	-	100.0%	
2018	9,756,417	4,105,939	5,650,478	-	-	100.0%	
2019	10,118,130	4,617,540	5,500,590	-	-	100.0%	
2020	10,279,494	5,209,488	5,070,006	-	-	100.0%	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest or depreciation.

City of Taylor, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population¹	Personal Income³	Per Capita⁵ Personal Income	School Enrollment⁴	Unemployment Rate²
2011	15,783	\$ 305,582	20,116	3,086	7.1%
2012	16,080	\$ 326,360	20,296	3,178	6.8%
2013	15,979	\$ 329,263	20,606	3,239	5.6%
2014	16,483	\$ 337,502	21,691	4,178	4.2%
2015	15,595	\$ 324,891	20,833	4,333	3.4%
2016	16,483	\$ 360,763	21,887	4,547	3.3%
2017	17,701	\$ 404,149	22,832	4,249	2.8%
2018	16,982	\$ 390,263	22,981	4,368	2.8%
2019	17,167	\$ 418,823	24,397	3,894	2.6%
2020	17,383	\$ 453,210	26,072	3,399	5.9%

Data Sources:

- ¹ Texas State Data Center & Office of the State Demographer
- ² State Department of Labor and City-Data.com
- ³ US Census adjusted by CPI for inflation, expressed in thousands
- ⁴ Taylor Independent School District
- ⁵ U. S. Census Bureau American Fact Finder

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City of Taylor, Texas
PRINCIPAL EMPLOYERS
Current and Nine Years Ago (Unaudited)

Employer	2020		2011	
	No. Employees *	Rank	No. Employees **	Rank
ERCOT	600+	1	-	
Taylor ISD	500+	2	-	
Durcon, Inc	400+	3	-	
Baylor Scott & White	180+	4	-	
Corrections Corporation of Amer	160+	5	-	
HEB Grocery Co	160+	6	-	
City of Taylor	150+	7	-	
Wal-Mart	125+	8	-	
Floydco, Inc	120+	9	-	
Burrow Cabinets/TaylorCraft	100+	10	-	
ERCOT	-		635	1
Taylor ISD	-		548	2
Wal-Mart	-		240	3
Durcon Laboratory Tops	-		211	4
Scott & White	-		163	5
Corrections Corp of America	-		161	6
HEB	-		161	7
City of Taylor	-		148	8
Floydco, Inc	-		130	9
Burrows Cabinets	-		100	10
Total	2,495		2,497	

* Source: www.tayloredc.org

** Source: www.mactexas.com.

City of Taylor, Texas

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function / Program	2020	2019	2018	2017	2016
General Government					
Management services	4	5	5	4	4
Public information	1	1	1	1	1
Human resources	2	2	2	2	2
Finance	5	5	5	4	4
Municipal court	4	5	5	4	3
C D - planning	8	8	7	7	6
Main street	1	1	1	1	1
Building	3	3	3	3	3
General services	1	1	1	1	1
Information technology	1	1	1	1	1
Other		-	1	1	1
Police					
Officers	30	29	29	27	27
Civilians	10	10	10	8	9
Animal control	3	3	4	3	2
Fire					
Firefighters and officers	23	23	23	23	23
Civilians	1	1	1	1	1
Other Public Works					
Engineering/inspection	0	1	1	1	1
Street maintenance	16	16	15	14	14
Grounds		-	-	-	-
Other		-	-	-	-
Parks and recreation	8	8	6	6	6
Library	7	8	8	9	8
Water	15	14	14	14	14
Wastewater	3	4	4	3	3
Utilities admin.	6	6	6	6	6
Airport	1	2	2	2	2
Cemetery	2	2	2	2	2
Fleet services	2	2	2	2	2
Total all governmental funds	157	160	158	150	147

Source: City records.

2015	2014	2013	2012	2011
4	4	4	4	4
1				
2	2	2	2	2
4	4	4	4	4
4	5	5	5	5
5	6	6	5	5
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
27	27	27	25	25
9	8	8	8	8
1	2	2	2	2
23	23	23	23	23
1	1	1	1	1
1	2	2	2	2
14	14	13	13	13
-	-	-	-	-
-	-	1	1	2
6	6	6	6	6
7	7	7	7	7
14	14	14	14	14
3	2	2	2	2
6	6	6	6	6
2	2	2	2	3
2	2	2	1	2
2	2	2	2	2
145	146	146	142	145

City of Taylor, Texas

OPERATING INDICATORS BY FUNCTIONS/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function/Program	2020	2019	2018	2017
General government				
Building permits issued	188	155	70	95
Building inspections conducted	outsourced	outsourced	outsourced	outsourced
Public Safety				
Police:				
Physical arrests	394	561	708	573
Parking violations	23	53	15	37
Traffic violations	3,922	6,073	7,436	4,546
Fire:				
Emergency responses	2,282	2,096	2,118	2,281
Fires extinguished	93	78	80	82
Inspections	206	266	343	329
Highways and streets				
Street resurfacing (miles)	n/a	3	1	-
Potholes repaired	n/a	1,097	240	130
Recreation				
Athletic field permits issued	27	39	41	30
Library				
Volumes in collection	54,947	57,129	55,098	54,117
Total volumes borrowed	32,937	63,645	61,669	74,872
Water				
New connections	300	227	190	137
Water main breaks	85	385	360	353
Average daily consumption (millions of gallons)	2	2	2	2
Peak daily consumption (millions of gallons)	3	3	3	3
Wastewater				
Average daily treatment (millions of gallons)	2	2	1	1
Airport				
LL fuel (thousand gallon)	38	40	43	46
Jet A fuel (thousand gallon)	9	10	11	14
Landings / Take off (thousand)	19	20	17	14
Cemetery				
Lots sold	79	65	144	33
Municipal Court				
Cases processed	1567	2,858	3,393	2,675
General Services				
Facilities				
Work orders	410	708	629	577
Fleet				
Work orders	816	880	870	941
Information Technology				
Personal computers / laptops	186	180	180	171
Service requests	448	565	629	475

Source: City records.

2016	2015	2014	2013	2012	2011
94 outsourced	63 outsourced	129 outsourced	101 outsourced	82 1,637	33 1,291
813	722	717	669	653	653
36	33	54	67	86	76
3,429	1,543	1,604	3,615	2,660	3,388
2,127	2,036	1,915	1,069	1,813	2,225
44	64	61	56	45	110
361	359	316	137	194	315
15	17	10	-	-	-
741	777	655	461	771	171
32	33	30	37	37	36
53,011	50,223	47,952	44,850	45,413	46,099
78,368	75,581	78,186	79,187	87,895	91,408
160	50	44	96	720	1,246
222	235	352	437	445	584
2	3	2	2	2	3
3	2	3	3	4	4
2	2	1	2	1	2
59	48	46	45	35	47
27	29	23	32	23	26
12	9	14	14	11	12
77	66.5	80	84	75	63
1,876	2,113	2,562	4,158	4,852	6,863
645	553	538	453	450	423
834	903	816	1071	1,270	1,243
155	152	135	135	132	120
415	407	549	555	562	413

City of Taylor, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

Function	2020	2019	2018	2017
Police				
Number of stations	1	1	1	1
Zone Officers	28	29	29	27
Number of patrol units	25	25	23	15
Fire				
Number of stations	2	2	2	2
Streets and Grounds				
Streets (miles)	114	114	114	106
Streetlights	1,114	1,114	1,114	1,114
Traffic signals	14	14	14	12
Recreation				
Acreage	463	463	463	462
Playgrounds	8	8	8	7
Baseball/softball diamonds	20	20	20	20
Swimming pools	1	1	1	2
Skate park	1	1	1	-
Tennis courts	8	8	8	8
Water				
Water mains	130	128	123	118
Fire hydrants	685	652	619	808
Storage capacity	5	5	5	5
Wastewater				
Treatment capacity	4	4	4	4
Sanitary sewer (miles)	110	110	91	95
Storm sewers (miles)	20	18	6	6
Airport				
Runway length (ft)	4,000	4,000	4,000	4,000
Hangar spaces	64	64	64	52
Tie-downs	27	27	27	27
Cemetery				
Acreage	135	135	135	135
General Services				
Facilities	20	19	19	19
Fleet vehicles	176	171	171	168
Network servers	7	7	7	7

Source: City records.

2016	2015	2014	2013	2012	2011
1	1	1	1	1	1
27	27	27	27	25	25
15	15	15	15	15	12
2	2	2	2	2	2
106	106	106	106	93	93
1,114	1,113	1,102	1,102	1,102	1,097
12	12	12	12	13	11
462	462	462	462	387	387
7	7	7	7	7	6
20	20	20	20	20	20
2	2	2	2	2	2
-	-	-	-	-	-
8	8	8	8	8	10
125	121	121	120	119	115
808	604	604	598	598	596
5	5	5	5	5	5
4	4	4,000	4,000	4,000	4,000
95	90	90	89	89	86
6	5	5	4	4	3
4,000	4,000	4,000	4,000	4,000	4,000
52	52	52	52	52	52
27	27	27	27	27	27
135	135	135	135	135	135
19	19	19	19	16	14
165	164	164	162	157	154
7	7	7	4	4	3



March 18, 2021

To the Honorable Mayor,
Members of the City Council
and management
City of Taylor, Texas

We have audited the financial statements of the City of Taylor, Texas as of and for the year ended September 30, 2020, and have issued our report thereon dated March 18, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 4, 2020, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Taylor, Texas solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting material weaknesses and material noncompliance, and other matters noted during our audit in a separate letter to you dated March 18, 2021.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, and as appropriate, our firm have complied with all relevant ethical requirements regarding independence.

Our firm and staff do not have any existing relationships, conflicts of interest, or other conditions or circumstances that would impair our independence with the City under U.S. GAAS or [Government Auditing Standards](#)

For any nonattest service provided by our firm, management of the City maintained responsibility for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Taylor, Texas is included in Note 1 to the financial statements. The City has not adopted any new accounting standards during the year; No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are.

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

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City of Taylor, Texas's financial statements relate to the City's disclosure of capital assets and long-term debt.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management or otherwise, relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, audit adjustments that were brought to the attention of management as a result of our audit procedures. See Exhibit 1 for a list of audit adjustments to report during the year.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City of Taylor, Texas's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 18, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City of Taylor, Texas, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City of Taylor, Texas's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City of Taylor, Texas's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the governing body and management of the City of Taylor, Texas and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co., PLLC
Houston, Texas

Exhibit 1

Audit Adjustments

Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
RJE to correct net accrual portion from cash to wages.			
100-100-102	CLAIM ON POOLED CASH	191,542.87	
340-100-102	CLAIM ON POOLED CASH	29,630.82	
350-100-102	CLAIM ON POOLED CASH	1,858.43	
370-100-102	CLAIM ON POOLED CASH	2,107.29	
382-100-102	CLAIM ON POOLED CASH	3,129.09	
100-200-401	WAGES PAYABLE		191,542.87
340-200-401	WAGES PAYABLE		29,630.82
350-200-401	WAGES PAYABLE		1,858.43
370-200-401	WAGES PAYABLE		2,107.29
382-200-401	WAGES PAYABLE		3,129.09
Total		228,268.50	228,268.50

Adjusting Journal Entries JE # 2			
Accrue wages payable			
100-501-111	REGULAR FULL TIME	1,174.04	
100-503-111	REGULAR FULL TIME	132.84	
100-504-111	REGULAR FULL-TIME	302.04	
100-512-111	REGULAR FULL TIME	723.31	
100-516-111	REGULAR FULL TIME	463.46	
100-522-111	REGULAR FULL TIME	1,199.54	
100-532-111	REGULAR FULL TIME	692.39	
100-542-111	REGULAR FULL TIME	3,788.10	
100-552-111	REGULAR FULL TIME	6,114.20	
100-558-111	REGULAR FULL TIME	207.32	
100-563-111	REGULAR FULL TIME	1,489.54	
100-565-111	REGULAR FULL TIME	864.30	
100-566-111	REGULAR FULL TIME	420.18	
100-575-111	REGULAR FULL TIME	124.84	
340-701-111	REGULAR FULL TIME	2,413.62	
340-706-111	REGULAR FULL TIME	1,090.81	
340-708-111	REGULAR FULL TIME	9,644.14	
382-517-111	REGULAR FULL-TIME	276.65	
100-200-401	WAGES PAYABLE		17,696.10
340-200-401	WAGES PAYABLE		13,148.57
382-200-401	WAGES PAYABLE		276.65
100-524-111	REGULAR FULL TIME		

Total		31,121.32	31,121.32
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Adjusting Journal Entries JE # 4

To accrue for utility billings as of 9/30

210-120-130	ACCTS RECEIVABLE TRANSPORTATIO	51,006.54	
300-120-100	DRAINAGE RECEIVABLE	29,927.18	
320-120-130	ACCTS RECEIVABLE GARBAGE	125,351.36	
340-120-100	ACCOUNTS RECEIVABLE	635,359.58	
210-340-296	TRANSPORTATION USER FEE		51,006.54
300-340-260	DRAINAGE FEES		29,927.18
320-310-136	SOLID WASTE COLLECTIONS		125,351.36
340-120-102	UNAPPLIED CREDITS		20,887.57
340-340-271	WATER SERVICE CHARGES		317,679.79
340-340-275	SEWER SERVICE CHARGES		296,792.22

Total		841,644.66	841,644.66
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Adjusting Journal Entries JE # 5

To adjust for allowance for doubtful accounts

210-632-651	BAD DEBT	9,675.27	
300-750-651	BAD DEBT	4,737.49	
210-120-131	Allowance for Doubtful Accounts		9,675.27
300-120-130	ALLOWANCE FOR DOUBTFUL ACCTS		4,737.49

Total		14,412.76	14,412.76
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Adjusting Journal Entries JE # 6

To adjust principal and interest payments per capital lease schedule.

384-230-120	CAP LEASE PAYABLE-NONCURRENT	50,733.09	
384-518-911	CAP LEASE PRINCIPAL		50,733.09
384-518-912	CAP LEASE INTEREST PAYALBE		
384-518-913	CAPITAL LEASE SHORT TERM		

Total		50,733.09	50,733.09
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Adjusting Journal Entries JE # 7

To adjust for principal and interest payments

384-470-382	CAPITAL EQUIP LOAN PROCEEDS	192,000.00	
384-518-910	NOTE PAYABLE INTEREST	16,376.11	
384-518-911	CAP LEASE PRINCIPAL		191,368.17
384-518-912	CAP LEASE INTEREST PAYALBE		17,007.94

Total		208,376.11	208,376.11
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Adjusting Journal Entries JE # 8

To adjust due to state amount

100-200-502	DUE TO STATE/COURT FEES	14,553.47	
100-410-311	MUNICIPAL COURT FINES		14,553.47
Total		14,553.47	14,553.47

Adjusting Journal Entries JE # 9

To adjust fund balance to match PY report.

100-270-100	FUND BALANCE	11,414.99	
123-450-365	TRANSFER FROM GENERAL FUND	11,414.99	
162-210-101	BOND PREMIUM	87,098.76	
384-160-320	MACHINERY & EQUIPMENT	321,185.00	
100-592-815	INTERFUND TRANSFERS OUT		11,414.99
123-270-100	FUND BALANCE		11,414.99
162-150-100	BOND ISSUANCE COSTS		70,444.14
162-270-100	FUND BALANCE		16,654.62
384-150-100	BOND ISSUANCE COSTS		42,598.96
384-270-100	FUND BALANCE		278,586.04
Total		431,113.74	431,113.74

Adjusting Journal Entries JE # 10

To separate pension and OPEB balances

340-200-210	NET PENSION LIABILITY	57,264.09	
340-211-110	Deferred Outflow of Resources-Contributions SDBF	533.61	
340-211-118	Deferred Inflow-Actual Experience vs. Assumption SDBF	3,607.52	
350-200-210	NET PENSION LIABILITY	2,091.69	
350-211-110	Deferred Outflow of Resources-Contributions SDBF	19.49	
350-211-118	Deferred Inflow-Actual Experience vs. Assumption SDBF	131.77	
370-200-210	NET PENSION LIABILITY	3,059.30	
370-211-110	Deferred Outflow of Resources-Contributions SDBF	28.51	
370-211-118	Deferred Inflow-Actual Experience vs. Assumption SDBF	192.73	
382-200-210	NET PENSION LIABILITY	7,016.85	
382-211-110	Deferred Outflow of Resources-Contributions SDBF	65.39	
382-211-118	Deferred Inflow-Actual Experience vs. Assumption SDBF	442.05	
340-200-211	Net OPEB-SDB Liability		57,264.09
340-210-110	DEFERRED OUTFLOW RESORCES TMRS		533.61
340-210-118	DEFERRED INFLOW-ACTUAL VS ASSM		3,607.52
350-200-211	Net OPEB-SDB Liability		2,091.69
350-210-110	DEFERRED OUTFLOW TMRS CONT		19.49
350-210-118	DEFERRED INFLOW ACT VS ASSMPT		131.77
370-200-211	Net OPEB-SDB Liability		3,059.30
370-210-110	DEFERRED OUTFLOW CONT TMRS		28.51
370-210-118	DEFERRED INFLOW ACTUAL VS ASSM		192.73

382-200-211	Net OPEB-SDB Liability		7,016.85
382-210-110	DEFERRED OUTFLOW CONTB TMRS		65.39
382-210-118	DEFERRED INFLOW ACTUAL VS ASSM		442.05
Total		74,453.00	74,453.00

Adjusting Journal Entries JE # 11

To adjust OPEB balances for the TMRS SDBF

340-200-211	Net OPEB-SDB Liability	1,823.18	
340-211-110	Deferred Outflow of Resources-Contributions SDBF	40.65	
340-701-124	RETIREMENT-TMRS	832.76	
340-706-124	RETIREMENT- TMRS	462.79	
340-708-124	RETIREMENT- TMRS	2,721.04	
350-200-211	Net OPEB-SDB Liability	66.59	
350-211-110	Deferred Outflow of Resources-Contributions SDBF	1.49	
350-732-124	RETIREMENT-TMRS	146.71	
370-200-211	Net OPEB-SDB Liability	97.40	
370-211-110	Deferred Outflow of Resources-Contributions SDBF	2.17	
370-761-124	RETIREMENT- TMRS	214.59	
382-200-211	Net OPEB-SDB Liability	223.40	
382-211-110	Deferred Outflow of Resources-Contributions SDBF	4.98	
382-517-124	RETIREMENT-TMRS	492.20	
340-211-118	Deferred Inflow-Actual Experience vs. Assumption SDBF		5,470.45
340-211-119	Deferred Outflow-Changes in Assumptions SDBF		409.98
350-211-118	Deferred Inflow-Actual Experience vs. Assumption SDBF		199.82
350-211-119	Deferred Outflow-Changes in Assumptions SDBF		14.98
370-211-118	Deferred Inflow-Actual Experience vs. Assumption SDBF		292.26
370-211-119	Deferred Outflow-Changes in Assumptions SDBF		21.90
382-211-118	Deferred Inflow-Actual Experience vs. Assumption SDBF		670.32
382-211-119	Deferred Outflow-Changes in Assumptions SDBF		50.24
Total		7,129.95	7,129.95

Adjusting Journal Entries JE # 12

To adjust TMRS Pension balances.

340-210-110	DEFERRED OUTFLOW RESORCES TMRS	6,822.34
340-210-115	DEFERRED OUTFLOW INVST TMRS	263,609.75
340-210-118	DEFERRED INFLOW-ACTUAL VS ASSM	22,629.09
340-701-124	RETIREMENT-TMRS	6,537.17
340-706-124	RETIREMENT- TMRS	3,632.91
340-708-124	RETIREMENT- TMRS	21,360.04
350-210-110	DEFERRED OUTFLOW TMRS CONT	249.20
350-210-115	DEFERRED OUTFLOW INVST TMRS	9,628.91
350-210-118	DEFERRED INFLOW ACT VS ASSMPT	826.57

350-732-124	RETIREMENT-TMRS	1,151.72	
370-210-110	DEFERRED OUTFLOW CONT TMRS	364.48	
370-210-115	DEFERRED OUTFLOW INVST TMRS	14,083.21	
370-210-118	DEFERRED INFLOW ACTUAL VS ASSM	1,208.94	
370-761-124	RETIREMENT- TMRS	1,684.49	
382-210-110	DEFERRED OUTFLOW CONTB TMRS	835.98	
382-210-115	DEFERRED OUTFLOW INVST TMRS	32,301.42	
382-210-118	DEFERRED INFLOW ACTUAL VS ASSM	2,772.85	
382-517-124	RETIREMENT-TMRS	3,863.53	
340-200-210	NET PENSION LIABILITY		322,437.12
340-210-119	DEFERRED OUTFLOW-CHNG IN ASSUM		2,154.18
350-200-210	NET PENSION LIABILITY		11,777.70
350-210-119	DEFERRED OUTFLOW CNGS IN ASSUM		78.69
370-200-210	NET PENSION LIABILITY		17,226.03
370-210-119	DEFERRED OUTFLOW-CHG ASSUMP		115.09
382-200-210	NET PENSION LIABILITY		39,509.83
382-210-119	DEFERRED OUTLOW-CHNG IN ASSUMP		263.96
Total		393,562.60	393,562.60

Adjusting Journal Entries JE # 13

To reverse PY audit accruals.

100-200-500	DUE TO OTHER FUNDS	12,702.50	
100-200-500	DUE TO OTHER FUNDS	13,073.88	
100-504-539	OTHER CONTRACT SERVICES	12,000.00	
162-200-300	RETAINAGE PAYABLE	5,415.10	
162-200-500	ACCOUNTS PAYABLE PENDING	18,866.66	
340-200-300	RETAINAGE PAYABLE	50,723.82	
340-200-500	ACCOUNTS PAYABLE PENDING	42,107.69	
340-200-500	ACCOUNTS PAYABLE PENDING	15,866.30	
350-200-500	ACCOUNTS PAYABLE PENDING	593.66	
370-200-500	ACCOUNTS PAYABLE PENDING	35.18	
100-200-500	DUE TO OTHER FUNDS		12,000.00
100-500-511	LEGAL SERVICES		9,687.50
100-516-511	LEGAL SERVICES		3,015.00
100-563-321	LIGHT & POWER		13,073.88
162-579-742	SKATEPARK-LANDSCAPE & STREET		24,281.76
340-160-206	FIXED ASSETS: WORK IN PROGRESS		50,723.82
340-160-206	FIXED ASSETS: WORK IN PROGRESS		42,107.69
340-706-321	LIGHT & POWER		15,866.30
350-732-321	LIGHT & POWER		593.66
370-761-321	LIGHT & POWER		35.18
Total		171,384.79	171,384.79

Adjusting Journal Entries JE # 14

To accrue for HOME Program invoices paid after year end and to back out expenditures for services performed in the prior year.

162-120-104	GRANT RECEIVABLE	462,975.00	
162-330-228	TDHCA HOME GRANT	13,285.50	
162-694-742	CONSTRUCTION	454,775.00	
162-200-112	PRIOR PERIOD ADJUSTMENT		13,285.50
162-200-500	ACCOUNTS PAYABLE PENDING		454,775.00
162-330-228	TDHCA HOME GRANT		462,975.00
Total		931,035.50	931,035.50

Adjusting Journal Entries JE # 15

To accrue Sept payment for 380 agreement.

120-612-818	380-AGREEMENT PAYOUT	10,064.82	
120-200-505	DUE TO SAYDA 380 AGREEMENT		10,064.82
Total		10,064.82	10,064.82

Adjusting Journal Entries JE # 17

To adjust for franchise receivable at year end.

100-120-141	FRANCHISE TAX RECEIVABLE	48,077.43	
100-310-131	TELEPHONE		13,046.95
100-310-135	CABLE		35,030.48
Total		48,077.43	48,077.43

Adjusting Journal Entries JE # 18

To adjust inventory to actual

BC 340-710-000	MISC EXPENSE	63,184.00	
340-140-100	INVENTORY		63,184.00
Total		63,184.00	63,184.00

Adjusting Journal Entries JE # 19

AJE's required to amortize discount/premium/deferred charges

340-210-101	BOND PREMIUMS	79,931.01	
340-709-950	BOND DISCOUNT AMORTIZATION	2,133.90	
340-709-952	DEFERRED REFUNDING AMORTIZATIO	64,698.38	
350-210-100	UNAMORT. BOND DISCOUNT	1,147.00	
350-210-101	BOND PREMIUMS	1,489.00	
350-732-952	AMORTIZATION OF DEFERRED REF	960.00	
384-210-101	UNAMORT BOND PREMIUM	4,389.51	
340-150-105	DEFERRED AMT ON REFUNDING		16,195.77
340-210-100	UNAMORT. BOND DISCOUNT		2,133.90

340-210-102	DEFERRED AMT ON REFUNDING		48,502.61
340-709-950	BOND DISCOUNT AMORTIZATION		79,931.01
350-150-105	DEFERRED AMT ON REFUNDING		960.00
350-732-902	INTEREST EXPENSE		1,489.00
350-732-902	INTEREST EXPENSE		1,147.00
384-709-950	BOND DISCOUNT AMORTIZATION		4,389.51
Total		154,748.80	154,748.80

Adjusting Journal Entries JE # 20

To capitalize capital asset.

340-160-235	EQUIPMENT	25,452.00	
340-708-722	LIGHT EQUIPMENT		25,452.00
Total		25,452.00	25,452.00

Adjusting Journal Entries JE # 21

To separate reimbursment from TXDOT for airport project.

350-160-206	FIXED ASSETS:WORK IN PROGRESS	156,196.80	
BWC-350-440-390	CONTRIBUTED CAPITAL		156,196.80
Total		156,196.80	156,196.80

Adjusting Journal Entries JE # 22

To record depreciation for the Proprietary funds.

350-732-601	DEPRECIATION- FIXED ASSETS	126,039.56	
370-701-601	DEPRECIATION FIXED ASSETS	501.64	
384-518-601	DEPRECIATION EXPENSE	637,849.70	
350-190-103	ACCUMULATED DEPRECIATION		126,039.56
370-190-103	ACCUMULATED DEPRECIATION		501.64
384-190-103	ACCUMULATED DEPRECIATION		637,849.70
Total		764,390.90	764,390.90

Adjusting Journal Entries JE # 23

To capitalize assets in the equipment replacement fund.

384-160-206	FIXED ASSETS: WORK IN PROGRESS	107,814.38	
384-160-320	MACHINERY & EQUIPMENT	1,144,617.08	
384-518-712	COMMUNICATION EQUIPMENT		511,253.91
384-518-714	COMPUTER EQUIPMENT		351,768.88
384-518-722	LIGHT EQUIPMENT		13,095.22
384-518-723	MOTOR VEHICLES		364,064.81
384-518-725	OTHER EQUIPMENT		12,248.64
Total		1,252,431.46	1,252,431.46

Adjusting Journal Entries JE # 24

To capitalize Airport CIP.

350-160-200	T-HANGERS (BUILDINGS)	3,079,541.87	
350-160-206	FIXED ASSETS:WORK IN PROGRESS		3,079,541.87
Total		3,079,541.87	3,079,541.87

Adjusting Journal Entries JE # 25

To record retainage on the skatepark as of YE.

162-579-742	SKATEPARK-LANDSCAPE & STREET	26,834.00	
162-200-300	RETAINAGE PAYABLE		26,834.00
Total		26,834.00	26,834.00

Adjusting Journal Entries JE # 26

To record depreciation and capitaliize assets for the utility fund.

340-160-225	PLANT DISTRIBUTION/COLLECTION	2,789,472.58	
340-701-601	DEPRECIATION FIXED ASSETS	1,233,399.60	
340-160-206	FIXED ASSETS: WORK IN PROGRESS		2,789,472.58
340-190-103	ACCUMULATED DEPRECIATION		1,233,399.60
Total		4,022,872.18	4,022,872.18

Adjusting Journal Entries JE # 27

To adjust sales tax receivable.

100-120-120	SALES TAXES RECEIVABLE	33,172.86	
100-310-121	CITY SALES TAX		33,172.86
Total		33,172.86	33,172.86

Adjusting Journal Entries JE # 28

To accrue for engineering invoice.

100-573-512	ENGINEERING SERVICES	10,354.13	
119-520-519	OTHER PROFESSIONAL SERVICES	2,598.78	
162-575-512	ENGINEERING	1,913.01	
162-576-512	ENGINEERING	1,360.00	
162-901-512	ENGINEERING SERVICES	153,075.46	
164-509-512	ENGINEERING SERVICES	7,620.00	
165-570-512	DOWNTOWN STREETS	1,884.94	
210-632-512	ENGINEERING SERVICES	425.57	
340-160-206	FIXED ASSETS: WORK IN PROGRESS	6,953.00	
340-708-512	ENGINEERING SERVICES	10,827.98	
340-709-512	ENGINEERING SERVICES	13,357.42	
100-200-500	DUE TO OTHER FUNDS		10,354.13
119-200-500	ACCOUNTS PAYABLE PENDING		2,598.78
162-200-500	ACCOUNTS PAYABLE PENDING		156,348.47

164-200-500	ACCOUNTS PAYABLE PENDING		7,620.00
165-200-500	ACCOUNTS PAYABLE PENDING		1,884.94
210-200-500	ACCOUNTS PAYABLE PENDING		425.57
340-200-500	ACCOUNTS PAYABLE PENDING		31,138.40
Total		210,370.29	210,370.29

Adjusting Journal Entries JE # 29

To adjust note payable balance as of YE.

384-230-125	NOTES PAYABLE	191,368.17	
384-518-912	CAP LEASE INTEREST PAYALBE	1,171.02	
384-518-911	CAP LEASE PRINCIPAL		165,027.60
384-518-913	CAPITAL LEASE SHORT TERM		27,511.59
Total		192,539.19	192,539.19

Adjusting Journal Entries JE # 30

To adjust debt payments and apply to the ISF CO.

140-620-815	INTERFUND TRANSFER OUT	202,696.00	
384-230-103	5.44M COMB SERIES 2015(2.66M)	140,000.00	
384-518-915	Cert of Obligation Interest	62,696.00	
140-620-921	PRINCIPAL RETIREMENT		140,000.00
140-620-922	I & S INTEREST		62,696.00
384-450-365	INTERFUND TRANSFER IN		202,696.00
Total		405,392.00	405,392.00

Adjusting Journal Entries JE # 31

To adjust principal balances for the utility and airport funds.

340-230-111	8.745M CO SERIES 2010 (6.11M)	85,000.00	
340-230-115	4.2M COMB CO 2006 (4M)	230,000.00	
340-230-116	10M COMB SERIES 2007 (7M)	545,000.00	
340-230-118	8.995 GO REFUNDING 2009	255,000.00	
340-230-120	5.450M GO REF 2012 (1.460M)	175,000.00	
340-230-121	4.595M 2015 GO REF (1.695M)	20,000.00	
340-230-124	3.02M GO REF 2017 (1.585M)	205,000.00	
350-230-102	BOND PAYABLE- 290K REF 2010	60,000.00	
340-709-921	TRANSFER TO I&S PRINCIPAL		1,515,000.00
350-732-921	TRANSFER TO I&S PRINCIPAL		60,000.00
Total		1,575,000.00	1,575,000.00

Adjusting Journal Entries JE # 32

To adjust accrued interest in the utility fund.

340-709-902	INTEREST EXPENSE	28,214.00	
340-200-104	ACCRUED INTEREST PAYABLE		28,214.00

Total		<u><u>28,214.00</u></u>	<u><u>28,214.00</u></u>
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Adjusting Journal Entries JE # 33

To reclass CC fees to an expense account.

100-592-543	CREDIT CARD FEES	22,180.26	
100-200-300	RETAINAGE PAYABLE		22,180.26
Total		<u><u>22,180.26</u></u>	<u><u>22,180.26</u></u>

	Total Adjusting Journal Entries	<u><u>15,468,452.35</u></u>	<u><u>15,468,452.35</u></u>
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BW&C

BROOKSWATSON & CO.

CERTIFIED PUBLIC ACCOUNTANTS

March 18, 2021

To the Honorable Mayor,
Members of the City Council
and management
City of Taylor, Texas

In planning and performing our audit of the financial statements of the City of Taylor, Texas (the "City"), as of and for the year ended September 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Taylor, Texas's internal control over financial reporting.

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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses. 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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We consider the following deficiencies in City of Taylor, Texas's internal control to be material weaknesses:

1. EFFECTIVE CONTROLS OVER FINANCIAL STATEMENT DISCLOSURE

Finding

Management is responsible for establishing, maintaining and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with U.S. generally accepted accounting principles. Under professional standards, we have to assess the City's controls over preparing the financial statements including assessing the skills and competencies necessary to prevent, detect, and correct a material misstatement. A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. Control deficiencies exist when the City does not have controls over preparation of the financial statements which would prevent or detect a misstatement in the financial statements. As part of our audit, management requested us to prepare a draft of the City's financial statements and the related notes. Management reviewed, approved, and accepted responsibility for those statements prior to their issuance. The outsourcing of these services is not unusual for a City of this size. However, we cannot be considered part of the City's internal control over financial reporting. We also determined that certain adjustments were required that were material to the financial statements. Accordingly, we consider these control deficiencies over financial reporting to be material weaknesses.

Recommendation

We recommend that management review the existing policies, procedures, and controls over these areas to ensure that all information is recorded and reported properly.

In addition, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated March 18, 2021 on the financial statements of the City. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

1. CASH MANAGEMENT

Finding

The City utilizes a pooled cash account. This type of account allows the City to monitor one bank account across multiple funds and provides flexibility when moving cash from one fund to another, without the need for a physical bank transfer. As all funds are pulling from one bank account, it is possible for an individual fund to have a negative cash balance while the entire account itself is positive.

Although convenient, the individual fund cash balances should be monitored closely, and deficit positions should only be temporary. We noted some funds with negative pooled cash balances for extended periods during the year.

Recommendation

The City should implement a policy where all individual cash balances are reported to Council and monitored regularly. When a fund has a negative or low cash position, the need for a transfer of funds or spending reduction should be considered and the negative position should be corrected within a reasonable amount of time.

2. TEXAS HOUSE BILL 1495

Finding

During the 86th Legislative Session the Texas Legislature passed House Bill (HB) 1495 requiring local governments to reflect in their proposed budget a line item indicating expenditures for "directly" or "indirectly" influencing or attempting to influence the outcome of legislation or administrative action as those terms are defined in Section 305.002, Government Code. Indirect participation has not been explicitly defined but can be interpreted to include membership dues and insurance premiums to a risk pool that participate in lobbying activities.

Recommendation

The City should evaluate the current expenditures that may be considered a direct or indirect lobbying expenditure as defined HB 1495. If uncertainty exists, the City should consult with legal counsel to determine the applicability of this expenditure. If warranted, the City should separately present and identify expenditures in the budget for any direct or indirect lobbying activity as defined by HB 1495.

3. CENTRALIZED PURCHASING

Finding

The purchasing function for the City has traditionally been performed by the department heads and reviewed by management. As a result, there are variations in practice which may make it difficult for management to verify compliance with all bidding requirements and to make sure the City is purchasing from the most prudent vendor. If it is centralized, the purchasing function can be reformed into a specialized process which creates consistency in practice, takes advantage of volume discounts, and ensures compliance with laws and regulations.

Recommendation

The City should consider designating an employee to handle the purchasing process for all departments or research the cost/benefit of adding an additional employee to handle this.

4. GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB) STATEMENT NO. 87, *LEASES* (GASB-87)

GASB-87 is effective for reporting periods beginning after June 15, 2021. GASB-87 will replace the current operating and capital lease categories with a single model for lease accounting based on the concept that leases are a means to finance the right to use an asset. Under the new rules, the City will recognize a lease liability and an intangible asset for all noncancelable leases greater than one year while the lessor will recognize a lease receivable and a deferred inflow of resources. The intangible asset will have similar characteristics to other capital assets and may be amortized depending on various provisions of the asset (or the lease) and if need be, may be impaired.

The accounting for a lessor is complimentary. A lease receivable is established at contract inception equal to the present value of the expected payments over the lease term. As payments are received the lease receivable is reduced and interest revenue is recognized. A deferred inflow is recorded equal to the lease receivable and any payments that are made at the beginning of the lease.

The initial application of this accounting standard will require substantial evaluation and will result in additional accounting and reporting requirements.

Recommendation

The City should begin planning for the implementation of this accounting standard by establishing a policy to 1) establish a capitalization threshold for leases, 2) define “reasonably certain” as it relates to the likelihood of a lease term to extend beyond 12

months, 3) establish a system to capture the required lease information in order to determine the applicability of the standard.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Respectfully,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co., PLLC
14950 Heathrow Forest Parkway, Suite 530
Houston, Texas

Taylor, Texas

Audit Presentation

Fiscal Year Ending September 30, 2020

Presented By: Mike Brooks, Audit Partner
March 25, 2021



CERTIFIED PUBLIC ACCOUNTANTS



OVERVIEW OF THE AUDIT PROCESS

Audit Standards – The audit was performed in accordance with Generally Accepted Auditing Standards (GAAS).

City processes and controls are evaluated and examined as part of audit assessment procedures.

We use a risk-based approach in which we identified potential areas of risk that could lead to material misstatement of the financial statements.

Performed testing over the City's compliance with provisions with laws, regulations, contracts and grant agreements, including items such as compliance with Public Funds Investment Act (PFIA).

Balances are agreed to underlying reports, and testing is performed to assure those balances are materially accurate.

The results of testing procedures are evaluated. The report is prepared, in addition to the required letters of communication.

- Internal Control Assessment**
Processes and controls are evaluated
- Risk-Based Approach**
Potential areas of risk are identified
- Compliance Testing**
Test compliance with laws and regulations
- Fieldwork**
Test accuracy of financial information
- Conclusion & Reporting**
Evaluation and communication of results



COMPREHENSIVE ANNUAL FINANCIAL REPORT

GFOA Certificate of Achievement for Excellence



- ❖ Certificate of Achievement for Excellence in Financial Reporting.
- ❖ Above and Beyond Standard Reporting Requirements.
- ❖ 12th Consecutive year awarded.



Government Finance Officers Association

Certificate of
Achievement
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in Financial
Reporting

Presented to

**City of Taylor
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

COMPONENTS OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT



- ❖ Letter of Transmittal
- ❖ Auditor's Opinion (unmodified)
- ❖ Management's Discussion and Analysis
- ❖ Basic Financial Statements
 - Government-Wide Statements
 - Fund Level Statements
 - Notes to the Financial Statements
- ❖ Required Supplementary Information
- ❖ Statistical Section

Opinion Types

-  Unmodified
-  Qualified
-  Disclaimed
-  Adverse



Unmodified/Clean
Highest level of assurance



Financial Highlights

	9/30/2020	9/30/2019	Change
City-wide Cash & Investments	\$ 30,494,562	\$ 32,019,446	\$ (1,524,884) ⁽¹⁾
Capital Assets, net of depreciation	\$ 109,396,372	\$ 107,600,822	\$ 1,795,550 ⁽¹⁾
Net Position City-wide	\$ 75,521,766	\$ 70,731,258	\$ 4,790,508
Governmental Fund Balances	\$ 18,972,290	\$ 19,262,237	\$ (289,947)
Unassigned General Fund Balance	\$ 5,173,649	\$ 3,932,229	\$ 1,241,420
/ % General Fund expenditures	35%	31%	4%
Utility Fund Change in Net Position	\$ 1,519,587	\$ 2,356,560	\$ (836,973)
City-wide Outstanding Debt	\$ 58,881,863	\$ 63,168,668	\$ (4,286,805) ⁽²⁾
Net Pension Liability	\$ 4,659,387	\$ 6,720,870	\$ (2,061,483) ⁽³⁾

(1) Decrease in cash is consistent with increased in capital assets.

(2) No debt was issued during the current year and decrease resulted from scheduled debt payments.

(3) TMRS investments performed well during the 2019 calendar year resulting in a large decrease in the projected net pension liability



Changes in Revenue

	9/30/2020	9/30/2019	Change
<u>Governmental Funds</u>			
Property Tax	\$ 9,889,723	\$ 8,885,991	\$ 1,003,732
Sales Tax	\$ 3,795,264	\$ 3,438,534	\$ 356,730
Charges for Services	\$ 2,575,775	\$ 2,415,512	\$ 160,263
<u>Enterprise Funds</u>			
Charges for services-Utility	\$ 10,279,494	\$ 10,118,130	\$ 161,364
Charges for services-Airport	\$ 395,988	\$ 419,847	\$ (23,859)
Charges for services-Cemetery	\$ 220,123	\$ 197,994	\$ 22,129
Charges for services-Sanitation	\$ 1,650,438	\$ 1,632,265	\$ 18,173



Changes in Expenses

	9/30/2020	9/30/2019	Change
<u>Governmental Funds</u>			
General government	\$ 3,860,922	\$ 3,605,447	\$ 255,475
Public safety	\$ 6,686,089	\$ 7,004,920	\$ (318,831)
Public works	\$ 2,155,670	\$ 2,629,260	\$ (473,590)
<u>Enterprise Funds</u>			
Utility	\$ 6,431,671	\$ 5,850,940	\$ 580,731
Airport	\$ 450,818	\$ 405,680	\$ 45,138
Cemetery	\$ 156,441	\$ 175,801	\$ (19,360)
Sanitation	\$ 1,429,656	\$ 1,427,419	\$ 2,237



General Fund Results

- POLICY: GFOA recommends governments maintain a minimum unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating expenditures (60 days or 16%). City policy is to maintain an unassigned fund balance of at least 25%.
 - Fiscal Year 2020 Unassigned fund balance was \$5,173,649– 35%
 - General fund ended the year with a net increase in fund balance of \$1,246,629
- FY 2020 Budget Results:
 - Original budget projected a slight increase in fund balance of \$12,130.
 - Budget amendments were made to increase revenue by \$1,014,500 for higher than anticipated property tax, sales tax, and permits.
 - Budget amendments increased expenditures by \$284,936 to reflect operating results.
 - The amended budget projected an increase to fund balance of \$917,644 while actual results added \$1,246,629 and represented a net positive budget variance of \$328,985.



Communication Letters

- **Communication with Those Charged with Governance**
 - Audit was conducted in compliance with all ethics requirements regarding independence.
 - No difficulties were encountered in dealing with management
 - Audit Adjustments were identified and corrected by management.
 - Emphasis of a matter: fund balance and net position were restated to correct for prior year accounting of capital assets.
- **Communication Regarding Internal Controls**
 - Several recommendations in internal control were identified and reviewed by management.

Questions?

Contact Info:

Mike Brooks, Audit Partner

Phone 281.907.9223 | Fax 888.875.0587

14950 Heathrow Forest Pkwy | Ste 530

Houston, TX 77032

MBrooks@BrooksWatsonCPA.com



CERTIFIED PUBLIC ACCOUNTANTS

We know your questions don't end when the audit does.

We remain available throughout the year.



City Council Meeting March 25, 2021 Transmittal Letter

STRATEGIC PILLAR

- ☐ Streets/Infrastructure
- ☒ Quality of Life
- ☐ Economic Vitality

Agenda Item #: 4
Agenda Title: Consider rental usage agreement for Dickey-Givens Community Center

Council Action to be taken: Approve as presented or approve with corrections if needed.

Department Submitted: Parks and Recreation

Staff Contact: Jeff Jenkins, Deputy City Manager

1. PURPOSE/DESCRIPTION

The purpose of this item is to consider a usage policy and a fee structure for the Dickey-Givens Community Center.

2. STAFF ANALYSIS / BACKGROUND / PRIOR COUNCIL ACTIONS

The City needs to have base rules and fees in place for the Dickey-Givens Community Center prior to its opening. Staff at this time envisions the facility to open when the community reaches improved levels contained within our adopted COVID-19 criteria levels.

City staff continues to work with the Welfare Workers Club (WWC) on an agreement, to provide assistance with the overseeing portions of the oversight of the facility. If an agreement is reached, it will be provided at a subsequent meeting. By adopting this use agreement, it enables the City to open up the facility, when conditions are right, while finalizing an agreement with the WWC.

At the January 14th City Council meeting, the rental usage agreement was presented. There were several questions Council wanted staff to follow up on from the meeting. A separate form has been attached to this TL, which answer all the questions from the January 14th meeting.

Staff envisions the community center to be highly utilized by citizens. The proximity of the center to the Robinson Park amenities will make the community center an attractive rental option for the citizens of Taylor.

3. PROS and CONS

<u>PROS</u>	<u>CONS</u>
The facility will provide a rental venue for parties, reunions and family events.	- Staff overtime hours will be needed to check in/out renters. - Additional budget will be may be necessary for cleaning, upkeep and maintenance.

4. RECOMMENDATION

Proposed Fees

	½ Day 5 hours	Whole Day 10 hours	Add Two Hours Friday/Saturday only 10 pm-12am	Deposit	½ Day Non- Profit	Whole Day Non- Profit
Community Center	\$150	\$250	\$70	\$300	\$75	\$125

Deposits – Refundable, subject to procedures.

Non-profit renter must be able to produce proof of non-profit status.

Potential Additional Fees –

- Police fees as per the City of Taylor fee schedule (if needed)
- Damages, if damages exceed the amount of the damage deposit
- Before and/or after-hours fee, if the facility is occupied before or after their scheduled time.

Other Key Points

- Reservations may be made up to six months in advance.
- \$50 non-refundable reservation fee and deposit at the time of the official booking.
The non-refundable fee will be applied to the rental fee total.
- The reservation does not include the reservation of the pavilion.
- The refund will be processed via check within 3 weeks.
- The renter is responsible for the set-up and cleanup of the facility.
- All decorations must be removed.
- The city will be reimbursed for damages.

- The renter will be responsible for all cleaning; a cleaning checklist will be provided.
- City staff reserves the right to determine whether police will be required.

5. FUNDING SOURCE

General Fund

6. TIMELINE

Effective upon approval.

7. OTHER OPTIONS (In order of preference)
--

N/A

8. ATTACHMENTS

- 4a. [Dickey-Givens Community Center Rental Agreement](#)
- 4b. [PowerPoint presentation](#)
- 4c. [Questions from January Meeting](#)

Dickey-Givens Community Center Rental Agreement

The City of Taylor welcomes you and thanks you for your consideration in renting our Community Center! We hope you and your family or group will enjoy a memorable event. If you encounter a facility problem after business hours, on weekends, or holidays, you may call the designated parks on-call employee for assistance at (512) 318-8672.

Please remember that the **City of Taylor is not responsible for lost or stolen articles**. Be sure to remove all personal items brought into the Center, **as access to the Center is limited to the date of your event only**.

Rental Rates, Deposits & Fees

Rental rates, deposits and fees for use of the Center have been established by the City. Rental Rates are based on a per day basis.

	½ Day 6 hours	Whole Day 11 hours	Add Two Hours Friday/Saturday only 10 pm-12am	Deposit	½ Day Non- Profit 6 hours	Whole Day Non- Profit 11 hours
Community Center	\$150	\$250	\$70	\$300	\$75	\$125

Rental Time Options:

- Center is available for rental at from Monday-Sunday with half day rental options or whole day options. One a day has been selected for rental by half day or whole day, the center is considered booked for the day.
- Half Day Rental time slots are from 11-5pm or 4pm-10pm.
- Whole Day Rental is from 11 am- 10pm.
- Additional two hours for Friday and Saturday night 10pm-12am.
- Renters must schedule events during rental time to provide for time to set up their event, hold their event, and to clean up after their event. Rentals must stay within the ending time as provided.

Deposits (refundable, subject to procedures)

- Damage and clean-up deposit: \$300.00
- Damage deposit will be refunded within two weeks provided that all procedures are met, including building condition and rental agreement times.

Additional Fees (non-refundable)

- Per/hour/per/law enforcement officer fee as per the City of Taylor fee schedule, with a three-hour minimum. If a police vehicle(s) is needed, then the cost is the City of Taylor fee schedule, per hour per vehicle cost.
- If damages exceed the amount of the damage deposit, the renter will be required to return the facility to pre-use conditions. Fees to be charged will be for the direct costs of labor, materials, supplies and equipment.
- Before or after-hours fee: For any event that the renter occupies the facility **before their scheduled time and/or past their scheduled time, the entire damage deposit will be forfeited.**

Reservations

- Only persons twenty-one (21) years of age or older can reserve the Community Center.
- Renters can call to **temporarily reserve a date for one week.** During the next 7 days, renters must pay non-refundable fee of \$50, pay deposit and complete use agreement requirements.
- Dates are considered **officially reserved** for an event when the non-refundable \$50 fee and deposit are paid for the booking.
- Renters can officially reserve facilities 6 months prior to an event at the earliest.
- The City of Taylor requires a **\$50.00 non-refundable reservation fee and deposit rental at the time of the booking.** The non-refundable reservation fee will be applied to the rental fee total. The balance of the rental fee are due 14 days prior to the event.
- If cancellations are received by the City at any time prior to 14 days before the date of the event, a full refund shall be made minus the non-refundable and deposit. **No refunds will** be made for cancellations within fourteen 14 days.

Restrictions

- No organization or individual shall be able to reserve the community center more than six days within a calendar year.
- The rental of the Community Center **DOES NOT** include the reservation of the park pavilion.

Important Rental Information

- A special event permit is required for all events where the public is invited, and alcohol is to be sold.
- Private parties would be considered as weddings, weddings receptions, birthday parties, and non-profit events without sale of alcohol.

- The City designee has the right to refuse rental if the proposed event conflicts with scheduled events or if the proposed use is perceived to be physically detrimental to the facility. All rentals must be approved in writing by the designee.
- Representatives of all groups and entities, and any person or entity reserving the Center, agree to indemnify the City of Taylor for all personal injuries and property damages incurred from the use and occupation of the facility.
- Official use of the Center will take precedence over all reservations that may be in effect in the event of an emergency (as identified by the City of Taylor Emergency Operations Management Team).
- A renter may be denied the ability to rent the facility in the future if the rental procedures are not followed.
- The building capacity is for 225 people (with chairs) and 105 for tables and chairs. The meeting area is approximately 1550 sq. ft.

Issuance of official reservation restrictions

- That the proposed activity, event or use of these facilities will unreasonably interfere with other scheduled users of the facility;
- The proposed activity, event or use of these facilities will unreasonably interfere with the public health, safety or welfare of other users and/or the general public;
- That the conduct of the proposed activity, event or use is reasonably likely to result in or create a clear and present danger of violence to persons or property resulting in serious harm to the public;
- That the facility desired has already been reserved for another activity, event or use at the same day and hour requested in the reservation application;
- That false or misleading information is contained in the reservation application or required information is omitted;
- That event would violate any federal, state, or municipal law

The City shall have the authority to revoke a reservation upon finding of a violation of any rule, ordinance, state, federal or local law or upon the violation of any condition or restriction under which the reservation was issued.

Refunds

Upon examination of the building, the deposit will be refunded less any damages or clean-up charges. Furthermore, any event causing damage to any of the Community Center, furniture,

fixtures, equipment, and entire Municipal Complex shall forfeit such deposit and possible refusal on any further use of the Community Center thereafter.

The refund will be processed via check within three weeks of the completion of your rental.

Insurance

- The additional liability insurance requirements will be followed if the event requires a City of Taylor Special Event Permit. Special event permit is required when selling alcohol or when tickets are sold to an event.
- The City through his/her designee shall have the right to alter insurance and/or bond requirements based upon the type of event, equipment, machinery, location, number of people involved, and other pertinent factors or risks associated with the event.
- Renter of the facility shall furnish the city with certificates of insurance or copies of policies, evidencing the required insurance before being provided access to the facility.
- Renter will hold harmless the City from and against, claims, damages, losses, and expenses, but not limited to attorney's fees, which arise out of or in any way related to all personal injury, death, and/or property damage in connection with rental of the facility by the renter.

Set-up Requirements

- It shall be the responsibility of the person signing the rental agreement to be on-site for the entire duration of the rental and to comply with and enforce all City policies, rules, and regulations pertaining to the community center usage.
- Renter shall comply with all laws – federal, state, and local – including all ordinances of the City of Taylor and all rules, regulations, and requirements of the Parks and Recreation, Police, and Fire Departments.
- Renter is responsible for the set up and clean-up of the facility and must include time needed for set up, decoration, and clean up in the requested rental time.
- Renter shall be permitted to use only the areas which have been rented during the time period. Renter shall not do or permit to be done, in or upon any portion of the facility or its premises, anything that will obstruct or interfere with the rights of the other renters of the facility.
- At no time shall a renter sub-lease or assign its rental to another individual, group, or organization.
- Additional services which are not normally provided by the City such as special sound and lighting equipment, additional stage facilities, extra electrical and utility services, etc., must be furnished solely by the individual or association who agrees to acquire necessary electrical, health, sound, and other permits as may be required and to comply with all codes and laws of the City of Taylor, as well as all County, State and Federal codes and laws.

Decorations

- Renter requiring additional services/equipment other than which are normally provided by the facility must be furnished solely by the renter and are subject to the department's approval. Renter agrees to assume all necessary expenses.
- Sidewalk chalk, glitter, confetti eggs, water balloons and piñatas are prohibited.
- Renter shall not be permitted to nail, tack, screw, paste, glue, tack or otherwise physically attach materials to any part of the facility. Masking tape, painter's tape or scotch tape are preferred, if necessary. No items may be hung from the ceiling. All decorative materials must be treated with flame proofing and meet the requirements of the City of Taylor Fire Codes.
- All decorations must remain inside area that is rented and completely removed at conclusion of rental.
- Any non-compliance in this section, will automatically waive the refunding of the damage deposit.

Alcoholic Beverages

- Alcohol will be allowed at the facility for free during private events. No sale of alcohol during private parties. Private parties would be considered as weddings, weddings receptions, birthday parties, and non-profit events without sale of alcohol.
- Special events, where alcoholic beverages will be sold require users must obtain a special events permit from the City, provided the renter meets the requirements within TABC regulations and provides event security. Special events are defined as events inviting the public and do not fit within the private party definition from above. All alcohol is used within rules and regulations set forth by the Texas Alcoholic Beverage Commission, and Alcohol shall be served by bartenders or servers with State-required licensing. Documentation of compliance with the City special event permit will be required before release of access to the Dickey-Givens Facility.
- In the State of Texas, any person who provides alcoholic beverages to another may be responsible for the actions of that person, including injuries to persons or property. The City of Taylor does not assume any responsibility for injuries arising out of any events not sponsored by the City. Individuals should use special care if alcoholic beverages are being served at the event.
- Additionally, all sales of alcoholic beverages are to be made in compliance with the Texas Alcoholic Beverage Commission. For questions concerning the sale of alcoholic beverages and/or obtaining a permit, call the Texas Alcoholic Beverage Commission's Austin District Office at (512) 451-0231.

Tobacco free/ clean air policy

Dickey-Givens Community Center is designated as a clean air environment and prohibits any kind of tobacco use or alternates to tobacco regardless in the form of smoke or smokeless to include tobacco cigarettes, hookah, bidis, kreteks, and the like, electronic cigarettes or any other forms of smoking devices.

Cleaning Requirements

- All trash must be bagged and disposed of properly in trash receptacles. Large events may be required to provide dumpsters.
- All decorations must be removed.
- The City will be reimbursed by user/renter/group for any costs incurred due to damages or additional cleaning, an additional charge may be deducted from the damage deposit.
- The renter will be responsible for cleaning/sweeping/mopping the facility after the rental. A cleaning checklist will be provided.

Security Requirements

- One chaperone (at least 21 years old) shall be required for every 25 minors (up to 18 years of age). Chaperones shall be present when the rental begins, be present throughout the rental time, and shall not leave the area until all youth have vacated the immediate area.
- City staff shall reserve the right to determine whether police security shall be required during a scheduled activity and, in collaboration with the Taylor Police Department, shall determine the amount of security required during the occupancy of the facility. If the renter refuses to assume the cost of such police security, then the rental shall be subject to cancellation.
- All applications must state the maximum expected attendance. A rental may be shut down immediately by City staff or Taylor Police Department without refund of deposit or rental fees on the following conditions:
 1. If expected attendance exceeds maximum number stated by greater than 10%.
 2. Breach of the Peace.
- Special events will require police security for events.

Prohibited Activities and Items

- Sidewalk chalk, glitter, confetti eggs, water balloons and piñatas are prohibited.
- Commercial solicitation and transactions are prohibited.
- Golfing, archery, remote control vehicles including planes, and horseback riding are prohibited. Firearms are prohibited except as authorized by law.

- Animals are not allowed in the building except for service animals. American with Disabilities Act defines service animals: *Service animals* are *defined* as *dogs* that are individually trained to do work or perform tasks for people with disabilities. See: https://www.ada.gov/service_animals_2010.htm
- Bounce houses are not allowed on any grass area of the park.
- Glass containers ARE NOT permitted in the parks, leased facilities, or parking lots.
- Where vehicle parking lots or areas have been set aside in any park in the city, no vehicle shall be driven over or across the curbs, sidewalks, grass or lawn within the park, and vehicles shall be parked in the parking lots or areas as designated and not elsewhere unless approved by City staff.
- Campfires and open burning are not allowed. Personal barbeque grills are allowed in the parking lot only.
- The City of Taylor is not responsible for lost, damaged or stolen personal items during your rental period.

**Dickey-Givens Community Center
Reservation Application**

Instructions: Please completely fill out the application and bring this form with the required deposit in person to 1424 N. Main Street. Your contact person is responsible for all the requirements of the Center. Please read the entire policy prior to completing this form. Your reservation will not be scheduled until the City receives this completed form and deposit.

Name of Individual filling out application:

Individual Address:

Contact Individual filing out form Phone Number:

Organization Name:

Circle Type of Organization: Business Nonprofit Taylor Nonprofit Taylor ISD City
Affiliated

Organization Address:

Organization or Contact Phone Number:

Reservation Date: _____ **Approx. Number of Attendees:** _____ **Open to**
Public: yes no

Reservation Time selected (includes setup & cleanup) circle all that apply:

Half-Day early: 11 am-5pm Half-Day late: 4pm-10pm Full-Day: 11 am-10pm

Extra 2 hours Fri/Sat

Purpose of

function: _____

Note: Proof of liability insurance must be required prior to access to the facility if event triggers a special event permit.

Reservations shall not be transferrable without the written consent of the City.

As the authorized representative for this individual rental or for the organization or business, I hereby apply for use of the Dickey-Givens Community Center. My group and I agree to follow all the rules and procedures in the Dickey-Givens Rental Agreement and understand that my group or I will be responsible for paying any damages, losses or cleaning expense that may result in our use of the Community Center.

I also will hold harmless the City from and again, claims, damages, losses and expenses, but not limited to attorney's fees, which arise out of or in any way related to any and all personal injury, death, property damage in connection with rental of the facility by the renter.

Signature: _____

Title: _____ Date: _____

Staff information only:

Application received (date): _____ by Staff (name):

Deposit amount received: _____ Facility Rental received: _____

Security amount received: _____

Nonprofit status verified: _____

Application Approved _____ Not Approved _____

Reason Not Approved: _____

Staff Signature: _____ Date: _____



Dickey-Givens Rental Use Agreement
3/25/2021 City Council meeting



Purpose

- Sets the rental rates, terms and conditions for usage of the Dickey-Givens Center
- Presented at January 14th Council meeting
- Updates have been made to the use agreement and questions from the January 14 will provide answers



Summary key points in agreement

	½ Day 6 hours	Whole Day 11 hours	Add Two Hours Friday/Sat. Only 10 pm-12am	Deposit	½ Day Non- Profit 6 hours	Whole Day Non-Profit 11 hours
Community Center	\$150	\$250	\$70	\$300	\$75	\$125

- Hours-
 - Half day option 11am-5pm or 4 pm-10 pm
 - Whole day option 11am-10pm
 - Friday and Saturday only option for two additional late rental hours
- Deposits – Refundable, subject to procedures.
 - **Non-profit renter must be able to produce proof of non-profit status.**
- **Potential Additional Fees –**
 - Police fees as per the City of Taylor fee schedule (if needed)
 - Damages, if exceed the amount of the damage deposit



Questions from Jan. meeting

- **Rental Hours-**

- Half day 6 hours 11am-5pm or 4pm. Full day 11 hours 11am-10 pm. Option for two additional hours Friday and Saturday night 10pm-12am.
- Once a half day or whole day is booked, the facility is rented for the day

- **Can event go past 10 pm?**

- Renters must be out of the facility at the time the reservation time.
- Two hours may be purchased for Friday and Saturday night only can extend the rental additional two hours



Questions Continued

- **Can you sell alcohol or allow for free?**
- Alcohol will be allowed at the facility for free during private events. No sale of alcohol during private parties.
- Private parties would be considered as weddings, weddings receptions, birthday parties and non-profit events without sale of alcohol.
- Special events, selling alcohol, will have to obtain a special event permit from the City, which will provide the renter to meet the requirements within TABC regulation and event security. All alcohol is used within rules and regulations set forth by the Texas Alcoholic Beverage Commission, and Alcohol shall be served by bartenders or servers with State-required licensing. Documentation of compliance with the City special event permit will be required before release of access to the Dickey-Givens Facility.



Questions continued 2

- **Will renter need to have their own insurance or will our insurance cover their event?**

- For events determined to be special events, renters would need to obtain insurance as required through the special events permit. Private events such as (birthday parties, family reunions, nonprofit events(not selling alcohol) subject to proof of nonprofit status, etc.) will not require the liability insurance.
- Renter will hold harmless the City from and against, claims, damages, losses, and expenses, but not limited to attorney's fees, which arise out of or in any way related to any and all personal injury, death, property damage in connection with rental of the facility by the renter.



Questions continued 3

- **Will renter need to have their own insurance or will our insurance cover their event?**
- Special event rentals will need to obtain insurance as required through the special events permit.
- Private events such as (birthday parties, family reunions, nonprofit events(not selling alcohol) will not require the liability insurance.
- Renter will hold harmless the City from and against, claims, damages, losses, and expenses, but not limited to attorney's fees, which arise out of or in any way related to any and all personal injury, death, property damage in connection with rental of the facility by the renter.



Questions cont. 4

- **Will there be specific language that covers decorations and what is permitted to do?**

- Yes, there will be specific language in the use agreement that covers decorating the facility and what is not allowed.
- Sidewalk chalk, glitter, confetti eggs, water balloons and piñatas are prohibited.
- Renter shall not be permitted to nail, tack, screw, paste, glue, tack or otherwise physically attach materials to any part of the facility. Masking tape, painter's tape or scotch tape are preferred, if necessary. No items may be hung from the ceiling. All decorative materials must be treated with flame proofing and meet the requirements of the City of Taylor Fire Codes.
- All decorations must remain inside area that is rented and completely removed at conclusion of rental.
- Waive the refunding of the damage deposit for non-compliance



Next Steps

- Set up rental guide for renters
- Set up staffing rental procedures
- Finalize and approve agreement with Welfare Workers Club
- Goal is to have all these items complete by May 1st 2021. Will announce when facility open
- Last pending item to open is improved COVID Phase In levels



Dickey-Givens Summary of Questions for Renting Facility from January 14th Meeting

1. How does one go about renting the building? On-line or in-person?'

- At this time to rent the building it will have to be done in person at the Public Works Building. In the future, we will look at ways to optimize reserving and renting the facility. Residents can reserve temporarily by phone for one week but must submit payment and sign agreement for facility to be official booked.

2. What time can renters get in the facility and what time must they be out of the facility?

- The facility is going to be booked either by using one of the half day block time 11am-5pm or 4pm-10 pm and the option for a full day from 11 am-10 pm. The facility will be considered booked for the day when one of the three-time options is selected for that day.
- Renters must be out of the facility at the time the reservation ends. Additionally two hours may be purchased for Friday and Saturday night only to extend the rental to midnight.

3. What's ½ a day (how many hours)? Half day hours will be for a six-hour time slot. What hours can be rented for (from what-to-what)?

- Half Day: 11am-5pm or 4pm-10pm
- Whole Day: 11 am-10 pm
- Friday and Saturday only, can add two extra hours to extend event to 12 am.

5. Can they go past 10:00pm (example: wedding receptions)?

- Renters should schedule rentals to provide for time for their event and to have time to clean up. Renters can purchase additional two hours to the rental on Friday and Saturday night only.

6. If a renter wants to charge money, will they be able to sell alcohol or have free alcohol?

- Alcohol will be allowed at the facility for free during private events. No sale of alcohol during private parties. Private parties would be considered as weddings, wedding receptions, birthday parties and non-profit events without sale of alcohol.
- Special events, which will sell alcohol, users will have to get a special event permit for the City, which will provide the renter to meet the requirements within TABC regulation and event security. All alcohol is used within rules and regulations set forth by the Texas Alcoholic Beverage Commission, and Alcohol shall be served by bartenders or servers with State-required licensing. Documentation of compliance with the City special event permit will be required before release of access to the Dickey-Givens Facility. .

7. Will renter need to have their own insurance or will our insurance cover their event?

- For events determined to be special events, renters would need to obtain insurance as required through the special events permit. Private events such as (birthday parties, family reunions, nonprofit events(not selling alcohol) subject to proof of nonprofit status, etc.) will not require the liability insurance.
- Renter will hold harmless the City from and against, claims, damages, losses, and expenses, but not limited to attorney's fees, which arise out of or in any way related to any and all personal injury, death, property damage in connection with rental of the facility by the renter.

8. Will there be specific language that covers decorations and what is permitted to do?

- Yes, there will be specific language in the use agreement that covers decorating the facility and what is not allowed.



City Council Meeting

March 25, 2021

Transmittal Letter

STRATEGIC PILLAR

- ☐ Streets/Infrastructure
- ☒ Quality of Life
- ☒ Economic Vitality

Agenda Item #: 5

Agenda Title: Receive presentation on state of the Taylor Parks and Recreation Department

Council Action to be taken: Receive presentation

Department Submitted: Parks and Recreation

Staff Contact: Jeff Jenkins, Deputy City Manager
Casey Cunningham, Interim Park Director

1. PURPOSE/DESCRIPTION

The purpose of this agenda item is for the Deputy City Manager to present a high-level assessment of the Taylor Parks and Recreation Department. This presentation will go over strengths, weaknesses, opportunities, and threats, as well as present priorities to focus on in the coming years.

2. STAFF ANALYSIS / BACKGROUND / PRIOR COUNCIL ACTIONS

The City of Taylor has a high quality of life through the investments and management of the Parks and Recreation Department. The high quality of life has attracted new residents and has helped reduce the tax rate through the local tourism. Everyone should be proud of the overall efforts within the Park system.

Moving forward the parks system has sections that are aging, which will need replacement. The initial drafts from the Parks Master Plan contains an estimated \$15 million in replacements, improvements, and additions to the Parks.

In the future, the city will need to continue to monitor maintenance levels, look for emerging trends and follow through on Park improvements. This power point will provide a background on the overall current state of Parks and priorities for the future.

3. PROS and CONS

<u>PROS</u>	<u>CONS</u>
N/A	N/A

4. RECOMMENDATION

Receive presentation.

5. FUNDING SOURCE

N/A

6. TIMELINE

N/A

7. OTHER OPTIONS (In order of preference)
--

N/A

8. ATTACHMENTS

5a. [PowerPoint Presentation](#)



City of Taylor

State of the Taylor Parks and Recreation

Background



Started with Murphy Park and Heritage Square

Heritage Square- Community gathering place, City Hall and Bands would play at the pavilion

Murphy Park-

was developed to house a pool and other park amenities



Total department staffing – 8



Parks Director, Parks Superintendent, 5 Athletic Field Techs and 1 Crew Leader

Murphy Park, Taylor, Texas



Taylor
Texas
CITY OF TAYLOR TX



What do we do?

- Lead and support Taylor Quality of Life
 - Maintain and operate Taylor Parks and Recreation system
 - Program management for sports activities and special events
 - Sustain tourism through Taylor Regional Park
 - Make repairs and improvements to park amenities
 - Inspect facilities to keep parks safe
 - Build relationship with local partners and negotiate agreements with community partners
 - Plan for future parks needs
 - Aquatics operations and maintenance for two splash pads and Murphy Pool
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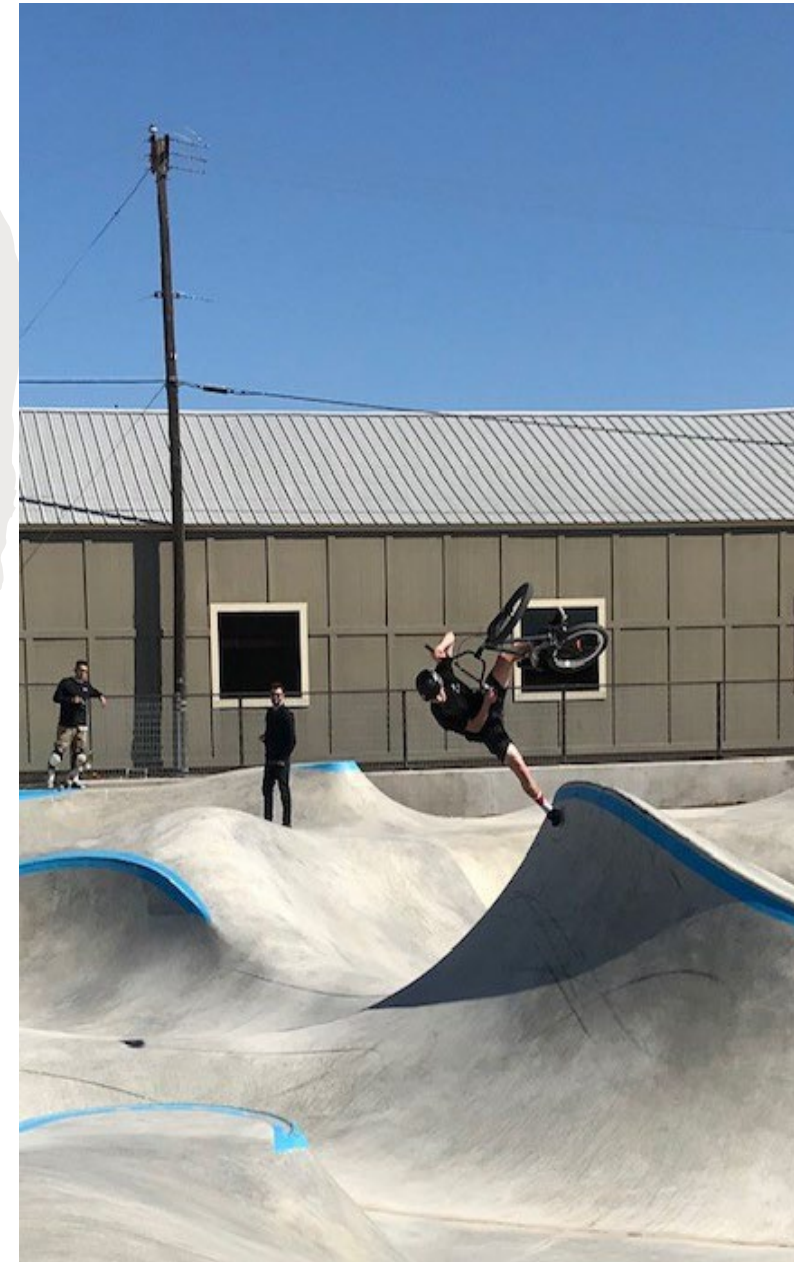
Park Inventory

Community Parks	Acres	Neighborhood Parks/Special.	Acres
Murphy Park	60	Gano Courts	0.3
Bull Branch Park	50	Jason Parks	0.15
Fannie Robinson Park	20	Heritage Square	2
Taylor Regional Park	80	Doak Park	10
Pierce Park	0.6		
Burkett Street	17	Total acres	240.05

- Amenities- Pool, Splash Pads, Pavilions, Community Center, restrooms, soccer fields, baseball fields, trails, playgrounds, tennis courts, pickle ball courts, Memorial Field, gardens, volleyball court, basketball courts, landscaping, disc golf

Strengths

- Great staff
- Experienced staff with several tenured employees
- Large varied park system and robust trail system
- High quality of life
- Various outdoor recreational opportunities within park system
- Taylor Regional Park- Driver for local, regional and out of state tourism
- Newer parks and facilities - Heritage Square, Pierce Park and Robinson Park additions with New Dickey-Givens Center and Splash Pad
- Highly successful with grants and making new additions happen
- Good relationship partners





Weaknesses

- Lack indoor recreational center
- Need for additional staff, 2-3 based on previous analysis
- Reliance on assistance from Public Works
- Program manager needed
- Turnover and difficulty filling positions starting positions
- Need to replace Murphy Pool and other older parks amenities
- Balancing maintenance work versus Taylor Regional Park work

Opportunities

- Continue to review and work on agreements with partners to facilitate additional maintenance by user groups
- Review and update Parkland Dedication Ordinance- current dedicate 5% of non-floodplain in subdivision or pay an escrow with city terms
- Invest dollars to further remodel Memorial Fieldhouse
- Explore additional Taylor Regional Park management and maintenance
- Future grant funding opportunities



Threats

- Funding CO, Bond and Grant modifications by the state
- Turnover within the department
- Community growth will increase demand on facilities
- Competing facilities in the area
- Adding amenities without reviewing maintenance needs of additions

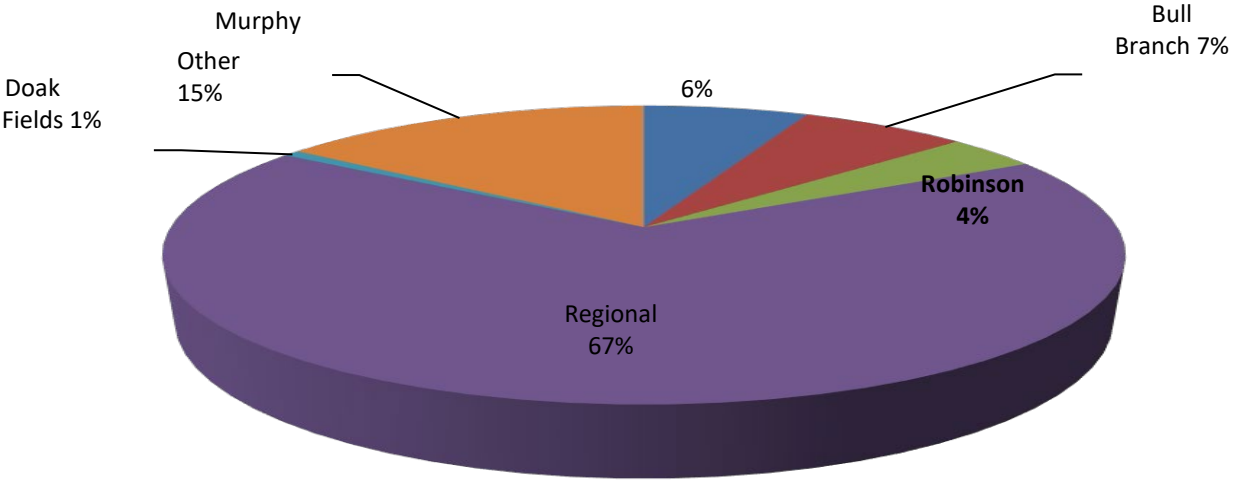


Park Data

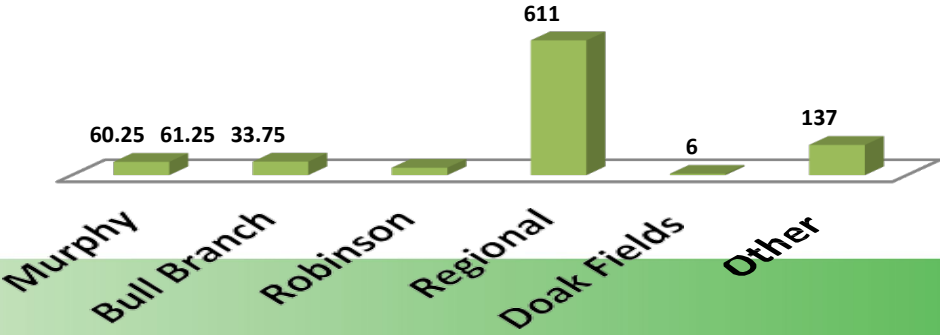
TRP Attendance

Month	2017-2018	2018-2019	To Date
October	9,648	8,424	8,424
November	1,800	3,420	11,844
December	3,384	1,800	13,644
January	-	-	13,644
February	-	648	14,292
March	14,796	19,908	34,200
April	11,088	6,552	40,752
May	12,024	10,224	50,976
June	21,024	17,748	68,724
July	5,472	5,760	74,484
August	-	-	0
September	3,096	13,248	87,732
TOTAL:	82,332		87,732

% Of Hours By Park September 2019



Hour Spent By Park Sept. 2019



National Recreation and Parks Administration

2020 NRPA Key Findings- Survey of Parks,
Varies depending amenities

- What does the typical park and recreation agency staff size look like in terms of full-time equivalents (FTEs) under 20k population:

Taylor 19k population: 8, NRPA median average 10

- How many FTEs with Parks Maintained 10 or less—

Taylor 10, NRPA 12.9

- **Annual Median Budget under 20k- Taylor \$1M and average \$1.1M**

Priorities

- Increased staffing 2-3 employees would improve level of maintenance parks and programming \$90,000 to \$135,000
 - Volunteer In Parks Program
 - In-house park projects \$1 million from upcoming Master Plan
 - Small in-house project work
 - Implement Parks Master Plan and finish current projects \$15 million
 - Review opportunities
- 
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Questions



City Council Meeting March 25, 2021 Transmittal Letter

STRATEGIC PILLAR

- ☐ Streets/Infrastructure
- ☐ Quality of Life
- ☐ Economic Vitality

Agenda Item #: 6
Agenda Title: Receive presentation on state of the Development Services Department.

Council Action to be taken: Receive presentation

Department Submitted: Development Services

Staff Contact: Tom Yantis, Assistant City Manager

1. PURPOSE/DESCRIPTION

The purpose of this agenda item is for Mr. Yantis to present an assessment of the Development Services Department and discuss future plans and needs including budgetary considerations.

2. STAFF ANALYSIS / BACKGROUND / PRIOR COUNCIL ACTIONS

In February 2019, after almost six months as Director of Development Services, Mr. Yantis presented Council with his initial assessment of key issues and potential solutions for the Development Services Department. Mr. Yantis provided an update to that report in February 2020 and this report builds on those two prior reports to Council.

3. PROS and CONS

<u>PROS</u>	<u>CONS</u>
N/A	N/A

4. RECOMMENDATION

Receive presentation

5. FUNDING SOURCE

N/A

6. TIMELINE

N/A

7. OTHER OPTIONS (In order of preference)
--

N/A

8. ATTACHMENTS

6a. [PowerPoint presentation](#)



City of Taylor

Development Services Update

March 2021

Presentation Outline

- Areas of Focus
 1. Development Policies
 2. Development Processes
 3. Customer Interface
 4. Measures of Success
 - Priorities and Budget Considerations
 1. FY 2021-22 budget needs
 2. Future needs
 - Questions
- 
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Development Policies

Problem statement:

The City's development policies are out of date and do not produce the results the community desires.

Root causes:

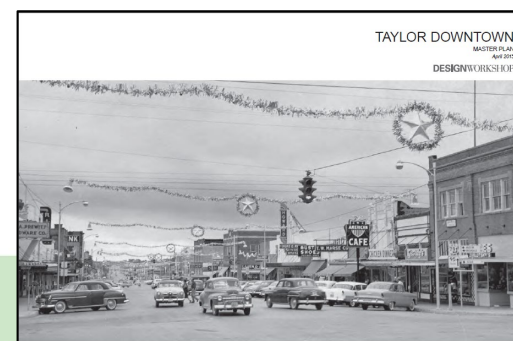
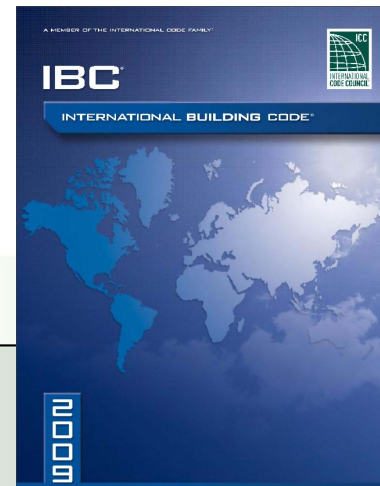
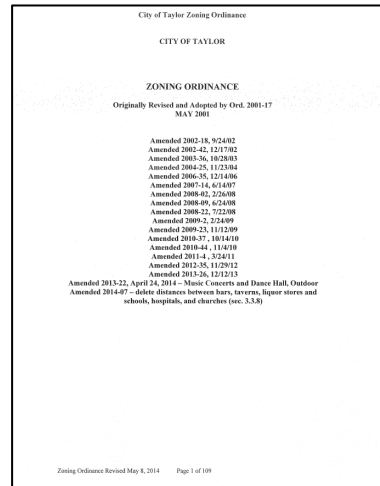
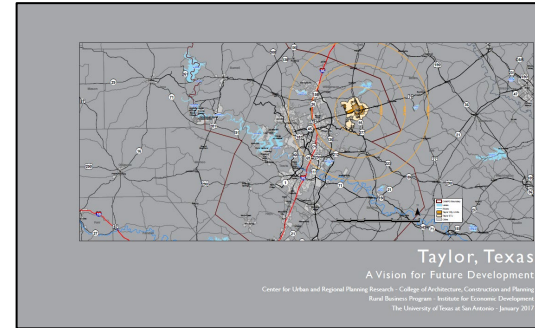
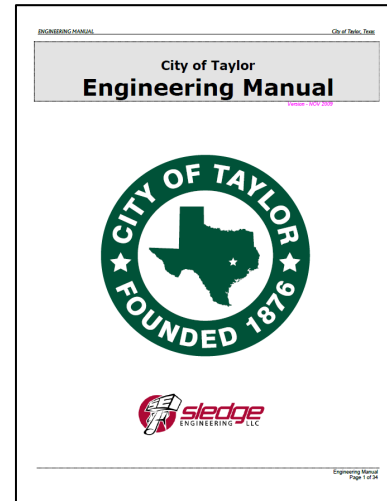
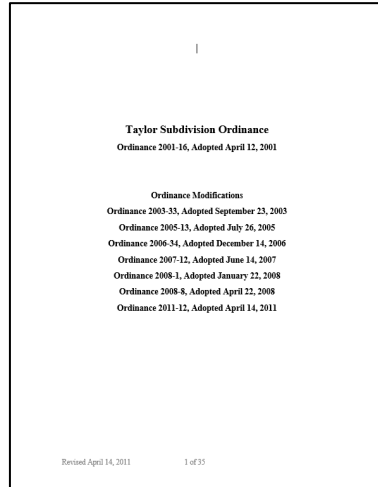
Policies and ordinances have not been thoroughly reviewed and updated in many years.

Proposed solutions:

Initiate a process to update the following:

- Comprehensive Plan (contracts awarded 2-13-20 anticipated adoption fall 2021)
 - Zoning Ordinance (planned to commence upon adoption of comp. plan)
 - Subdivision Ordinance (planned to commence upon adoption of comp. plan)
 - Design Criteria Manuals (engineering) (updates to drainage and streets in 2019 and 2020)
 - Building Codes (planned to commence upon adoption of comp. plan)
 - Sign Ordinance (downtown updates in 2020 more planned for 2021)
- 
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Development Policies



**Engineering Manual
&
Sign Ordinance
Updates**



December 2020

**Zoning Ordinance
Subdivision Ordinance
Building Codes
Updates**



Proposed 2021-22

Development Policies



Development Processes

Problem statement:

The City's development processes are not properly documented leading to inconsistent application of the development policies and ordinances.

Root causes:

Staff turnover, lack of attention to process, lack of formal training.

Proposed solutions:

- Create documented procedures for all primary processes (SOPs created for all positions and ongoing)
- Create process workflows that clearly illustrate how each process works (workflows for major processes created, required materials checklists added to permit software)
- Train all staff on the processes (training is ongoing)
- Reduce staff turnover (ongoing – significantly reduced from 80% 2018-19 to 11% 2019-20)

Development Processes

Documents Requested (* denotes required document)

The Jurisdiction requests that the following documents are attached to your application:

Any Additional Supporting Documents

Asbestos Survey (PDF file)

As required.

Electrical Details (PDF File)

Location of breaker panels, all lights and switches, GFCI's.

Plat (PDF File)

To show lot before improvement and give the legal description of the lot.

RES Check (PDF file) *

Energy compliance details and compliance check.

Scaled Elevations (PDF File) *

To show design of building(s), roof, windows, doors external materials.

Scaled Floorplans (PDF File) *

Layout of each floor with all rooms labeled, location of all plumbing fixtures and water heater.

Scaled Site Plan (PDF File) *

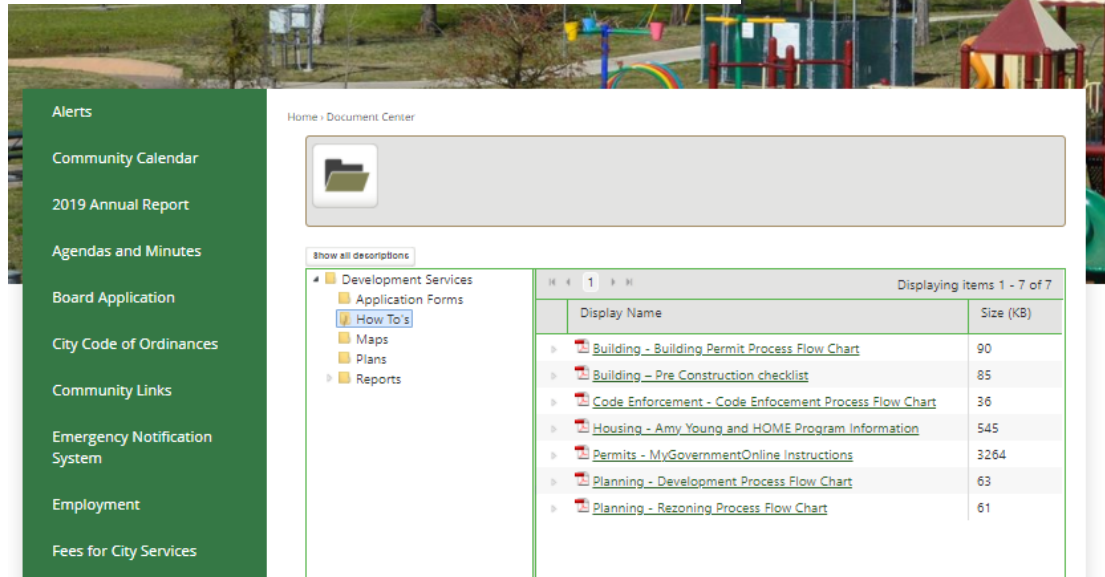
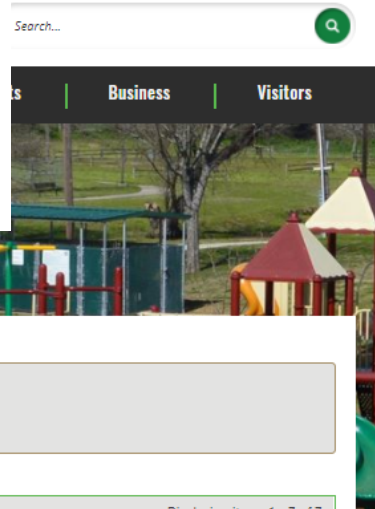
To show position of building(s), distances to lot lines, setbacks, driveway(s), parking, location of utilities, trees.

Specifications (PDF file)

Sizes and type of windows, water heater, mechanical equipment.

Structural Plans (PDF File)

Roof and ceiling framing details, floor design (trusses), wind brace plans.



	Development Services Department	SOP Name	
		Re-Zoning / Zoning Ordinance Amendment	
Page #	1 of 4	Implementation Date	
Division	Planning	Approval Date	
		Approved by	

Standard Operating Procedure

1. Zoning Map Amendment/Rezoning

This is the SOP for rezoning property or amending the zoning ordinance pursuant to Chapter 211 of the Texas Local Government Code and Section 8.1 of the City of Taylor Zoning Ordinance.

2. Scope

This SOP covers the steps required to rezone property or amend the zoning ordinance and is intended for use by Development Services Staff.

3. Prerequisites

Applicant attends a pre-application meeting or meets with a planner to determine whether the rezoning is necessary, what zoning district is needed for the proposed land use and whether the proposed zoning is consistent with the Comprehensive Plan.

4. Responsibilities

Senior Planner – case manager
Permit Clerk – application intake
Administrative Assistant – public notice
City Attorney – ordinance review
City Clerk – ordinance recording
P&Z – public hearing and recommendation
City Council – final action

5. Procedure

1. Application is submitted using [MyPermitNow](#). (See SOP #)
2. Completeness Check
 - a. Staff reviews application for completeness within 2 business days
 - b. Refer to the Zoning Application Checklist for list of all necessary application materials
 - c. If the application is incomplete, the application is rejected and notice is sent to the applicant with a list of deficiencies.

Development Services Standard Operating Procedures

Application Submitted

Completeness Check

Staff Preliminary Review

Public Notice

Staff Report

P&Z
Public Hearing &
Recommendation to Council

City Council
Public Hearing and
introduction of Ordinance

City Council
Vote on Rezoning Ordinance

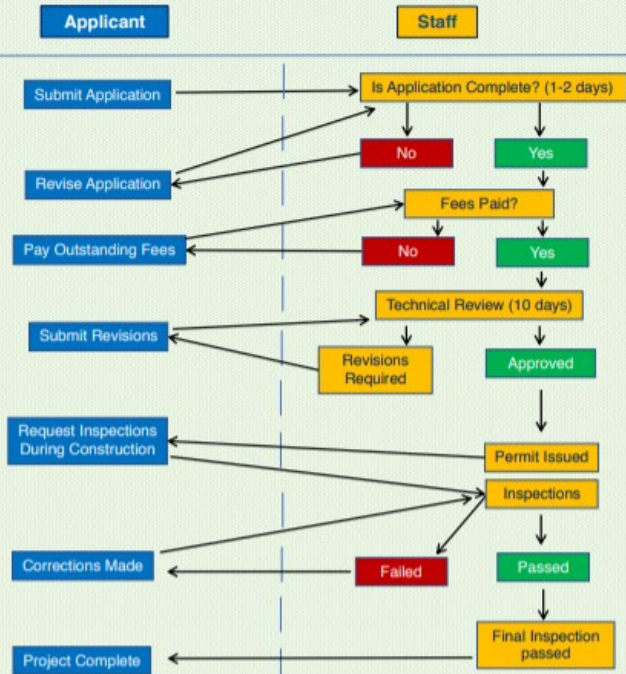
Project Close Out

Development Processes



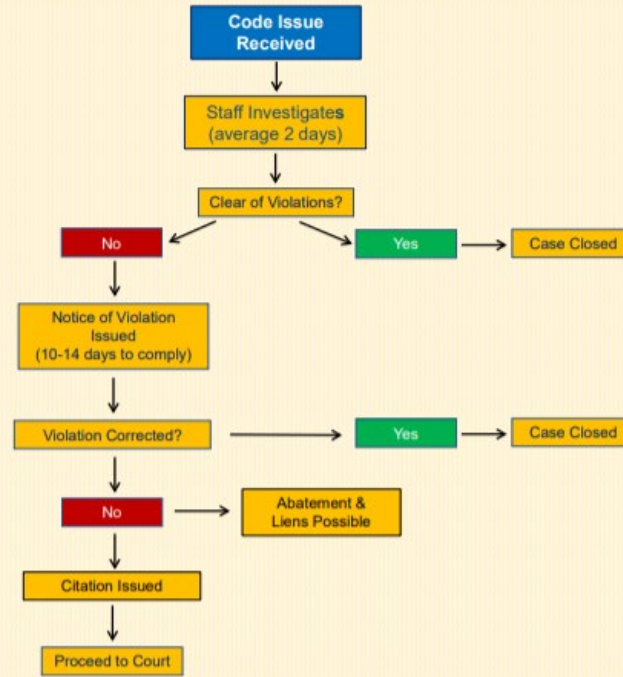
Building Permit Process

Purpose: Building a Better and Safer Taylor Together



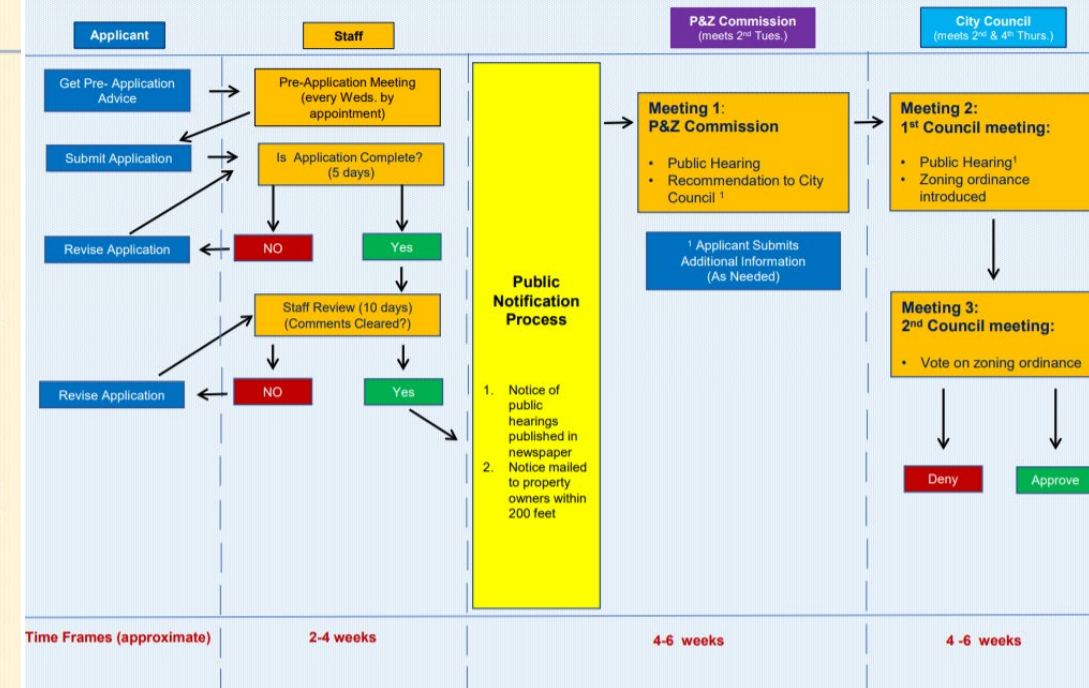
Code Enforcement Process

Purpose: To Keep Taylor Clean, Healthy & Attractive



Rezoning Process

Purpose: Ensure land uses are consistent with the Comprehensive Plan



Customer Interface

Problem statement:

The Development Services department has a negative perception of customer service.

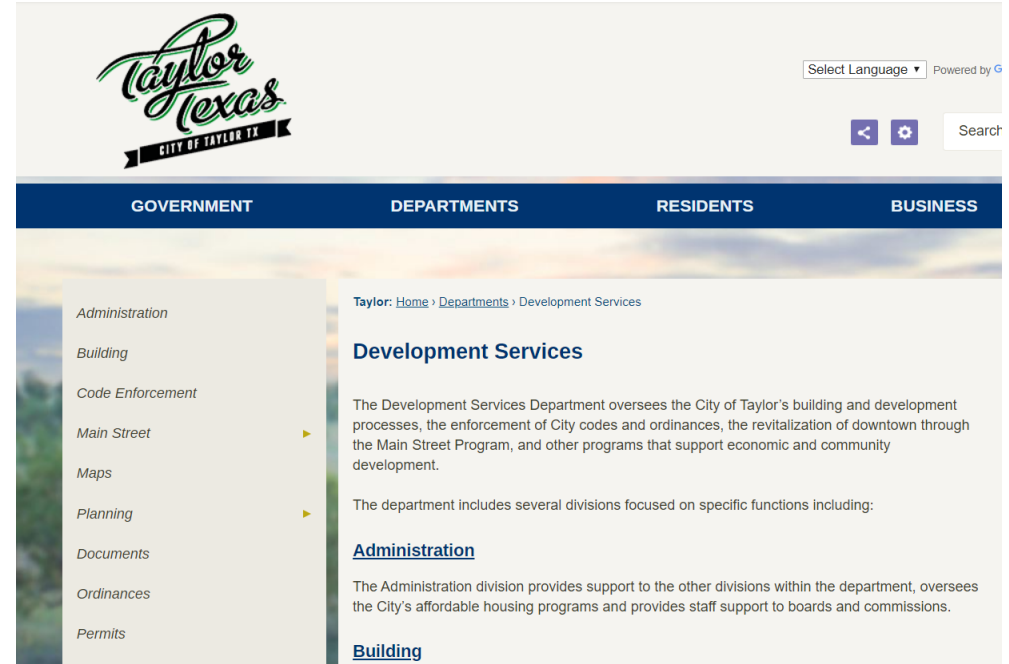
Root causes:

Inconsistencies in the application of the ordinances, unnecessary or outdated regulations, lack of easy-to-understand materials for customers, lack of formal staff training, staff turnover, increasing workload.

Proposed solutions:

- Update all customer materials so that they are clear, concise and easy to understand (numerous updates have been made to MPN, new process flow charts completed)
- Update the web site so that it is a useful tool for customers (completed in 2019)
- Create a customer “shepherd” role (have used a consultant, but need funding for further use)
- Improve the customer experience for walk-in customers (office closed due to COVID, need funding for building modifications)
- Ongoing staff training in processes and customer service (training is ongoing, new Permit Technician 2021)
- Add staff to address workload increases to ensure quality customer service
- Replace existing permitting software with a more user-friendly option

Customer Interface



Customer Interface

Increased workload without additional resources may lead to decreased customer satisfaction

↑ Building Permits

↑ Code Enforcement Cases

↑ Planning Cases

Key Workload Indicators

- Residential permits increased 184% from 2018 to 2020
- Code enforcement cases increased 74% from 2018 to 2020
- Work without permit cases increased from 4% of cases in 2018 to 21% of cases in 2020
- Under construction, planned and proposed residential lots = 3,670

Measures of Success

Problem statement:

The Development Services department's performance is not being measured using objective criteria.

Root causes:

Management staff does not have proper reporting tools to measure key indicators of staff performance.

Proposed solutions:

- Develop management reports using the MyPermitNow software to measure departmental workload and performance on all application types (utilizing reports from MPN for Building, Planning and Code Enforcement, need to continue to improve these reports)
- Create a survey of applicants to measure performance from the customer's perspective (completed a survey and interviews in 2019, planning another survey in 2021)
- Establish performance metrics for each division (have implemented standard review timeframes for all applications)
- Replace permitting software with a solution that provides better reporting

Measures of Success

Avg. time to review new single-family residential permit

- 2018 = 14 days
- 2019 = 6 days
- 2020 = 5 days

Permit Number	Project Status	Address	Project Name	Requirement	Datein Queue	Completed	Time	Complete By
2018-2724	Project Closed/Complete	505 Gano St.	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	9/18/2018		10/10/2018 22 Days	Tamera Baird
2018-2751	Project Closed/Complete	116 1st Avenue	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	10/3/2018		10/10/2018 7 Days	Tamera Baird
2018-2752	Project Closed/Complete	419 Rio Grande St	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	10/3/2018		10/11/2018 8 Days	Tamera Baird
2018-2753	Project Closed/Complete	602 Mariposa	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	10/3/2018		10/10/2018 7 Days	Tamera Baird
2018-2754	Project Closed/Complete	118 Royal	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	10/3/2018		11/16/2018 44 Days	Tamera Baird
2018-2766	Project Closed/Complete	503 W Oak St	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	10/10/2018		10/11/2018 1 Days	Tamera Baird
2018-2780	Project Closed/Complete	801 Kirk St	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	10/22/2018		10/26/2018 4 Days	Tamera Baird
2018-2787	Project Closed/Complete	313 Carlos G Parker Blvd	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	10/25/2018		12/6/2018 42 Days	Tamera Baird
2018-2790	Project Closed/Complete	509 Booth St.	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	10/29/2018		11/8/2018 10 Days	Tamera Baird
2018-2798	Permit Issued	701 Mariposa Ln.	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	11/1/2018		11/8/2018 7 Days	Tamera Baird
2018-2861	Project Closed/Complete	1720 Prather Street	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	12/5/2018		12/17/2018 12 Days	Tamera Baird
2018-2883	Permit Issued	109 1st Avenue	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	12/19/2018		12/28/2018 9 Days	Tamera Baird
2019-2902	Project Closed/Complete	911 Lexington St	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/8/2019		1/18/2019 10 Days	Tamera Baird
Average =							14	
2020-3801	Permit Issued	100 Bethann Ln	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/17/2020		1/17/2020 0 Days	Richard Emerson, I-2149
2020-3803	Permit Issued	125 Kgra Lane	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/17/2020		1/10/2020 3 Days	Richard Emerson, I-2149
2020-3807	Permit Issued	134 Bethann Ln	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/8/2020		1/13/2020 5 Days	Richard Emerson, I-2149
2020-3817	Permit Issued	115 Kgra Ln	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/9/2020		1/13/2020 4 Days	Richard Emerson, I-2149
2020-3819	Permit Issued	111 Kgra Ln	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/16/2020		1/22/2020 6 Days	Richard Emerson, I-2149
2020-7852	Permit Issued	122 Kgra Ln	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/22/2020		1/23/2020 1 Days	Richard Emerson, I-2149
2020-7850	Permit Issued	301 Kgra Ln	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/22/2020		1/23/2020 1 Days	Richard Emerson, I-2149
2020-7843	Permit Issued	120 Kgra Ln	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/22/2020		1/23/2020 1 Days	Richard Emerson, I-2149
2020-7849	Permit Issued	109 Kgra Ln	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/22/2020		1/29/2020 7 Days	Jaime Lanka
2020-7851	Permit Issued	131 Kgra Ln	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/22/2020		1/23/2020 1 Days	Richard Emerson, I-2149
2020-7840	Permit Issued	1206 Old Thorndale Road	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/23/2020		1/24/2020 1 Days	Richard Emerson, I-2149
2020-7865	Permit Issued	119 Kgra Lane	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/23/2020		1/30/2020 7 Days	Jaime Lanka
2020-7866	Permit Issued	118 Kgra Lane	Residential - NSFR	Residential Plan Review (1st Review) (0 Notes)	1/24/2020		1/30/2020 6 Days	Jaime Lanka
Average =							6	

Measures of Success

Implemented HB 3167 process

- 30 day deadline for action on initial application
- 15 day deadline for action on re-submittal



2020-21 Subdivision Applications Calendar

(includes: Preliminary Plat, Subdivision Improvement Plans, Final Plats)

Initial Submittal Applications Received	Re-Submittal Applications Received	Completeness Review Deadline	Staff Review Deadline	Staff Comment Letter Sent	P&Z Agenda Posted	P&Z Meeting
Friday, December 4, 2020	Friday, December 18, 2020	Monday, December 14, 2020 Monday, December 28, 2020	Wednesday, December 30, 2020 Wednesday, January 6, 2021	Monday, January 4, 2021 Thursday, January 7, 2021	Friday, January 8, 2021	Tuesday, January 12, 2021
Friday, January 1, 2021	Friday, January 15, 2021	Monday, January 11, 2021 Monday, January 25, 2021	Wednesday, January 27, 2021 Wednesday, February 3, 2021	Monday, February 1, 2021 Thursday, February 4, 2021	Friday, February 5, 2021	Tuesday, February 9, 2021
Friday, January 29, 2021	Friday, February 12, 2021	Monday, February 8, 2021 Monday, February 22, 2021	Wednesday, February 24, 2021 Wednesday, March 3, 2021	Monday, March 1, 2021 Thursday, March 4, 2021	Friday, March 5, 2021	Tuesday, March 9, 2021
Friday, March 5, 2021	Friday, March 19, 2021	Monday, March 15, 2021 Monday, March 29, 2021	Thursday, April 1, 2021 Wednesday, April 7, 2021	Monday, April 5, 2021 Thursday, April 8, 2021	Friday, April 9, 2021	Tuesday, April 13, 2021
Friday, April 2, 2021	Friday, April 16, 2021	Monday, April 12, 2021 Monday, April 26, 2021	Thursday, April 29, 2021 Wednesday, May 5, 2021	Monday, May 3, 2021 Thursday, May 6, 2021	Friday, May 7, 2021	Tuesday, May 11, 2021
Friday, April 30, 2021	Friday, May 14, 2021	Monday, May 10, 2021 Monday, May 24, 2021	Thursday, May 27, 2021 Wednesday, June 2, 2021	Monday, May 31, 2021 Thursday, June 3, 2021	Friday, June 4, 2021	Tuesday, June 8, 2021
Friday, March 6, 2020	Friday, March 20, 2020	Monday, March 16, 2020 Monday, March 30, 2020	Wednesday, April 1, 2020 Wednesday, April 8, 2020	Monday, July 5, 2021 Thursday, July 8, 2021	Friday, July 9, 2021	Tuesday, July 13, 2021
Friday, July 2, 2021	Friday, July 16, 2021	Monday, July 12, 2021 Monday, July 26, 2021	Wednesday, July 28, 2021 Wednesday, August 4, 2021	Monday, August 2, 2021 Thursday, August 5, 2021	Friday, August 6, 2021	Tuesday, August 10, 2021
Friday, July 30, 2021	Friday, August 13, 2021	Monday, August 9, 2021 Monday, August 23, 2021	Wednesday, August 25, 2021 Wednesday, September 1, 2021	Monday, August 30, 2021 Thursday, September 2, 2021	Friday, September 3, 2021	Tuesday, September 7, 2021
Friday, September 3, 2021	Friday, September 17, 2021	Monday, September 13, 2021 Monday, September 27, 2021	Wednesday, September 29, 2021 Wednesday, October 6, 2021	Monday, October 4, 2021 Thursday, October 7, 2021	Friday, October 8, 2021	Tuesday, October 12, 2021
Friday, October 1, 2021	Friday, October 15, 2021	Monday, October 11, 2021 Monday, October 25, 2021	Wednesday, October 27, 2021 Wednesday, November 3, 2021	Monday, November 1, 2021 Thursday, November 4, 2021	Friday, November 5, 2021	Tuesday, November 9, 2021
Friday, October 29, 2021	Friday, November 12, 2021	Monday, November 8, 2021 Monday, November 22, 2021	Wednesday, November 24, 2021 Wednesday, December 1, 2021	Monday, November 29, 2021 Thursday, December 2, 2021	Friday, December 3, 2021	Tuesday, December 7, 2021

Priorities and Budget Considerations

FY 2021-22

Plans and Policies

- Complete Comprehensive Plan & Impact Fees (already funded)
- Begin Re-Write of Zoning, Subdivision, Design Criteria (~\$150,000)
- Adopt New Building Codes (~\$20,000)
- Revamp Neighborhood Empowerment Zones (staff time)

Staffing

- Planner (~\$60,000)
- Customer shepherd consultant (~\$15,000)
- Neighborhood design consultant (include in fee schedule)

Operations

- Increase Code Enforcement abatement budget including tree care (~\$50,000)
- Front counter customer improvements (~25,000)
- Prepare RFP for permitting software upgrade (staff time)
- Housing demonstration project (staff time/possible design assistance)
- Board & Commission Professional Training (~\$10,000)

Priorities and Budget Considerations

FY 2022-23 & Beyond

Plans and Policies

- Sign Ordinance re-write
- Downtown Master Plan update

Staffing

- Additional Permit Tech/Plan Reviewer
- Additional Code Enforcement Officer
- Staff support for Main Street

Operations

- New permit software implementation
 - More funding for neighborhood cleanups
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Questions



City Council Meeting March 25, 2021 Transmittal Letter

STRATEGIC PILLAR

- ☒ Streets/Infrastructure
- ☐ Quality of Life
- ☐ Economic Vitality

Agenda Item #: 7

Agenda Title: Receive the State of the Department presentation by Public Works for Street and Grounds Division

Council Action to be taken: Discuss and give staff direction regarding the FY21-22 Street Levelup List

Department Submitted: Public Works

Staff Contact: Jim Gray, Director of Public Works

1. PURPOSE/DESCRIPTION

This is a presentation of the State of the Public Works Street and Grounds Division. This presentation will help give the Council insight into the operations of the Street and Grounds Division.

2. STAFF ANALYSIS / BACKGROUND / PRIOR COUNCIL ACTIONS

The Street and Grounds Division is responsible for many improvements in the Public Right of Way. These include Street, Drainage, certain ROW's, Public Facility, and parts of our Park maintenance. The Division also is responsible for barricading special events and putting up the City Christmas decorations. Responsibilities also include trash collection in Parks and at the Cemetery.

The presentation also presents staffing, equipment, and program costs. The equipment and program costs are dependent on a Council decision to fund equipment and the programs as part of a possible bonds program.

3. PROS and CONS

<u>PROS</u>	<u>CONS</u>
N/A	•

4. RECOMMENDATION

Staff recommends accepting the State of the Street and Grounds Division.

5. FUNDING SOURCE

N/A

6. TIMELINE

N/A

7. OTHER OPTIONS (In order of preference)
--

N/A

8. ATTACHMENTS

7a. [PowerPoint presentation](#)



City of Taylor

State of the Taylor Public Works Street & Grounds Division

Department Description

- The Street / Grounds Division is responsible for maintaining city streets, rights-of-ways, drainage ways, city owned sidewalks, street signs, pavement markings, parkland, municipal airport, public properties, and the city cemetery.

Background

- Serving Taylor since 1876
 - Currently located at 1424 & 1201 N. Main St. and 602 E. Rio Grande St.
 - Total department staffing – 16.
 - Rotation of two personnel a week for on-call services.
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Background



What Maintenance Do We Do?

- Level-up program.
- Pothole repair.
- Drainage improvements.
- Culvert replacement – Installed 5 major culverts.
- Crack seal.
- Right – of – way maintenance – mowing and trimming.
- Park maintenance – trash Collection, bathroom & trail maintenance.
- Airport grounds maintenance – mowing and trimming.
- Cemetery grounds maintenance – trash collection, mowing & trimming.
- City property grounds maintenance –trash collection.

Frequency of Maintenance

- Cemetery – every other week.
- Right of Way – three times a year.
- Airport – five times a year.
- Main street, 2nd street, 4th street – every other week, these cuttings will require additional manpower, contract services, or decreasing frequencies of other maintenance activities.
- Channel mowing – four times a year.
- Trash run/bathroom cleaning – every Monday and Friday and before and after each holiday.

Demand for Service

- Population has increased 30% since 2010
 - 1281 new homes currently planned or under construction
 - New roads in each development
 - Several thousand more homes proposed
 - New commercial development – RCR Rail and more
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Strengths

- Experienced staff.
 - Gorrondona pavement management study.
 - Street overlay program.
 - Street reconstruction program.
 - GIS Mapping.
 - Strong working relationship with area partners.
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Strengths Cont.

- Street maintenance program.
 - Level-up
 - Crack Seal
 - Pothole repair
- Grounds maintenance program.
 - Cemetery
 - Airport
 - Right – of – way
 - Trash pick - up
- Drainage maintenance program.
 - Replace culverts
 - Clean ditches

Weakness

- The Public Works Department is separated into several facilities.
 - Lack of personnel or contract services to meet expectations of citizens and council.
 - Lack of funding for materials and equipment to maintain streets and drainage.
 - Deteriorating roadways.
 - Community growth.
- 
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Opportunities

- Street level-up program – helping more citizens receive maintenance on their roads. 21,000 linear feet projected for 2021 – 22 this year.
 - Street overlay and reconstruction programs.
 - Gorrondona pavement management study.
 - TUF funding.
 - MDUS funding.
 - Community growth.
- 
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Threats

- Deteriorating streets.
 - Funding – for existing and additional programs.
 - Community growth will increase demand for service.
- 
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Regulations and Standards

- City of Taylor's Engineering Manual
 - TXDOT Specifications for Construction and Maintenance of Highway, Streets, and Bridges
 - ADA guidelines
- 
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Priorities

- Increased staffing – Should have minimum of three personnel for increased grounds maintenance on 2nd St., 4th St., Main St. and cemetery.
 - Street repair.
 - Drainage maintenance.
 - Grounds maintenance.
 - Equipment purchases.
- 
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Current and Proposed Staffing Levels

- Public Works Director
 - Administrative Assistant
 - Public Works Superintendent
 - 5 Street Crew
 - 3 Accella Work order Crew
 - 5 Grounds Crew
 - 1 Cemetery worker
 - 2 proposed grounds workers to assist with Main Street and 2nd Street added maintenance, if not to contracted out.
 - 1 proposed cemetery worker to assist with added Cemetery maintenance, if Main street and 2nd are not contracted out.
- 
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Funding/Cost if City elects to use debt service

- School zone lighting reconditioning - \$32,000
- Sidewalk master plan - \$40,000
- Reconstruct existing sidewalks - \$150,000
- Curb replacement program - \$150,000
- Pneumatic roller - \$56,000
- Gradeall - \$250,000
- Loader - \$270,000
- 12 Ton Dump Truck - \$90,000
- Boom lift - \$70,000
- 4,000 gal. water truck \$85,000
- Zipper- \$400,000
- Angle Broom - \$18,000
- Self contained Patching truck - \$210,000
- Total cost – \$1,821,000



City Council Meeting March 25, 2021 Transmittal Letter

STRATEGIC PILLAR

- ☒ Streets/Infrastructure
- ☐ Quality of Life
- ☐ Economic Vitality

Agenda Item #: 8
Agenda Title: Receive the State of the Department presentation regarding the Cemetery

Council Action to be taken: Receive the State of the Cemetery Presentation

Department Submitted: Public Works

Staff Contact: Jim Gray, Director of Public Works

1. PURPOSE/DESCRIPTION

This is a presentation of the State of the Public Works Cemetery Division. This presentation will provide the Council with an overview of the Cemetery operations.

2. STAFF ANALYSIS / BACKGROUND / PRIOR COUNCIL ACTIONS

The Cemetery Street Division maintains approximately 115 acres and has over 15,000 headstones. The Cemetery has one Cemetery Coordinator who is a licensed Funeral Director. This is the first licensed Director the City has had in that position that we know of. The Cemetery utilizes one employee of the Street Division who is assigned to the Cemetery full time. The Cemetery also utilizes employees from the Street and Grounds crews for regular mowing at least every other week during the growing seasons.

The Presentation also presents staffing, equipment, and program costs.

3. PROS and CONS

<u>PROS</u>	<u>CONS</u>
N/A	

4. RECOMMENDATION

Staff recommends accepting the State of the Cemetery Division.

5. FUNDING SOURCE

N/A

6. TIMELINE

N/A

7. OTHER OPTIONS (In order of preference)
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N/A

8. ATTACHMENTS

8a. [PowerPoint presentation](#)



City of Taylor

State of the Cemetery

Background/History

According to Williamson County property records, the first cemetery land in Taylor was acquired in 1889. A tract of thirty acres in the John Winsett Survey was sold to the City of Taylor by John S. Barues and Jacob S. Whitmore.

The oldest burial site is that of the Vance family, which dates back to 1853. The oldest stone marker found is that of John S. Miller who died in 1878 and it is located in the northwestern section of the cemetery.

Today, the City of Taylor Cemetery occupies over 114 acres of rolling hillside located on East Highway 79, one mile east of Taylor City Hall.

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1st addition



Gate 2

4th addition



Regulations and Standards

- TCC has an established set of rules & regulations that each family is given at the time of purchase of a grave space or when requested

Acreage Responsible for

- Cemetery Acreage – 114.35
 - 1st addition – 30 acres
 - 2nd addition – 17.89 acres
 - 3rd addition – 10 acres
 - 4th addition – 15 acres
 - 5th addition (undeveloped) – 41.46 acres
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Department Description

- Currently, Taylor City Cemetery is made up of:
 - (1) full-time cemetery coordinator
 - (1) full-time cemetery maintenance worker

Strengths

- Communication between staff has been reformed
 - Customer service has seen significant improvements
 - Accountability – staff is highly reliable and responsible
 - Growing working relationship with area funeral providers
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Weakness

- Headstones
 - many stones are unlevel and/or have fallen over, deterioration to a degree
- Facilities/buildings
 - current office building is very worn due to age
- Equipment
 - frequently needing repair due to age and consistent use
- Water system
 - always needing repair, many leaks across the cemetery, causing occasional pooling of water
- Roads
 - many roads are broken down & require repaving or filling in
- Manpower issues
 - not enough workers to maintain cemetery grounds from an esthetic & safety point of view
- Funding
 - TCC is not currently fully funded to ensure proper operations for a cemetery of its size

Opportunities

- Columbarium for cremated remains
 - Many citizens have desired to have another option other than in-ground burial for loved ones who have been cremated
- Opening 5th Addition
 - 4th addition currently has less than 3,500 spaces available to purchase
- Improve maintenance with additional full-time personnel
 - (1) additional full-time cemetery maintenance worker would allow for more grounds coverage & increase response time in regards to customer requests
- Headstone leveling & restoration program
 - Many citizens have inquired to have headstones re-leveled & cleaned up due to ground movement & weathering
 - Program would improve the overall esthetics of the cemetery

Threats

- Subject to state regulations, which can change
- Hard time comparing to cemeteries in our region due to size & number of spaces available
- Funding
 - TCC is not currently fully funded

Equipment Needs

- Tractor
 - currently having to share tractor with other departments
- Maintenance truck
 - currently have one truck for two full time staff members

CIP Projects

- Headstones – leveling & restoration
 - Pending quotes - \$37,500 to level approximately 150 headstones by contract
- Streets – potholes, deteriorated asphalt
 - Cemetery Road Rebuild Program - \$150,000 (over 5 years)
- Facilities
 - New cemetery office building - \$250,000