

# City Council Agenda

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## SAGINAW CITY COUNCIL NOTICE OF MEETING

### Meeting and/or Executive Session Agenda

6:00 PM - Tuesday, February 5, 2019

Saginaw City Hall Council Chambers

333 West McLeroy Blvd.

In accordance with Section 551.042 of the Texas Government Code, this agenda has been posted at Saginaw City Hall, and distributed to the appropriate news media within the required time frame. All meetings of the Saginaw City Council are open to the public. Public participation and written comments are invited on all open session business items.

The Mayor and City Council request that all cell phones and pagers be turned off or set to vibrate. Members of the audience are requested to step outside to respond to a page or to conduct a phone conversation.

The City Hall is wheelchair accessible and special parking is available on the east side of the building. If special accommodations are required please contact the City Secretary a minimum of 72 hours in advance at 817-232-4640.

#### **(1) Call to Order--Todd Flippo, Mayor**

##### **Pledge of Allegiance to the United States**

##### **Pledge of Allegiance to the State of Texas**

"Honor the Texas Flag; I pledge allegiance to thee, Texas, one State under God, one and indivisible"

#### **(2) Invocation--Pastor Sean Reed, The Crossroads Church**

#### **(3) Audience Participation-On the Video Screen**

#### **(4) Consent Agenda**

- (a)** Action regarding Minutes, January 15, 2019--Janice England, City Secretary
- (b)** Action regarding Resolution No. 2019-01 Supporting City of Fort Worth Ordinance 23086-1-2018 Seeking a Municipal Setting Designation for 2417 E. Long Avenue in Fort Worth--Rick Trice, P.E., Director of Public Works
- (c)** Action regarding a Proposed Sanitary Sewer Pipeline Crossing Agreement with Burlington Northern Santa Fe Railroad--Rick Trice, P.E.,

Director of Public Works

- (d) Action regarding Authorization of an Individual Project Order (IPO) with Kimley-Horn & Associates, Inc. for the Saginaw Parks Site Analysis and Conceptual Design--Rick Trice, P.E., Director of Public Works
  - (e) Action regarding Election of City's Representative on the Metropolitan Area Emergency Medical Service Authority Board of Directors--Doug Spears, Fire Chief
  - (f) Action regarding Agreement to Provide Professional Services related to Building Inspections with Kevin McMillin--Gabe Reaume, City Manager
- (5) Presentation of Comprehensive Annual Financial Report for the year ended September 30, 2018--Jennifer Ripka, Weaver and Tidwell LLP
  - (6) Consideration and Action regarding Resolution No. 2019-02, Calling a General Election to be held on May 4, 2019 to elect the Offices of City Council Place 1, City Council Place 3, and City Council Place 5--Janice England, City Secretary
  - (7) Consideration and Action regarding Ordinance No. 2019-01, Calling a Special Election to be held on May 4, 2019 to determine whether the Voters of the City of Saginaw desire to continue a Sales and Use Tax for Street Maintenance in the City--Janice England, City Secretary
  - (8) Consideration and Action regarding Ordinance No. 2019-02, Calling a Special Election to be held on May 4, 2019 for the purposes of submitting to the voters multiple propositions to amend the Saginaw Home Rule Charter--Bryn Meredith, City Attorney
  - (9) Consideration and Action regarding Ordinance No. 2019-03, adding a New Article VII, "Smoking in Public Places" to Chapter 42 "Health and Sanitation" of the City Code, and repealing Section 42-2 "Smoking at Senior Citizens Center or a Community Center" of the City Code--Gabe Reaume, City Manager
  - (10) Consideration and Action regarding request for reimbursement of legal fees from Councilmember Patrick Farr related to the legal defense of an inquiry by the Tarrant County District Attorney--Bryn Meredith, City Attorney

**(11) Executive Session**

551.071. Texas Government Code.

Consultation with Attorney. The City Council may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the City Council seeks the advice of its attorney about pending or

contemplated litigation, a settlement offer, or 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 clearly conflicts with the provisions of Chapter 551, including the following items:

**(a) Any Posted Item**

551.074 Texas Government Code.

Personnel Matters The City Council may convene in executive session to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee, including deliberation regarding the following officers or employees:

**(a) City Manager**

**(12) Adjournment**



# City of Saginaw

**Meeting Date:** 2/5/2019

**Staff Contact:** Janice England, City Secretary

**Agenda Items:** (4)(a)

**E-mail:** [jengland@saginawtx.org](mailto:jengland@saginawtx.org)

**Phone:** 817-230-0327

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**SUBJECT:**

Action regarding Minutes, January 15, 2019

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**BACKGROUND/DISCUSSION:**

The minutes of the January 15, 2019 City Council Meeting are being presented for approval.

**FINANCIAL IMPACT:**

N/A

**RECOMMENDATION:**

Staff recommends approval.

**ATTACHMENTS:**

Description

Minutes 1-15-2019

**CITY OF SAGINAW  
MINUTES OF CITY COUNCIL MEETING  
HELD AT THE SAGINAW CITY HALL  
333 WEST MCLEROY BLVD.  
JANUARY 15, 2019**

Present at the meeting:

|                             |                       |
|-----------------------------|-----------------------|
| Mayor Pro-Tem               | David Flory           |
| Councilmember               | Valerie Tankersley    |
| Councilmember               | Charles Tucker        |
| Councilmember               | Cindy Bighorse        |
| Councilmember               | Mary Copeland         |
| City Attorney               | Bryn Meredith         |
| City Manager                | Gabe Reaume           |
| Asst. City Manager          | Dolph Johnson         |
| Asst. Finance Director      | Kim Quin              |
| City Secretary              | Janice England        |
| City Engineer               | Andrew Simonsen, P.E. |
| Police Chief                | Lee Howell            |
| Fire Chief                  | Doug Spears           |
| Director of Public Works    | Rick Trice, P.E.      |
| Director of Recreation      | Keith Rinehart        |
| Director of Human Resources | Melanie McManus       |
| Director of Economic Dev.   | Alora Wachholz        |
| Library Director            | Ellen Ritchie         |
| Police Officer              | Douglas Schultz       |

Absent from the meeting:

|               |              |
|---------------|--------------|
| Mayor         | Todd Flippo  |
| Councilmember | Patrick Farr |

Visitors at the meeting:

|                       |                |
|-----------------------|----------------|
| Glen Reeves           | Jacob Dobbins  |
| Tracy Dobbins         | Shawn Morrison |
| Ramon Johnson         | Misty Farr     |
| Cheyenne McMillin     | Ally Surface   |
| Angela Barrientos     | Shannon Lemons |
| Crichton Strittmatter | Marco Johnson  |
| Patrick Montgomery    |                |

(1) Call to Order

Mayor Pro-Tem Flory called the meeting to order at 6:00 p.m. with a quorum present.

Pledge of Allegiance to the United States

## Pledge of Allegiance to the State of Texas

Mayor Pro-Tem Flory explained that Mayor Flippo is out of the country on business and will not be present tonight.

### (2) Invocation

Rabbi Mordecai Griffin of Sar Shalom Synagogue gave the invocation.

### (3) Audience Participation

This item was covered on the video screen.

### (4) Consent Agenda

a. Action regarding Minutes, December 18, 2018

b. Action regarding Minutes, January 2, 2019

c. Action regarding Acceptance of Water-Sewer Facility Easement from Gavilon Grain, LLC  
*Summary: The Fairmont Sanitary Sewer Rehabilitation, Phase I Project includes a new pipeline from the intersection of Fairmont Street and Saginaw Boulevard eastward across the Boulevard and the Union Pacific Railroad and Burlington Northern Santa Fe Railroad. The pipeline then will be routed through the Gavilon Grain, LLC property requiring a new permanent easement and a temporary construction easement.*

d. Action regarding Self Contained Breathing Apparatus Replacement Expenditure  
*Summary: As approved by City Council as a capital expenditure for this fiscal year's budget, the Fire Department is seeking approval to order the replacement Self Contained Breathing Apparatus and associated breathing air equipment. Cost of the project is \$311,231.90. Approved budget expenditure is \$314,800.*

Motion was made by Councilmember Tankersley with a second by Councilmember Tucker to approve the Consent Agenda as presented. Motion carried unanimously. 5-0-0-2

For: Mayor Pro-Tem Flory, Councilmembers  
Tankersley, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: Mayor Flippo and Councilmember Farr

### (5) Consideration and Action regarding Authorization of an Agreement with LaTerra Studio, Inc. for Preparation of Construction Documents for Project Dream Play

Director of Public Works Trice stated that the 2018-2019 budget includes \$178,675 as the City's match for the Project Dream Play Project in Willow Creek Park. He explained that Project Dream Play will be an accessible playground conceived through the work of a non-profit citizens group. City Manager Reaume added that the non-profit group is near their matching amount. In order to advance the project, he explained that the next step in the process is the preparation of construction documents. LaTerra Studio, Inc. is the landscape architect used by the non-profit group

during development of the project and they have submitted an agreement to prepare the documents at a total cost of \$32,500. City Manager Reaume stated that the City Attorney has reviewed the proposed agreement and has recommended an addendum to the agreement that addresses some provisions that were not included in the agreement itself. He added that LaTerra Studio, Inc. has no problem with the addendum. Ms. Misty Farr representing Project Dream Play addressed the Council. She explained that due to a very generous donation received recently they have approximately \$53,000 remaining. She added that they are still fundraising and hope to raise the remaining amount soon.

Motion was made by Councilmember Copeland with a second by Councilmember Bighorse to authorize an agreement with LaTerra Studio, Inc. for preparation of construction documents including the Addendum to Professional Services Agreement for Project Dream Play. Motion carried unanimously. 5-0-0-2

For: Mayor Pro-Tem Flory, Councilmembers  
Tankersley, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: Mayor Flipppo and Councilmember Farr

(6) Executive Session

1 § 551.071. Texas Government Code. Consultation with Attorney. The City Council may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the City Council seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or 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 clearly conflicts with the provisions of Chapter 551, including the following items:

- a. Any Posted Item
- b. Contemplated Development at 900 West McLeroy Blvd., Saginaw

Mayor Pro-Tem Flory declared the meeting recessed into Executive Session at 6:11 p.m.

Mayor Pro-Tem Flory declared the meeting back in Regular Session at 6:43 p.m.

(7) Adjournment

Motion was made by Councilmember Tankersley with a second by Councilmember Tucker to adjourn the meeting. Motion carried unanimously. 5-0-0-2

For: Mayor Pro-Tem Flory, Councilmembers  
Tankersley, Tucker, Bighorse, and Copeland

Against: None

Abstain: None

Absent: Mayor Flipppo and Councilmember Farr

Mayor Pro-Tem Flory declared the City Council Meeting of January 15, 2019 adjourned at 6:43 p.m.

ATTEST:

APPROVED:

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City Secretary Janice England

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Mayor Todd Flippo



# City of Saginaw

**Meeting Date:** 2/5/2019

**Staff Contact:** Rick Trice, P.E., Public Works  
Director

**Agenda Items:** (4)(b)

**E-mail:** [rtrice@saginawtx.org](mailto:rtrice@saginawtx.org)

**Phone:** (817) 230-0449

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**SUBJECT:**

Action regarding Resolution No. 2019-01 Supporting City of Fort Worth Ordinance 23086-01-2018 Seeking Municipal Setting Designation for 2417 E. Long Avenue in Fort Worth

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**BACKGROUND/DISCUSSION:**

The City of Saginaw received a request from the Fort Worth Transportation Authority asking that the city pass a Resolution of Support for a Municipal Setting Designation (MSD) ordinance passed by the city of Fort Worth. The purpose of the MSD ordinance is to prohibit potable use of shallow groundwater at 2417 E. Long Avenue. State regulations require that any municipality that owns or operates a water supply well within five miles of the MSD site support the designation.

The City of Saginaw has three well sites that are no longer in use and have been plugged. The wells are listed on the Texas Water Development Board's database as active wells.

The action is administrative in nature. The MSD site is confined to the Fort Worth location and poses no risk to the City of Saginaw's water supply.

**FINANCIAL IMPACT:**

This action has no Financial Impact

**RECOMMENDATION:**

Staff recommends approval of the resolution.

**ATTACHMENTS:**

Description

Resolution

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

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS, IN SUPPORT OF THE APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR A MUNICIPAL SETTING DESIGNATION IN THE CITY OF FORT WORTH AT 2417 E. LONG AVENUE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, on January 23, 2019 the city council of the city of Fort Worth, Texas, approved Ordinance No. 23086-01-2018, prohibiting the use of shallow groundwater for potable purposes at 2417 E. Long Avenue, Fort Worth, Texas (the "Site"); and,

**WHEREAS**, the city council of the city of Fort Worth, Texas, made a finding that it is in the best interest of the public and the city to facilitate the efforts of the Fort Worth Transportation Authority ("Applicant"), to secure a municipal setting designation with the Texas Commission On Environmental Quality (TCEQ) for said site; and,

**WHEREAS**, applicant has filed an application with the TCEQ for certification of a municipal setting designation for the site pursuant to Texas Health And Safety Code, Chapter 361, Subchapter W, and have provided notice of such application to the city of Saginaw; and,

**WHEREAS**, Texas Health And Safety Code §361.8065 provides that an application to the TCEQ for a municipal setting designation will not be certified unless the application is supported by a resolution adopted by certain entities, including the city council of each municipality that owns or operates a groundwater supply well located not more than five miles from the property for which the designation is sought; and,

**WHEREAS**, the city of Saginaw has historically owned and operated wells within five miles of the site; and

**WHEREAS**, applicant has continuing obligations to satisfy applicable statutory and regulatory provisions concerning groundwater contamination investigation and response actions at the site; and,

**WHEREAS**, the certification of a municipal setting designation for the site is in the best interests of the community;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS:**

**SECTION 1.**

The preambles to this resolution are hereby adopted in their entirety and incorporated herein as though set forth in full herein.

**SECTION 2.**

The city council supports applicant's application to the Texas Commission On Environmental Quality for a municipal setting designation of the site.

**SECTION 3.**

This resolution shall be effective from and after its passage.

**AND IT IS SO RESOLVED.**

**PASSED AND APPROVED** on this the 5th day of February, 2019.

CITY OF SAGINAW, TEXAS

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Todd Flippo, Mayor

ATTEST:

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Janice England, City Secretary



# City of Saginaw

**Meeting Date:** 2/5/2019

**Staff Contact:** Rick Trice, P.E., Director Public Works

**Agenda Items:** (4)(c)

**E-mail:** rtrice@saginawtx.org

**Phone:** (817) 230-0449

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**SUBJECT:**

**Consideration and Action Regarding a Proposed Sanitary Sewer Pipeline Crossing Agreement with Burlington Northern Santa Fe Railroad**

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**BACKGROUND/DISCUSSION:**

The Fairmont Sanitary Sewer Rehabilitation Phase 1 project includes a new pipeline crossing of the Burlington Northern Santa Fe Railroad (BNSF). A sanitary sewer crosses the railroad today and will be abandoned in place when the new pipeline is constructed.

The agreement requires a one-time license fee of \$5,104 and insurance. Additional Railroad Protective Liability Insurance is also required during the construction period and is not currently provided under TML, the City's insurance carrier. The insurance can be furnished for a one year period under the agreement for \$1,266. Staff is recommending we execute the option for BNSF to provide the insurance.

**FINANCIAL IMPACT:**

The financial impact will be \$6,370. Funds in the amount of \$650,000 are budgeted in the Water and Wastewater Enterprise Fund Capital Projects, Account 05-7021-55.

**RECOMMENDATION:**

Staff recommends execution of the Pipeline Crossing Agreement.

**ATTACHMENTS:**

Description

License Agreement with Cover Letter

Budget Information



Jones Lang LaSalle Brokerage, Inc.  
4200 Buckingham Rd, Suite 110  
Fort Worth, Texas 76155  
(817) 230-2600

January 10, 2019

**PENDING ENGINEERING APPROVAL**

City of Saginaw  
Attention: Mr. Ricky Trice  
205 Brenda Lane  
Saginaw, Texas 76179

18-60965

Dear Mr. Trice:

Attached please find a copy of the requested contract for execution by an official authorized to execute contract agreements on behalf of your company. Please print two (2) copies execute and **return both copies with original signature** for completion on part of BNSF Railway Company ("BNSF") to this office, along with the following requirements:

*A check in the amount of \$5,104.00 payable to BNSF Railway Company  
which covers the contract fee(s).*

Please note the agreements cannot be executed by BNSF without an approved insurance certificate. Please email your certificate of insurance to [BNSF@certfocus.com](mailto:BNSF@certfocus.com).

1. A Certificate of Insurance as required in the agreement.
2. A **separate policy** for Railroad Protective Liability Insurance as required in the agreement (**ORIGINAL POLICY MUST BE PROVIDED**). BNSF Railway Company will be the only insured party; OR;

**In lieu of providing a separate policy for Railroad Protective Liability Insurance**, you may participate in the BNSF's Railroad Protective Policy by checking the appropriate box in the contract and including an additional \$1266.00 with your check.

**PLEASE ADVISE IF THIS PROJECT IS ARRA FUNDED.**

Acceptance and deposit of any check by BNSF does not constitute an agreement between BNSF and Licensee for the requested license. BNSF shall not be obligated to hold the check in a separate fund, but may commingle the funds with other funds of BNSF, and in no event shall BNSF be responsible for interest on said funds.

The enclosed permit is not a binding agreement and shall become binding only when, and if, it is executed by you and fully approved and executed by BNSF Railway Company. Upon completion on behalf of BNSF, one fully executed counterpart will be returned for your records.

**The specifications/plans you provided may differ from BNSF's minimum specification requirements. Therefore, prior to your installation, please review the Exhibit A to determine the specifications necessary for your installation.**

We are in receipt of your check no. 124950 in the amount of \$800 for payment of the process fee. Please be informed that if contracts, fees, and insurance are not returned within sixty (60) days, there will be an additional processing fee of \$800.00.

Sincerely,

*Annette Jenkins*

Annette Jenkins  
Senior Manager Permits  
Attachment

## PIPELINE LICENSE

THIS PIPELINE LICENSE ("**License**") is made to be effective \_\_\_\_\_, 2019 (the "**Effective Date**") by and between **BNSF RAILWAY COMPANY**, a Delaware corporation ("**Licensor**") and **CITY OF SAGINAW**, a Texas corporation ("**Licensee**").

In consideration of the mutual covenants contained herein, the parties agree to the **following**:

### GENERAL

1. Grant of License. Licensor hereby grants Licensee a non-exclusive license, subject to all rights, interests, and estates of third parties, including, without limitation, any leases, use rights, easements, liens, or other encumbrances, and upon the terms and conditions set forth below, to construct and maintain, in strict accordance with the drawings and specifications approved by Licensor as part of Licensee's application process (the "**Drawings and Specifications**"), 1 (one) pipeline, eighteen (18) inches in diameter inside a twenty-four (24) inch steel casing (collectively, the "**Pipeline**"), across or along Licensor's rail corridor at or near the station of Saginaw, County of Tarrant, State of Texas, Line Segment 0485, Mile Post 9.13 and Line Segment 7500, Mile Post 353.71 as shown on the attached Drawing No. 74172, dated November 20, 2018, attached hereto as **Exhibit "A"** and incorporated herein by reference (the "**Premises**").
2. Term. This License shall commence on the Effective Date and shall continue for a period of twenty-five (25) years, subject to prior termination as hereinafter described.
3. Existing Improvements. Licensee shall not disturb any improvements of Licensor or Licensor's existing lessees, licensees, easement beneficiaries or lien holders, if any, or interfere with the use, repair, maintenance or replacement of such improvements.
4. Use of the Premises. Licensee shall use the Premises solely for construction, maintenance, and use of the Pipeline in accordance with the Drawings and Specifications. The Pipeline shall carry sewage, and Licensee shall not use the Pipeline to carry any other material or use the Premises for any other purpose.
5. Alterations. Except as set forth in this License, Licensee may not make any alterations to the Premises or permanently affix anything to the Premises or any buildings or other structures adjacent to the Premises without Licensor's prior written consent.

### COMPENSATION

6. License Fee. Licensee shall pay Licensor, prior to the Effective Date, the sum of Five Thousand One Hundred Four and No/100 Dollars (\$5,104.00) as compensation for the use of the Premises.
7. Costs and Expenses.
  - 7.1 For the purpose of this License, "cost" or "costs" and "expense" or "expenses" includes, but is not limited to, actual labor and material costs including all assignable additives, and material and supply costs at current value where used.
  - 7.2 Licensee agrees to reimburse Licensor (pursuant to the terms of **Section 8** below) for all costs and expenses incurred by Licensor in connection with Licensee's use of the Premises or the presence, construction and maintenance of the Pipeline, including but not limited to the furnishing of Licensor's flaggers and any vehicle rental costs incurred, inspection coordination, safety, mobilization and/or other observation services described in this License (collectively, the "**Services**"). Licensee shall bear the cost of the Services, when deemed necessary by Licensor's representative. Flagging costs shall include, but not be limited to, the following: pay for at least an eight (8) hour basic day with time and one-half or double time for overtime, rest days and holidays (as applicable); vacation allowance; paid holidays (as applicable); railway and unemployment insurance; public liability and property

damage insurance; health and welfare benefits; transportation; meals; lodging and supervision. Negotiations for railway labor or collective bargaining agreements and rate changes authorized by appropriate Federal authorities may increase flagging rates. Flagging rates in effect at the time of performance by the flaggers will be used to calculate the flagging costs pursuant to this **Section 7**.

7.3 Licensor, at its sole discretion, may elect to designate a third party (the "**Scheduling Agent**"), to perform and/or arrange for the performance of the Services.

8. **Payment Terms.** All invoices are due thirty (30) days after the date of invoice. If Licensee fails to pay any monies due to Licensor within thirty (30) days after the invoice date, then Licensee shall pay interest on such unpaid sum from the due date until paid at an annual rate equal to the lesser of (i) the prime rate last published in *The Wall Street Journal* in the preceding December plus two and one-half percent (2-1/2%), or (ii) the maximum rate permitted by law.

### **LICENSOR'S RESERVED RIGHTS**

9. **Reserved Rights of Use.** Licensor excepts and reserves the right, to be exercised by Licensor and any other parties who may obtain written permission or authority from Licensor:

9.1 to maintain, use, operate, repair, replace, modify and relocate any utility, power or communication pipe/lines/cables and appurtenances (other than the Pipeline) and other facilities or structures of like character upon, over, under or across the Premises existing as of the Effective Date;

9.2 to construct, maintain, renew, use, operate, change, modify and relocate any tracks or additional facilities, structures and related appurtenances upon, over, under or across the Premises; or

9.3 to use the Premises in any manner as Licensor in its sole discretion deems appropriate, provided Licensor uses all commercially reasonable efforts to avoid material interference with the use of the Premises by Licensee for the purpose specified in **Section 4** above.

10. **Right to Require Relocation.** If at any time during the term of this License, Licensor desires the use of its rail corridor in such a manner as would, in Licensor's reasonable opinion, be interfered with by the Pipeline, Licensee shall, at its sole expense, within thirty (30) days after receiving written notice from Licensor to such effect, make such changes in the Pipeline as in the sole discretion of Licensor may be necessary to avoid interference with the proposed use of Licensor's rail corridor, including, without limitation, the relocation of the Pipeline, or the construction of a new pipeline to replace the Pipeline. Notwithstanding the foregoing, Licensee agrees to make all emergency changes and minor adjustments, as determined by Licensor in its sole discretion, to the Pipeline promptly upon Licensor's request.

### **LICENSEE'S OPERATIONS**

11. **Construction and Maintenance of the Pipeline.**

11.1 Licensee shall not enter or commence construction unless accompanied by Licensor's representative, the Scheduling Agent or its designee. Licensee shall notify Licensor's Roadmaster, at 4028 Deen Road, Ft. Worth, TX 76106, telephone (817) 740-7274 or [sean.debaun@bnsf.com](mailto:sean.debaun@bnsf.com), at least fifteen (15) business days prior to installation of the Pipeline and prior to entering the Premises for any subsequent maintenance thereon. In the event of emergency, Licensee shall notify Licensor of Licensee's entry onto the Premises at the telephone number above as soon as practicable and shall promptly thereafter follow up with written notice of such entry.

11.2 Licensee's on-site supervisors shall retain/maintain a fully executed copy of this License at all times while on the Premises.

11.3 While on the Premises, Licensee shall use only public roadways to cross from one side of Licensor's tracks to the other.

- 11.4 Any contractors or subcontractors performing work on the Pipeline or entering the Premises on behalf of Licensee shall be deemed servants and agents of Licensee for purposes of this License.
- 11.5 Under no conditions shall Licensee be permitted to conduct any tests, investigations or any other activity using mechanized equipment and/or machinery, or place or store any mechanized equipment, tools or other materials, within twenty-five (25) feet of the centerline of any railroad track on the Premises unless Licensee has obtained prior written approval from Licensor. Licensee shall, at its sole cost and expense, perform all activities on and about the Premises in such a manner as not at any time to endanger or interfere with (i) the existence or use of present or future tracks, roadbeds, or property of Licensor, (ii) the safe operation and activities of Licensor or existing third parties, or (iii) the rights or interests of third parties. If ordered to cease using the Premises at any time by Licensor's personnel due to any hazardous condition, Licensee shall immediately do so. Notwithstanding the foregoing right of Licensor, the parties agree that Licensor has no duty or obligation to monitor Licensee's use of the Premises to determine the safe nature thereof, it being solely Licensee's responsibility to ensure that Licensee's use of the Premises is safe. Neither the exercise nor the failure by Licensor to exercise any rights granted in this Section will alter the liability allocation provided by this License.
- 11.6 Licensee shall, at its sole cost and expense, construct and maintain the Pipeline in such a manner and of such material that the Pipeline will not at any time endanger or interfere with (i) the existence or use of present or future tracks, roadbeds, or property of Licensor, (ii) the safe operation and activities of Licensor or existing third parties, or (iii) the rights or interests of third parties. The construction of the Pipeline shall be completed within one (1) year of the Effective Date, and any subsequent maintenance shall be completed within one (1) year of initiation. Within fifteen (15) days after completion of the construction of the Pipeline or the performance of any subsequent maintenance thereon, Licensee shall, at Licensee's own cost and expense, restore the Premises to substantially their state as of the Effective Date, unless otherwise approved in advance by Licensor in writing. On or before expiration or termination of this License for any reason, Licensee shall, at its sole cost and expense, surrender the Premises to Licensor pursuant to the terms and conditions set forth in **Section 24** hereof.
- 11.7 Licensor may direct one or more of its field engineers or inspectors to observe or inspect the construction and/or maintenance of the Pipeline at any time for compliance with the Drawings and Specifications and Legal Requirements (defined below). Licensee shall reimburse Licensor for the cost of such observation or inspection related services pursuant to **Section 8**. If ordered at any time to halt construction or maintenance of the Pipeline by Licensor's personnel or representatives due to non-compliance with the Drawings and Specifications or any other hazardous condition, Licensee shall immediately do so. Notwithstanding the foregoing right of Licensor, the parties agree that Licensor has no duty or obligation to observe or inspect, or to halt work on, the Pipeline, it being solely Licensee's responsibility to ensure that the Pipeline is constructed and maintained in strict accordance with the Drawings and Specifications and in a safe and workmanlike manner in compliance with all terms hereof. Neither the exercise of, nor the failure by Licensor to exercise, any right granted by this Section will alter in any way the liability allocation provided by this License. If at any time Licensee shall, in the sole judgment of Licensor, fail to properly perform its obligations under this **Section 11**, Licensor may, at its option and at Licensee's sole expense, arrange for the performance of such work as it deems necessary for the safety of its operations and activities. Licensee shall promptly reimburse Licensor for all costs and expenses of such work, pursuant to the terms of **Section 8**. Licensor's failure to perform any obligations of Licensee shall not alter the liability allocation hereunder.

12. Boring and Excavation.

- 12.1 Prior to Licensee conducting any boring, excavation, or similar work on or about any portion of the Premises, Licensee shall explore the proposed location for such work with hand tools to a depth of at least three (3) feet below the surface of the ground to determine whether pipelines or other

structures exist below the surface, provided, however, that in lieu of the foregoing, Licensee shall have the right to use suitable detection equipment or other generally accepted industry practice (e.g., consulting with the Underground Services Association) to determine the existence or location of pipelines and other subsurface structures prior to drilling or excavating with mechanized equipment. Licensee may request information from Licensor concerning the existence and approximate location of Licensor's underground lines, utilities, and pipelines at or near the vicinity of the proposed Pipeline by contacting Licensor's Telecommunications Helpdesk at least thirty (30) business days prior to installation of the Pipeline. Upon receiving Licensee's timely request, Licensor will provide Licensee with the information Licensor has in its possession regarding any existing underground lines, utilities, and pipelines at or near the vicinity of the proposed Pipeline and, if applicable, identify the location of such lines on the Premises pursuant to Licensor's standard procedures. Licensor does not warrant the accuracy or completeness of information relating to subsurface conditions of the Premises and Licensee's operations will be subject at all times to the liability provisions herein.

- 12.2 For all bores greater than 26-inch diameter and at a depth less than 10.0 feet below bottom of rail, a soil investigation must be performed by Licensee and reviewed by Licensor prior to construction. This study is to determine if granular material is present, and to prevent subsidence during the installation process. If the investigation determines in Licensor's reasonable opinion that granular material is present, Licensor may select a new location for Licensee's use, or may require Licensee to furnish for Licensor's review and approval, in Licensor's sole discretion, a remedial plan to deal with the granular material. Once Licensor has approved any such remedial plan in writing, Licensee shall, at Licensee's sole cost and expense, carry out the approved plan in accordance with all terms thereof and hereof.
- 12.3 Any open hole, boring, or well constructed on the Premises by Licensee shall be safely covered and secured at all times when Licensee is not working in the actual vicinity thereof. Following completion of that portion of the work, all holes or borings constructed on the Premises by Licensee shall be:
  - 12.3.1 filled in to surrounding ground level with compacted bentonite grout; or
  - 12.3.2 otherwise secured or retired in accordance with any applicable Legal Requirement. No excavated materials may remain on Licensor's property for more than ten (10) days, but must be properly disposed of by Licensee in accordance with applicable Legal Requirements.

## **LIABILITY AND INSURANCE**

### **13. Liability and Indemnification.**

- 13.1 For purposes of this License: (a) "**Indemnitees**" means Licensor and Licensor's affiliated companies, partners, successors, assigns, legal representatives, officers, directors, shareholders, employees, and agents; (b) "**Liabilities**" means all claims, liabilities, fines, penalties, costs, damages, losses, liens, causes of action, suits, demands, judgments, and expenses (including, without limitation, court costs, reasonable attorneys' fees, costs of investigation, removal and remediation, and governmental oversight costs) environmental or otherwise; and (c) "**Licensee Parties**" means Licensee or Licensee's officers, agents, invitees, licensees, employees, or contractors, or any party directly or indirectly employed by any of them, or any party they control or exercise control over.
- 13.2 **TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE SHALL, AND SHALL CAUSE ITS CONTRACTOR TO, RELEASE, INDEMNIFY, DEFEND AND HOLD HARMLESS INDEMNITEES FOR, FROM, AND AGAINST ANY AND ALL LIABILITIES OF ANY NATURE, KIND, OR DESCRIPTION DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM, OR RELATED TO (IN WHOLE OR IN PART):**
  - 13.2.1 **THIS LICENSE, INCLUDING, WITHOUT LIMITATION, ITS ENVIRONMENTAL PROVISIONS,**

13.2.2 ANY RIGHTS OR INTERESTS GRANTED PURSUANT TO THIS LICENSE,

13.2.3 LICENSEE'S OCCUPATION AND USE OF THE PREMISES,

13.2.4 THE ENVIRONMENTAL CONDITION AND STATUS OF THE PREMISES CAUSED BY OR CONTRIBUTED TO BY LICENSEE, OR

13.2.5 ANY ACT OR OMISSION OF ANY LICENSEE PARTY.

13.3 TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE NOW AND FOREVER WAIVES ANY AND ALL CLAIMS THAT BY VIRTUE OF ENTERING INTO THIS LICENSE, LICENSOR IS A GENERATOR, OWNER, OPERATOR, ARRANGER, OR TRANSPORTER FOR THE PURPOSES OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT, AS AMENDED ("CERCLA") OR OTHER ENVIRONMENTAL LAWS (DEFINED BELOW). LICENSEE WILL INDEMNIFY, DEFEND, AND HOLD THE INDEMNITEES HARMLESS FROM ANY AND ALL SUCH CLAIMS. NOTHING IN THIS LICENSE IS MEANT BY EITHER PARTY TO CONSTITUTE A WAIVER OF ANY INDEMNITEE'S COMMON CARRIER DEFENSES AND THIS LICENSE SHOULD NOT BE SO CONSTRUED. IF ANY AGENCY OR COURT CONSTRUES THIS LICENSE TO BE A WAIVER OF ANY INDEMNITEE'S COMMON CARRIER DEFENSES, LICENSEE AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND INDEMNITEES FOR ANY LIABILITIES RELATED TO THAT CONSTRUCTION OF THIS LICENSE. IN NO EVENT AS BETWEEN LICENSOR AND LICENSEE AS TO USE OF THE PREMISES AS CONTEMPLATED BY THIS LICENSE SHALL LICENSOR BE RESPONSIBLE TO LICENSEE FOR THE ENVIRONMENTAL CONDITION OF THE PREMISES.

13.4 IF ANY EMPLOYEE OF ANY LICENSEE PARTY ASSERTS THAT HE OR SHE IS AN EMPLOYEE OF ANY INDEMNITEE, TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE SHALL, AND SHALL CAUSE ITS CONTRACTOR TO, RELEASE, INDEMNIFY, DEFEND, AND HOLD THE INDEMNITEES HARMLESS FROM AND AGAINST ANY LIABILITIES ARISING OUT OF OR RELATED TO (IN WHOLE OR IN PART) ANY SUCH ASSERTION INCLUDING, BUT NOT LIMITED TO, ASSERTIONS OF EMPLOYMENT BY AN INDEMNITEE RELATED TO THE FOLLOWING OR ANY PROCEEDINGS THEREUNDER: THE FEDERAL EMPLOYERS' LIABILITY ACT, THE SAFETY APPLIANCE ACT, THE LOCOMOTIVE INSPECTION ACT, THE OCCUPATIONAL SAFETY AND HEALTH ACT, THE RESOURCE CONSERVATION AND RECOVERY ACT, AND ANY SIMILAR STATE OR FEDERAL STATUTE.

13.5 THE FOREGOING OBLIGATIONS OF LICENSEE SHALL NOT APPLY TO THE EXTENT LIABILITIES ARE PROXIMATELY CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNITEE, BUT SHALL APPLY TO ALL OTHER LIABILITIES, INCLUDING THOSE ARISING FROM OR ATTRIBUTED TO ANY OTHER ALLEGED OR ACTUAL NEGLIGENCE, INTENTIONAL ACTS, OR STRICT LIABILITY OF ANY INDEMNITEE.

13.6 Upon written notice from Licensor, Licensee agrees to assume the defense of any lawsuit or other proceeding brought against any Indemnatee by any entity, relating to any matter covered by this License for which Licensee has an obligation to assume liability for and/or save and hold harmless any Indemnatee. Licensee shall pay all costs and expenses incident to such defense, including, but not limited to, reasonable attorneys' fees, investigators' fees, litigation and appeal expenses, settlement payments, and amounts paid in satisfaction of judgments.

14. Personal Property Risk of Loss. ALL PERSONAL PROPERTY, INCLUDING, BUT NOT LIMITED TO, FIXTURES, EQUIPMENT, OR RELATED MATERIALS UPON THE PREMISES WILL BE AT THE RISK OF LICENSEE ONLY, AND NO INDEMNITEE WILL BE LIABLE FOR ANY DAMAGE THERETO OR THEFT THEREOF, WHETHER OR NOT DUE IN WHOLE OR IN PART TO THE NEGLIGENCE OF ANY INDEMNITEE.

15. Insurance. Licensee shall, at its sole cost and expense, procure and maintain during the life of this License the following insurance coverage:

- 15.1 Commercial General Liability Insurance. This insurance shall contain broad form contractual liability with a combined single limit of a minimum of \$5,000,000 each occurrence and an aggregate limit of at least \$10,000,000 but in no event less than the amount otherwise carried by Licensee. Coverage must be purchased on a post 2004 ISO occurrence or equivalent and include coverage for, but not limited to, the following:

- Bodily Injury and Property Damage
- Personal Injury and Advertising Injury
- Fire legal liability
- Products and completed operations

This policy shall also contain the following endorsements or language, which shall be indicated on the certificate of insurance:

- The definition of insured contract shall be amended to remove any exclusion or other limitation for any work being done within 50 feet of railroad property.
- Waiver of subrogation in favor of and acceptable to Licensor.
- Additional insured endorsement in favor of and acceptable to Licensor and Jones Lang LaSalle Brokerage, Inc.
- Separation of insureds.
- The policy shall be primary and non-contributing with respect to any insurance carried by Licensor.

It is agreed that the workers' compensation and employers' liability related exclusions in the Commercial General Liability Insurance policy(s) required herein are intended to apply to employees of the policy holder and shall not apply to Licensor's employees.

No other endorsements limiting coverage may be included on the policy.

- 15.2 Business Automobile Insurance. This insurance shall contain a combined single limit of at least \$1,000,000 per occurrence, and include coverage for, but not limited to the following:

- Bodily injury and property damage.
- Any and all vehicles owned, used or hired.

This policy shall also contain the following endorsements, which shall be indicated on the certificate of insurance:

- Waiver of subrogation in favor of and acceptable to Licensor.
- Additional insured endorsement in favor of and acceptable to Licensor.
- Separation of insureds.
- The policy shall be primary and non-contributing with respect to any insurance carried by Licensor.

- 15.3 Workers' Compensation and Employers' Liability Insurance. This insurance shall include coverage for, but not limited to:

- Licensee's statutory liability under the workers' compensation laws of the state(s) in which the services are to be performed. If optional under state laws, the insurance must cover all employees anyway.
- Employers' Liability (Part B) with limits of at least \$500,000 each accident, \$500,000 by disease policy limit, \$500,000 by disease each employee.

This policy shall also contain the following endorsements or language, which shall be indicated on the certificate of insurance:

- Waiver of subrogation in favor of and acceptable to Licensor.

- 15.4 Railroad Protective Liability Insurance. This insurance shall name only Licensor as the Insured with coverage of at least \$5,000,000 per occurrence and \$10,000,000 in the aggregate. The coverage obtained under this policy shall only be effective during the initial installation and/or construction of the Pipeline. **THE CONSTRUCTION OF THE PIPELINE SHALL BE COMPLETED WITHIN ONE (1) YEAR OF THE EFFECTIVE DATE.** If further maintenance of the Pipeline is needed at a later date, an additional Railroad Protective Liability Insurance Policy shall be required. The policy shall be issued on a standard ISO form CG 00 35 12 03 and include the following:
- Endorsed to include the Pollution Exclusion Amendment.
  - Endorsed to include the Limited Seepage and Pollution Endorsement.
  - Endorsed to include Evacuation Expense Coverage Endorsement.
  - No other endorsements restricting coverage may be added.
  - The original policy must be provided to Licensor prior to performing any work or services under this License.
  - Definition of "Physical Damage to Property" shall be endorsed to read: "means direct and accidental loss of or damage to all property owned by any named insured and all property in any named insured's care, custody and control arising out of the acts or omissions of the contractor named on the Declarations."

In lieu of providing a Railroad Protective Liability Policy, for a period of one (1) year from the Effective Date, Licensee may participate in Licensor's Blanket Railroad Protective Liability Insurance Policy available to Licensee or its contractor. The limits of coverage are the same as above. The cost is \$1,266.00.

- ☐ I **elect** to participate in Licensor's Blanket Policy;
- ☐ I **elect not** to participate in Licensor's Blanket Policy.

15.5 Intentionally deleted.

15.6 Other Requirements:

- 15.6.1 Where allowable by law, all policies (applying to coverage listed above) shall contain no exclusion for punitive damages.
- 15.6.2 Licensee agrees to waive its right of recovery against Licensor for all claims and suits against Licensor. In addition, Licensee's insurers, through the terms of the policy or a policy endorsement, must waive their right of subrogation against Licensor for all claims and suits, and the certificate of insurance must reflect the waiver of subrogation endorsement. Licensee further waives its right of recovery, and its insurers must also waive their right of subrogation against Licensor for loss of Licensee's owned or leased property, or property under Licensee's care, custody, or control.
- 15.6.3 Licensee is not allowed to self-insure without the prior written consent of Licensor. If granted by Licensor, any self-insured retention or other financial responsibility for claims shall be covered directly by Licensee in lieu of insurance. Any and all Licensor liabilities that would otherwise, in accordance with the provisions of this License, be covered by Licensee's insurance will be covered as if Licensee elected not to include a self-insured retention or other financial responsibility for claims.
- 15.6.4 Prior to entering the Premises, Licensee shall furnish to Licensor an acceptable certificate(s) of insurance including an original signature of the authorized representative evidencing the required coverage, endorsements, and amendments. Licensee shall notify Licensor in writing at least 30 days prior to any cancellation, non-renewal, substitution, or material alteration. In the event of a claim or lawsuit involving Licensor arising out of this License, Licensee will make available any required policy covering such claim or lawsuit.

- 15.6.5 Any insurance policy shall be written by a reputable insurance company acceptable to Licensors or with a current Best's Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the service is to be provided.
- 15.6.6 If coverage is purchased on a "claims made" basis, Licensee hereby agrees to maintain coverage in force for a minimum of three years after expiration or termination of this License. Annually, Licensee agrees to provide evidence of such coverage as required hereunder.
- 15.6.7 Licensee represents that this License has been thoroughly reviewed by Licensee's insurance agent(s)/broker(s), who have been instructed by Licensee to procure the insurance coverage required by this License. Allocated Loss Expense shall be in addition to all policy limits for coverages referenced above.
- 15.6.8 Not more frequently than once every five years, Licensors may reasonably modify the required insurance coverage to reflect then-current risk management practices in the railroad industry and underwriting practices in the insurance industry.
- 15.6.9 If any portion of the operation is to be subcontracted by Licensee, Licensee shall require that the subcontractor shall provide and maintain insurance coverages as set forth herein, naming Licensors as an additional insured, and shall require that the subcontractor shall release, defend and indemnify Licensors to the same extent and under the same terms and conditions as Licensee is required to release, defend and indemnify Licensors herein.
- 15.6.10 Failure to provide evidence as required by this **Section 15** shall entitle, but not require, Licensors to terminate this License immediately. Acceptance of a certificate that does not comply with this Section shall not operate as a waiver of Licensee's obligations hereunder.
- 15.6.11 The fact that insurance (including, without limitation, self-insurance) is obtained by Licensee shall not be deemed to release or diminish the liability of Licensee, including, without limitation, liability under the indemnity provisions of this License. Damages recoverable by Licensors shall not be limited by the amount of the required insurance coverage.
- 15.6.12 These insurance provisions are intended to be a separate and distinct obligation on the part of the Licensee. Therefore, these provisions shall be enforceable and Licensee shall be bound thereby regardless of whether or not indemnity provisions are determined to be enforceable.
- 15.6.13 For purposes of this **Section 15**, Licensors shall mean "Burlington Northern Santa Fe, LLC", "BNSF Railway Company" and the subsidiaries, successors, assigns and affiliates of each.

## **COMPLIANCE WITH LAWS, REGULATIONS, AND ENVIRONMENTAL MATTERS**

### **16. Compliance with Laws, Rules, and Regulations.**

- 16.1 Licensee shall observe and comply with any and all laws, statutes, regulations, ordinances, orders, covenants, restrictions, or decisions of any court of competent jurisdiction ("**Legal Requirements**") relating to the construction, maintenance, and use of the Pipeline and the use of the Premises.
- 16.2 Prior to entering the Premises, Licensee shall and shall cause its contractor(s) to comply with all of Licensors's applicable safety rules and regulations. Licensee must ensure that each of its employees, contractors, agents or invitees entering upon the Premises completes the safety orientation program at the Website "www.BNSFcontractor.com" (the "**Safety Orientation**") within one year prior to entering upon the Premises. Additionally, Licensee must ensure that each and every employee of Licensee, its contractors, agents and invitees possess a card certifying completion of the Safety Orientation prior to entering upon the Premises. Licensee must renew the Safety Orientation annually.

- 16.3 Licensee shall obtain on or before the date it or its contractor enters the Premises, any and all additional rights-of way, easements, licenses and other agreements relating to the grant of rights and interests in and/or access to the Premises (collectively, the "**Rights**") and such other rights, licenses, permits, authorizations, and approvals (including without limitation, any necessary local, state, federal or tribal authorizations and environmental permits) that are necessary in order to permit Licensee to construct, maintain, own and operate the Pipeline and otherwise to perform its obligations hereunder in accordance with the terms and conditions hereof.
- 16.4 Licensee shall either require that the initial stated term of each such Rights be for a period that does not expire, in accordance with its ordinary terms, prior to the last day of the term of this License or, if the initial stated term of any such Right expires in accordance with its ordinary terms on a date earlier than the last day of the term of this License, Licensee shall, at its cost, exercise any renewal rights thereunder, or otherwise acquire such extensions, additions and/or replacements as may be necessary, in order to cause the stated term thereof to be continued until a date that is not earlier than the last day of the term of this License.
- 16.5 Upon the expiration or termination of any Right that is necessary in order for Licensee to own, operate or use the Pipeline in accordance with the terms and conditions of this License, this License thereby shall automatically expire upon such expiration or termination of the Right.

17. Environmental.

- 17.1 Licensee shall strictly comply with all federal, state and local environmental Legal Requirements and regulations in its use of the Premises, including, but not limited to, the Resource Conservation and Recovery Act, as amended (RCRA), the Clean Water Act, the Oil Pollution Act, the Hazardous Materials Transportation Act, and CERCLA (collectively referred to as the "**Environmental Laws**"). Licensee shall not maintain a treatment, storage, transfer or disposal facility, or underground storage tank, as defined by Environmental Laws on the Premises. Licensee shall not release or suffer the release of oil or hazardous substances, as defined by Environmental Laws on or about the Premises.
- 17.2 Licensee covenants that it will not handle or transport "hazardous waste" or "hazardous substances", as "hazardous waste" and "hazardous substances" may now or in the future be defined by any federal, state, or local governmental agency or body through the Pipeline on Licensors property. Licensee agrees periodically to furnish Licensors with proof, satisfactory to Licensors that Licensee is in compliance with the provisions of this **Section 17.2**.
- 17.3 Licensee shall give Licensors immediate notice to Licensors Resource Operations Center at (800) 832-5452 of any known (i) release of hazardous substances on, from, or affecting the Premises, (ii) violation of Environmental Laws, or (iii) inspection or inquiry by governmental authorities charged with enforcing Environmental Laws with respect to Licensees use of the Premises. Licensee shall use the best efforts to promptly respond to any release on, from, or affecting the Premises. Licensee also shall give Licensors immediate notice of all measures undertaken on behalf of Licensee to investigate, remediate, respond to or otherwise cure such release or violation.
- 17.4 If Licensors has notice from Licensee or otherwise of a release or violation of Environmental Laws arising in any way with respect to the Pipeline which occurred or may occur during the term of this License, Licensors may require Licensee, at Licensees sole risk and expense, to take timely measures to investigate, remediate, respond to or otherwise cure such release or violation affecting the Premises or Licensors right-of-way.
- 17.5 Licensee shall promptly report to Licensors in writing any conditions or activities upon the Premises known to Licensee which create a risk of harm to persons, property or the environment and shall take whatever action is necessary to prevent injury to persons, property, or the environment arising out of such conditions or activities; provided, however, that Licensees reporting to Licensors shall not

relieve Licensee of any obligation whatsoever imposed on it by this License. Licensee shall promptly respond to Licensors request for information regarding said conditions or activities.

### **DISCLAIMER OF WARRANTIES**

#### 18. No Warranties.

18.1 **LICENSOR'S DUTIES AND WARRANTIES ARE LIMITED TO THOSE EXPRESSLY STATED IN THIS LICENSE AND SHALL NOT INCLUDE ANY IMPLIED DUTIES OR IMPLIED WARRANTIES, NOW OR IN THE FUTURE. NO REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE BY LICENSOR OTHER THAN THOSE CONTAINED IN THIS LICENSE. LICENSEE HEREBY WAIVES ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES OR WHICH MAY EXIST BY OPERATION OF LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

18.2 **LICENSOR MAKES NO WARRANTY, REPRESENTATION OR CONDITION OF ANY KIND, EXPRESS OR IMPLIED, CONCERNING (A) THE SCOPE OF THE LICENSE OR OTHER RIGHTS GRANTED HEREUNDER TO LICENSEE OR (B) WHETHER OR NOT LICENSEE'S CONSTRUCTION, MAINTENANCE, OWNERSHIP, USE OR OPERATION OF THE PIPELINE WILL VIOLATE OR INFRINGE UPON THE RIGHTS, INTERESTS AND ESTATES OF THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY LEASES, USE RIGHTS, EASEMENTS AND LIENS OF ANY THIRD PARTY.**

19. Disclaimer of Warranty for Quiet Enjoyment. **LICENSOR DOES NOT WARRANT ITS TITLE TO THE PREMISES NOR UNDERTAKE TO DEFEND LICENSEE IN THE PEACEABLE POSSESSION OR USE THEREOF. NO COVENANT OF QUIET ENJOYMENT IS MADE.**

20. Eviction at Risk of Licensee. In case of the eviction of Licensee by anyone owning, claiming title to, or claiming any interest in the Premises, or by the abandonment by Licensor of the affected rail corridor, Licensor shall not be liable (i) to refund Licensee any compensation paid hereunder, except for the pro-rata part of any recurring charge paid in advance, or (ii) for any damage Licensee sustains in connection with the eviction.

### **LIENS AND TAXES**

21. Liens and Charges. Licensee shall promptly pay and discharge any and all liens arising out of any construction, alterations or repairs done, suffered or permitted to be done by Licensee on Premises. Licensor is hereby authorized to post any notices or take any other action upon or with respect to Premises that is or may be permitted by law to prevent the attachment of any such liens to Premises; provided, however, that failure of Licensor to take any such action shall not relieve Licensee of any obligation or liability under this **Section 21** or any other Section of this License.

22. Taxes. Licensee shall pay when due any taxes, assessments or other charges (collectively, "**Taxes**") levied or assessed by any governmental or quasi-governmental body upon the Pipeline or any other improvements constructed or installed on the Premises by or for Licensee (collectively, the "**Improvements**") or any Taxes levied or assessed against Licensor or the Premises that are attributable to the Improvements.

### **DEFAULT, TERMINATION, AND SURRENDER**

23. Default and Termination. In addition to and not in limitation of Licensor's right to terminate for failure to provide evidence of insurance as required pursuant to the terms of **Section 15**, the following events are also deemed to be events of default pursuant to which Licensor has the right to terminate as set forth below:

- 23.1 If default shall be made in any of Licensee's covenants, agreements, or obligations contained in this License and Licensee fails to cure said default within thirty (30) days after written notice is provided to Licensee by Licenser, or in case of any assignment or transfer of this License in violation of **Section 26** below, Licenser may, at its option, terminate this License by serving five (5) days' notice in writing upon Licensee. Notwithstanding the foregoing, Licenser shall have the right to terminate this License immediately if Licensee fails to provide evidence of insurance as required in **Section 15**.
- 23.2 Should Licensee not comply fully with the obligations of **Section 17** regarding the handling or transporting of hazardous waste or hazardous material, notwithstanding anything contained in any other provision of this License, Licenser may, at its option, terminate this License by serving five (5) days' notice of termination upon Licensee.
- 23.3 Any waiver by Licenser of any default or defaults shall not constitute a waiver of the right to terminate this License for any subsequent default or defaults, nor shall any such waiver in any way affect Licenser's ability to enforce any Section of this License. The remedy set forth in this **Section 23** shall be in addition to, and not in limitation of, any other remedies that Licenser may have at law or in equity.
- 23.4 In addition to and not in limitation of Licenser's rights to terminate this License for failure to provide evidence of insurance or occurrence of defaults as described above, this License may be terminated by either party, at any time, by serving thirty (30) days' written notice of termination upon the other party. Such termination shall not release either party hereto from any liability or obligation under the License, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination or thereafter in case by the terms of the License it is provided that anything shall or may be done after termination hereof.

24. Surrender of the Premises.

- 24.1 On or before expiration or termination of this License for any reason, Licensee shall, at its sole cost and expense:
- 24.1.1 if so directed by Licenser in writing, remove the Improvements, the Pipeline and all appurtenances thereto, or, at the sole discretion of Licenser, fill and cap or otherwise appropriately decommission the Pipeline with a method satisfactory to Licenser;
- 24.1.2 report and restore any damage to the Premises or Licenser's other property arising from, growing out of, or connected with Licensee's use of the Premises;
- 24.1.3 remedy any unsafe conditions on the Premises created or aggravated by Licensee; and
- 24.1.4 leave the Premises in substantially the condition which existed as of the Effective Date.
- 24.2 Upon any expiration or termination of this License, if Licensee fails to surrender the Premises to Licenser or if Licensee fails to complete its obligations under **Section 24.1** above (the "**Restoration Obligations**"), Licensee shall have a limited license to enter upon the Premises solely to the extent necessary for Licensee to complete the Restoration Obligations, and all liabilities and obligations of Licensee hereunder shall continue in effect until the Premises are surrendered and the Restoration Obligations are completed. Neither termination nor expiration shall release Licensee from any liability or obligation under this License, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination, or, if later, the date when Licensee surrenders the Premises and all of the Restoration Obligations are completed.

- 24.3 If Licensee fails to complete the Restoration Obligations within thirty (30) days after the date of such termination of its tenancy, then Licenser may, at its election, either: (i) remove the Pipeline and the other Improvements or otherwise restore the Premises, and in such event Licensee shall, within thirty (30) days after receipt of bill therefor, reimburse Licenser for cost incurred, (ii) upon written notice to Licensee, take and hold the Pipeline and the other Improvements and personal property as its sole property, without payment or obligation to Licensee therefor, or (iii) specifically enforce Licensee's obligation to restore and/or pursue any remedy at law or in equity against Licensee for failure to so restore. Further, if Licenser has consented to the Pipeline and the other Improvements remaining on the Premises following termination, Licensee shall, upon request by Licenser, provide a bill of sale in a form acceptable to Licenser conveying the Pipeline and the other Improvements to Licenser.

## **MISCELLANEOUS**

25. **Successors and Assigns.** All provisions contained in this License shall be binding upon, inure to the benefit of, and be enforceable by the respective successors and assigns of Licenser and Licensee to the same extent as if each such successor and assign was named a party to this License.
26. **Assignment.**
- 26.1 Licensee may not sell, assign, transfer, or hypothecate this License or any right, obligation, or interest herein (either voluntarily or by operation of law, merger, or otherwise) without the prior written consent of Licenser, which consent may not be unreasonably withheld or delayed by Licenser. Any attempted assignment by Licensee in violation of this **Section 26** shall be a breach of this License and, in addition, shall be voidable by Licenser in its sole and absolute discretion.
- 26.2 For purposes of this **Section 26**, the word "assign" shall include without limitation (a) any sale of the equity interests of Licensee following which the equity interest holders of Licensee immediately prior to such sale own, directly or indirectly, less than 50% of the combined voting power of the outstanding voting equity interests of Licensee, (b) any sale of all or substantially all of the assets of (i) Licensee and (ii) to the extent such entities exist, Licensee's parent and subsidiaries, taken as a whole, or (c) any reorganization, recapitalization, merger or consolidation involving Licensee. Notwithstanding the foregoing, any reorganization, recapitalization, merger or consolidation following which the equity interest holders of Licensee immediately prior to such reorganization, recapitalization, merger or consolidation own, directly or indirectly, at least 50% of the combined voting power of the outstanding voting equity interests of Licensee or any successor thereto or the entity resulting from such reorganization, recapitalization, merger or consolidation shall not be deemed an assignment. THIS LICENSE SHALL NOT RUN WITH THE LAND WITHOUT THE EXPRESS WRITTEN CONSENT OF LICENSOR, SUCH CONSENT TO BE IN LICENSOR'S SOLE DISCRETION.
- 26.3 Notwithstanding the provisions of **Section 26.1** above or anything contained in this License to the contrary, if Licensee sells, assigns, transfers, or hypothecates this License or any interest herein in contravention of the provisions of this License (a "**Purported Assignment**") to another party (a "**Purported Transferee**"), the Purported Transferee's enjoyment of the rights and privileges granted under this License shall be deemed to be the Purported Transferee's agreement to be bound by all of the terms and provisions of this License, including but not limited to the obligation to comply with the provisions of **Section 15** above concerning insurance requirements. In addition to and not in limitation of the foregoing, Licensee, for itself, its successors and assigns, shall indemnify, defend and hold harmless Licenser for all Liabilities of any nature, kind or description of any person or entity directly or indirectly arising out of, resulting from or related to (in whole or in part) a Purported Assignment.
- 26.4 The provisions of this **Section 26** shall survive the expiration or earlier termination of this License.
27. **Notices.** Any notice, invoice, or other writing required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if

(i) placed in the United States mail, certified, return receipt requested, or (ii) deposited into the custody of a nationally recognized overnight delivery service, addressed to the party to be notified at the address for such party specified below, or to such other address as the party to be notified may designate by giving the other party no less than thirty (30) days' advance written notice of such change in address.

If to Licensor: Jones Lang LaSalle Brokerage, Inc.  
4200 Buckingham, Suite 110  
Fort Worth, TX 76155  
Attn: Permits/Licenses

with a copy to: BNSF Railway Company  
2310 Lou Menk Dr. –GOB3W  
Fort Worth, TX 76131  
Attn: Senior Manager Real Estate

If to Licensee: City of Saginaw  
205 Brenda Lane  
Saginaw, Texas 76179

28. Survival. Neither termination nor expiration will release either party from any liability or obligation under this License, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination or expiration, or, if later, the date when the Pipeline and the other Improvements are removed and the Premises are restored to its condition as of the Effective Date.
29. Recordation. It is understood and agreed that this License shall not be placed or allowed to be placed on public record.
30. Applicable Law. All questions concerning the interpretation or application of provisions of this License shall be decided according to the substantive laws of the State of Texas without regard to conflicts of law provisions.
31. Severability. To the maximum extent possible, each provision of this License shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this License shall be prohibited by, or held to be invalid under, applicable law, such provision shall be ineffective solely to the extent of such prohibition or invalidity, and this shall not invalidate the remainder of such provision or any other provision of this License.
32. Integration. This License is the full and complete agreement between Licensor and Licensee with respect to all matters relating to Licensee's use of the Premises, and supersedes any and all other agreements between the parties hereto relating to Licensee's use of the Premises as described herein. However, nothing herein is intended to terminate any surviving obligation of Licensee or Licensee's obligation to defend and hold Licensor harmless in any prior written agreement between the parties.
33. Joint and Several Liability. If Licensee consists of two or more parties, all the covenants and agreements of Licensee herein contained shall be the joint and several covenants and agreements of such parties.
34. Waiver. The waiver by Licensor of the breach of any provision herein by Licensee shall in no way impair the right of Licensor to enforce that provision for any subsequent breach thereof.
35. Interpretation.
  - 35.1 This License shall be interpreted in a neutral manner, and not more strongly for or against any party based upon the source of the draftsmanship; both parties hereby agree that this License shall not be subject to the principle that a contract would be construed against the party which drafted the same. Article titles, headings to sections and paragraphs and the table of contents (if any) are inserted for convenience of reference only and are not intended to be a part or to affect the meaning or

interpretation hereof. The exhibit or exhibits referred to herein shall be construed with and as an integral part of this License to the same extent as if they were set forth verbatim herein.

35.2 As used herein, "include", "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; "writing", "written" and comparable terms refer to printing, typing, lithography and other means of reproducing words in a visible form; references to any person are also to that person's successors and permitted assigns; "hereof", "herein", "hereunder" and comparable terms refer to the entirety hereof and not to any particular article, section, or other subdivision hereof or attachment hereto; references to any gender include references to the masculine or feminine as the context requires; references to the plural include the singular and vice versa; and references to this License or other documents are as amended, modified or supplemented from time to time.

36. Counterparts. This License may be executed in multiple counterparts, each of which shall, for all purposes, be deemed an original but which together shall constitute one and the same instrument, and the signature pages from any counterpart may be appended to any other counterpart to assemble fully executed documents, and counterparts of this License may also be exchanged via email or electronic facsimile machines and any email or electronic facsimile of any party's signature shall be deemed to be an original signature for all purposes.

37. Licensor's Representative. Jones Lang LaSalle Brokerage, Inc. is acting as representative for BNSF Railway Company.

This License has been duly executed by the parties hereto as of the date below each party's signature; to be effective, however, as of the Effective Date.

**LICENSOR:**

**BNSF RAILWAY COMPANY**, a Delaware corporation

**By:** Jones Lang LaSalle Brokerage, Inc.,  
4200 Buckingham Road, Suite 110  
Fort Worth, TX 76155

**By:** \_\_\_\_\_

**Title:** Shane Krueger  
Vice President Permits and Special Projects

**Date:** \_\_\_\_\_

**LICENSEE:**

**CITY OF SAGINAW** a Texas corporation,

205 Brenda Lane  
Saginaw, Texas 76179

**By:** \_\_\_\_\_

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

**Date:** \_\_\_\_\_

**EXHIBIT "A"**  
ATTACHED TO CONTRACT BETWEEN  
**BNSF RAILWAY COMPANY**  
AND

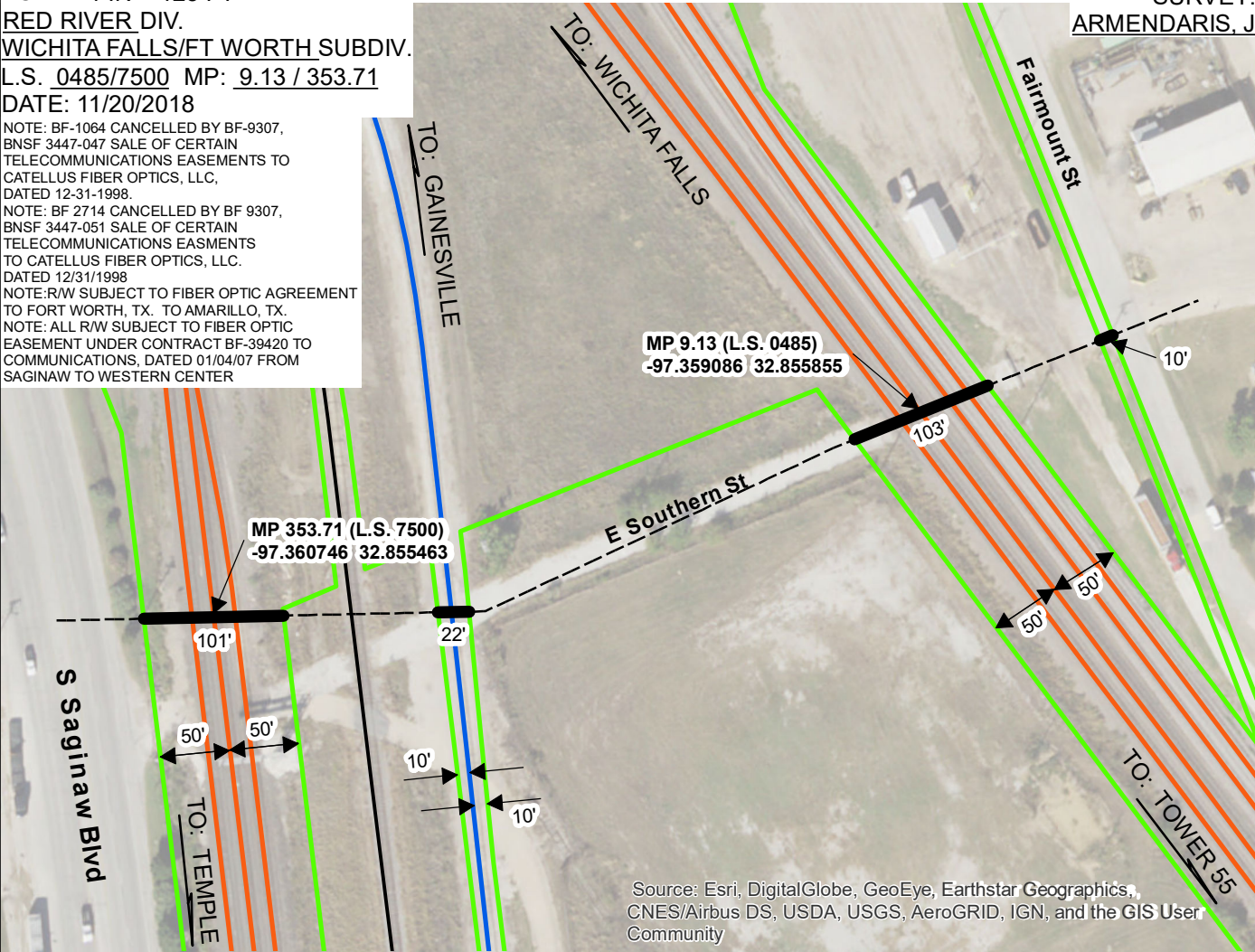


**CITY OF SAGINAW**

SCALE: 1 IN = 125 FT  
RED RIVER DIV.  
WICHITA FALLS/FT WORTH SUBDIV.  
L.S. 0485/7500 MP: 9.13 / 353.71  
DATE: 11/20/2018

SURVEY:  
ARMENDARIS, J

NOTE: BF-1064 CANCELLED BY BF-9307,  
BNSF 3447-047 SALE OF CERTAIN  
TELECOMMUNICATIONS EASEMENTS TO  
CATELLUS FIBER OPTICS, LLC,  
DATED 12-31-1998.  
NOTE: BF 2714 CANCELLED BY BF 9307,  
BNSF 3447-051 SALE OF CERTAIN  
TELECOMMUNICATIONS EASEMENTS  
TO CATELLUS FIBER OPTICS, LLC.  
DATED 12/31/1998  
NOTE: R/W SUBJECT TO FIBER OPTIC AGREEMENT  
TO FORT WORTH, TX. TO AMARILLO, TX.  
NOTE: ALL R/W SUBJECT TO FIBER OPTIC  
EASEMENT UNDER CONTRACT BF-39420 TO  
COMMUNICATIONS, DATED 01/04/07 FROM  
SAGINAW TO WESTERN CENTER



DESCRIPTION OF PIPELINE  
PIPELINE SHOWN BOLD

|                         | CARRIER<br>PIPE         | CASING<br>PIPE |                                     | CARRIER<br>PIPE | CASING<br>PIPE |
|-------------------------|-------------------------|----------------|-------------------------------------|-----------------|----------------|
| SIZE:                   | <u>16"</u>              | <u>24"</u>     | LENGTH ON R/W:                      | <u>236'</u>     | <u>236'</u>    |
| CONTENTS:               | <u>SEWAGE</u>           |                | WORKING PRESSURE:                   | <u>0 PSI</u>    |                |
| PIPE MATERIAL:          | <u>PVC</u>              | <u>STEEL</u>   | BURY: BASE/RAIL TO TOP<br>OF CASING |                 | <u>9.9'</u>    |
| SPECIFICATIONS / GRADE: | <u>AWWA C-900 DR-18</u> | <u>35 KSI</u>  | BURY: NATURAL GROUND                |                 | <u>7.5'</u>    |
| WALL THICKNESS:         | <u>0.967"</u>           | <u>0.4375"</u> | BURY: ROADWAY DITCHES               |                 | <u>7.5'</u>    |
| COATING:                | <u>-</u>                | <u>-</u>       | CATHODIC PROTECTION                 |                 | <u>-</u>       |

VENTS: NUMBER - SIZE - HEIGHT OF VENT ABOVE GROUND -  
NOTE: CASING TO BE JACKED OR DRY BORED ONLY

**SAGINAW**  
**COUNTY OF TARRANT**

**STATE OF TX**

**JNC**

# CITY OF SAGINAW BUDGET SUPPLEMENT 2018-2019

## WATER & WASTEWATER

**05-6826-50-00 WATER TESTING** \$ 32,500

This account includes all lab fees and any other costs incurred for water samples such as monthly bacteriological sampling and annual water testing required by TCEQ. We are now required to do nitrate and nitrite water sampling and record the results. In addition beginning in March 2018 the next phase of non-regulated contaminant sampling called UCMR 4 will begin. We contract with an EPA certified lab to do this sampling. The results are sent to the EPA and are required to be posted in our CCR.

**05-6850-50-00 TELEPHONE EXPENSES** \$ -

W/WW share of telephone expense. This account includes cell phones and dept share of city wide phone system.

**05-7000-50-00 CAPITAL OUTLAY/SPECIAL REQUEST** \$ 151,075

|                                    |    |                |
|------------------------------------|----|----------------|
| F250 Service Truck                 | \$ | 40,000         |
| Flat File Cabinets                 | \$ | 5,000          |
| 50% funding for APWA accreditation | \$ | 6,850          |
| UB telephone payment system        | \$ | 9,500          |
| 50% electronic time keeper         | \$ | 5,000          |
| 50% CivicPlis mobile app           | \$ | 3,725          |
| Vermeer Vac Trailer                | \$ | 56,000         |
| Portable Office Building           | \$ | 25,000         |
|                                    | \$ | <u>151,075</u> |

**05-XXXX-55-00 EF CAPITAL PROJECTS** \$ 2,024,000

|                                                |    |                  |
|------------------------------------------------|----|------------------|
| (impact fees \$) design for Sag Blvd 16" PH2   | \$ | 155,000          |
| <u>05-7021-55</u> Fairmont 12" sewer rehab PH1 | \$ | <u>650,000</u>   |
| I&I Study Phase 2                              | \$ | 95,000           |
| I&I projects                                   | \$ | 250,000          |
| FM 156 Utility Relocation                      | \$ | 874,000          |
| fund balance                                   | \$ | 1,691,875        |
| developer cont.                                | \$ | -                |
| current revenues                               | \$ | 177,125          |
| impact fees                                    | \$ | 155,000          |
|                                                | \$ | <u>2,024,000</u> |

\$ 10,681,970



# City of Saginaw

**Meeting Date:** 2/5/2019

**Staff Contact:** Rick Trice, P.E., Director Public Works

**Agenda Items:** (4)(d)

**E-mail:** rtrice@saginawtx.org

**Phone:** (817) 230-0449

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**SUBJECT:**

Action Regarding Authorization of an Individual Project Order (IPO) with Kimley-Horn & Associates, Inc. for the Saginaw Parks Site Analysis and Conceptual Design

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**BACKGROUND/DISCUSSION:**

The 2018-19 Budget included funds for a site plan for city parks. The recommended IPO includes an assessment of the City's seven parks. Based on the findings and data obtained, a conceptual design will be prepared for each park. The consultant will assist the City in identifying new playground equipment, playground surfacing, accessibility improvements, parking options and other site improvements.

The seven parks included are:

Brian Schwengler Memorial Park  
Highland Station Park  
Kiwanas Park/Veterans Memorial Park  
Opal Jo Jennings Park  
Sagewood Park  
William Houston Park  
Willow Creek Park

The total fee is \$37,500 and includes \$7,000 budgeted for Site Analysis and \$30,500 for Conceptual Park Design

The 2018-19 Budget only included funding for \$30,500. The remaining \$7,000 will come out of the fund balance.

**FINANCIAL IMPACT:**

The total financial impact will be \$37,500. Funds in the amount of \$30,500 are budgeted for the site plan for city parks (Parks Department, Account 01-7000-07-00, Capital Outlay/Special Request). The remaining \$7,000 will come out of Fund Balance.

**RECOMMENDATION:**

It is recommended that the IPO with Kimley-Horn be approved in an amount not to exceed \$37,500 for the Saginaw Parks Site Analysis and Conceptual Design.

**ATTACHMENTS:**

Description

IPO

Budget Information



December 6, 2018

Mr. Rick Trice  
City of Saginaw  
205 Brenda Lane  
Saginaw, Texas 76179

**RE: *Saginaw Parks Site Analysis and Conceptual Design***

Dear Rick:

Please find attached Individual Project Order (IPO) No. Saginaw Parks Site Analysis and Conceptual Design (reference the master agreement dated April 17, 2012). This scope includes site inventory and site assessment of all existing park sites within the City and recommendations for park, playground, and connectivity improvements to the existing parks within the Saginaw city limits.

Please contact me at (817) 339-2280 or [katherine.utecht@kimley-horn.com](mailto:katherine.utecht@kimley-horn.com) should you have any questions.

Sincerely,

**KIMLEY-HORN AND ASSOCIATES, INC.**

TBPE No. F-928

A handwritten signature in blue ink that reads "Katherine Utecht".

Katherine Utecht, PLA, LI  
Project Manager

## INDIVIDUAL PROJECT ORDER NUMBER – Saginaw Parks Site Analysis and Conceptual Design

Describing a specific agreement between Kimley-Horn and Associates, Inc. (the Consultant), and The City of Saginaw, Texas (the Client) in accordance with the terms of the Master Agreement for Continuing Professional Services dated April 17, 2012, which is incorporated herein by reference.

Identification of Project: Saginaw Parks Site Analysis and Conceptual Design

### PROJECT UNDERSTANDING:

Kimley-Horn will review the existing Beautification plan to identify the opportunities, constraints, and recommendations for the city's park system. The Consultant will apply current standards, needs and desires of the community, as identified by City of Saginaw staff for the development of concepts for each park. The final documents will include recommendations for park, playground, and connectivity improvements to the existing parks within the Saginaw City Limits.

### SCOPE OF SERVICES:

#### *Task 1 – Site Analysis*

The Consultant will provide the following professional services under this task:

1. Kick-Off Meeting - The Consultant will facilitate a kick-off meeting with City Staff to develop criteria, design parameters, and project schedule for the site analysis and park concept plans.
2. Site Visits – The Consultant will perform site visits, with up to three (3) representatives, to observe and take photographed inventories of the following sites:
  - Existing park and playground conditions at the following park sites.
    - Brian Schwengler Memorial Park
    - Highland Station Park
    - Kiwanis Park/Veterans Memorial Park
    - Opal Jo Jennings Memorial Park
    - Sagewood Park
    - William Houston Park
    - Willow Creek Park
3. Existing Conditions Maps – The Consultant will prepare individual park maps illustrating the existing conditions of each site and review the maps with City staff in order to develop each park concept plan.

#### **Meetings:**

- a. One (1) kick-off meeting with City Staff.
- b. One (1) site visit to each park site identified above.

#### **Deliverables:**

- a. One (1) full size copy of the Existing Conditions Maps (22x34)

- b. One (1) half size copy of the Existing Conditions Maps (11x17)

**Services/Deliverables provided by the Client:**

- a. Attend Kick-off Meeting.
- b. Attend Review Meeting.

**Task 2 – Conceptual Park Design**

Following completion of the Site Analysis, the Consultant will prepare conceptual designs for the park sites, based on information gathered during Task 1, and information provided by the City. The Consultant will prepare conceptual designs for up to seven (7) park sites as noted below. Consultant will assist the City in identifying new playground equipment, playground surfacing, accessibility improvements, parking improvements, and additional site improvements. The Consultant will provide a planning level Opinion of Probable Construction Cost (OPCC) for each park site. The conceptual design will include a conceptual site plan for each park site, with labels and photo references for the proposed improvements. The design for each park site is intended to be conceptual and used to guide the City in selecting and prioritizing park site improvements for final design and development. The following will be provided as part of this task:

1. Park Conceptual Design – Conceptual plans will be provided for each park site and will include approximately seven (7) sheets. Consultant will prepare conceptual designs for the park sites listed below.
  - a. Brian Schwengler Memorial Park
  - b. Highland Station Park
  - c. Kiwanis Park/Veterans Memorial Park
  - d. Opal Jo Jennings Memorial Park
  - e. Sagewood Park
  - f. William Houston Park
  - g. Willow Creek Park
2. Opinion of Probable Construction Cost (OPCC) – The Consultant will prepare a planning level Opinion of Probable Construction Cost (OPCC) for each concept park. The document is intended to provide an approximate cost commensurate with the level of plan development to be based on anticipated market values of the proposed improvements and anticipated indirect costs associated with each of the specified project areas. Because the Consultant does not control the cost of labor, materials, equipment or services furnished by others, methods of determining prices, or competitive bidding or market conditions, any opinions rendered as to costs, including but not limited to opinions as to the costs of construction and materials, shall be made on the basis of its experience and represent its judgement as an experienced and qualified professional, familiar with the industry. The Consultant cannot and does not guarantee that proposals, bids or actual costs will not vary from its opinions of cost.

**Meetings:**

- c. One (1) kick-off meeting with City Staff.
- d. One (1) review meeting with City Staff.

**Deliverables:**

- c. One (1) full size copy of each of the Park Concept Plans (22x34) (7 total)
- d. One (1) half size copy of the Park Concept Plans (11x17) (7 total)

- e. One (1) copy of planning level OPCC for each park (7 total)

**Services/Deliverables provided by the Client:**

- a. Attend Kick-off Meeting.
- b. Attend Review Meeting.

**ADDITIONAL SERVICES**

Any services not specifically provided for in the above scope, as well as any changes in the scope requested by the Client, will be considered additional services. Additional services include, but are not limited to, the following:

- Performing a topographic survey.
- Performing a geotechnical study or analysis.
- Providing professional services associated with the discovery of any hazardous waste or material in the project site.
- Additional Presentations to City Council, Parks Board or Public User Groups.
- Providing additional park concepts.
- Facilitating or attending public meetings.
- Providing 3D view sketches or graphics for the proposed park improvements.
- Making significant modifications to the plans and specifications after the preliminary submittals have been approved by the Client.
- Any additional changes to the Contract Documents necessary to break the project into phases.
- Establish new survey monuments for any of the proposed sites.
- Assisting Client or Contractor in the defense or prosecution of litigation in connection with or in addition to those services contemplated by this Agreement. Such services, if any, will be furnished by Consultant on a fee basis negotiated by the respective parties outside of and in addition to this Agreement.
- Preparing applications and supporting documents for government grants, loans, or planning advances, and providing data for detailed applications.
- Appearing before regulatory agencies or courts as an expert witness in any litigation with third parties or condemnation proceedings arising from the development or construction of the Project, including the preparation of engineering data and reports for assistance to the Client.
- Any services not listed in the Scope of Services.

**SCHEDULE**

Consultant will begin services upon receipt of Notice to Proceed.

**FEE AND EXPENSES**

| <b>Task Name</b>                | <b>Budget Amount</b> | <b>Fee Type</b> |
|---------------------------------|----------------------|-----------------|
| Task 1 – Site Analysis          | \$ 7,000             | (Lump Sum)      |
| Task 2 – Conceptual Park Design | \$30,500             | (Lump Sum)      |
| Subtotal                        | \$ 37,500            | (Lump Sum)      |

Consultant will perform the services in Task 1 and Task 2 for the total lump sum fee of \$37,500. Lump sum fees will be invoiced monthly based upon the overall percentage of services performed.

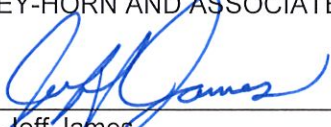
Payment will be due within 25 days of your receipt of the invoice.

ACCEPTED:

CITY OF SAGINAW, TEXAS

KIMLEY-HORN AND ASSOCIATES, INC.

BY: \_\_\_\_\_  
Gabe Reaume  
City Manager

BY: \_\_\_\_\_  
  
Jeff James  
Senior Vice President

DATE: \_\_\_\_\_

DATE: 12/7/18

**CITY OF SAGINAW  
BUDGET SUPPLEMENT  
2018-2019**

**PARKS DEPARTMENT**

|                                |                  |
|--------------------------------|------------------|
| <b>01-6300-07-00 UTILITIES</b> | <b>\$ 32,545</b> |
|--------------------------------|------------------|

Parks share of gas, electric, and water expense. Each meter has been assigned to responsible dept.

|                                                   |                 |
|---------------------------------------------------|-----------------|
| <b>01-6500-07-00 INSURANCE-GEN LIABILITY/AUTO</b> | <b>\$ 2,240</b> |
|---------------------------------------------------|-----------------|

This represents the Parks share of insurance expense. We have insurance through Texas Municipal League (TML). Estimated city wide cost is \$158,100.

|                                         |               |
|-----------------------------------------|---------------|
| <b>01-6850-07-00 TELEPHONE EXPENSES</b> | <b>\$ 780</b> |
|-----------------------------------------|---------------|

This account includes cell phones expense.

|                                                     |                   |
|-----------------------------------------------------|-------------------|
| <b>01-7000-07-00 CAPITAL OUTLAY/SPECIAL REQUEST</b> | <b>\$ 254,175</b> |
|-----------------------------------------------------|-------------------|

|                                                   |           |
|---------------------------------------------------|-----------|
| City match for project Dream Play                 | \$178,675 |
| site plan for city parks                          | \$30,500  |
| improved electric service for holiday decorations | \$25,000  |
| service truck replacement                         | \$20,000  |

|              |                   |
|--------------|-------------------|
| <b>TOTAL</b> | <b>\$ 553,885</b> |
|--------------|-------------------|



# City of Saginaw

**Meeting Date:** 2/5/2019

**Staff Contact:** Doug Spears, Fire Chief

**Agenda Items:** (4)(e)

**E-mail:** dougspears@saginawfire.us

**Phone:** 817-230-0412

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**SUBJECT:**

Action regarding Election of City's Representative on the Metropolitan Area Emergency Medical Service Authority Board of Directors.

---

**BACKGROUND/DISCUSSION:**

See attached supporting documents.

**FINANCIAL IMPACT:**

None

**RECOMMENDATION:**

Staff recommends casting of the City's votes to candidate Matthew Aiken.

**ATTACHMENTS:**

Description

MAEMSA Representative Selection Background and Recommendation



DOUG SPEARS  
FIRE CHIEF

# Saginaw Fire Department

400 S. Saginaw Blvd. Saginaw, Texas 76179  
Tel: 817-230-0412 Fax: 817-232-3731

**TO:** City Manager Gabe Reaume  
**FROM:** Fire Chief Doug Spears  
**DATE:** January 29, 2019  
**RE:** MAEMSA Representative Vote

As you are aware the Metropolitan Area Emergency Medical Service Authority or MAEMSA (DBA Medstar) is the administrative governmental agency that was formed through interlocal agreement to provide both emergency and non-emergency ambulance service to member jurisdictions (service area). Currently there are fifteen municipalities that make up the service area.

MAEMSA is governed by a ten member Board of Directors, six voting members and four non-voting ex-officio members. One of the six voting members serves as our own City's MAEMSA Board representative as well the representative for the other thirteen non-City of Fort municipalities. This board representative is selected through a nomination and vote process and I have included the section from the interlocal that defines the process. As also defined by the interlocal a board member may serve two consecutive three year terms. The end of our current representative's first three year term is expiring. Steve Tatum, who was Mayor of Westover Hills at time of appointment, is our current representative.

Beginning in 2016 the MAEMSA Interlocal Agreement went through a much needed review and revision process with our city adopting the finalized version in 2017. During this revision a First Responder Advisory Board or FRAB was established consisting of the Chiefs of all the member jurisdictions. I currently serve as the Chair of the FRAB and as such also serve on FRAB's four member executive committee. At the first official meeting of the FRAB we invited Mr. Tatum to attend and he was unfortunately a no show and without notice of not being able to attend after accepting the invitation. In 2018 there was an action by the MAEMSA Board to remove the Medical Director whose license all our first responders are medically credentialed under to perform EMS duties. The action, although ultimately justified, was done in a very controversial and poor manner during a rapidly called meeting. Our representative, Mr. Tatum, seconded the vote for the action and never sought any input from or communicated with the entities he represents and ultimately placed the Chiefs of the FRAB in tough situation with the Medical Director and the Emergency Physicians Advisory Board or EPAB which oversees the Medical Director and the clinical aspects of Medstar and all first responder entities. The FRAB Executive Committee called a meeting with Mr. Tatum to discuss his actions and lack of communication. I left the meeting unoptimistic regarding adequate representation going forward. As a result of the lack of communication with the entities represented the FRAB Executive Committee, along with many of the other FRAB Chiefs, unitedly believe a change in our representation is necessary.

The Burleson Fire Chief, who is a member of the FRAB Executive Committee and someone I have a great working relationship with and respect tremendously, put forth to the FRAB a candidate for consideration. Mr. Aiken is that candidate. The FRAB Executive Committee along with two other FRAB Chiefs met with Mr. Aiken as somewhat of a vetting or interview. Mr. Aiken's three terms on Burleson's City Council, his service on City of Burleson committees and his current service on their Planning and Zoning Commission demonstrate his desire and dedication to serve. At the conclusion of our meeting the FRAB Chiefs unitedly agreed that Mr. Aiken, who has been a practicing lawyer, competently exhibited his legal knowledge regarding contracts, agreements, resolutions and ordinances and his understanding of the complexity of the MAEMSA Interlocal Agreement and the medical and managerial oversight necessary for delivery of high quality ambulance service in a multijurisdictional system. Mr. Aiken clearly understands and agrees to openly and routinely communicate with the entities he would represent, and that not just solely the City of Burleson. I am confident that Mr. Aiken's representation principles and decision making will be based on the best interest of all the citizens and entities he would represent.

I confidently recommend to the City Council that our City's votes be cast to Mr. Aiken.

## REVISED AND RESTATED INTERLOCAL EMS COOPERATIVE AGREEMENT

-----

2.4.2 One director shall be elected by the combined vote of the other Member Jurisdictions as follows:

- (a) Whenever the term of a director is expiring or open, each Member Jurisdiction other than Fort Worth shall be entitled to nominate one candidate for the available position. The candidates nominated by the Member Jurisdictions shall be named on the "Candidates List."
- (b) The Candidates List shall be submitted to the governing body of each Member Jurisdiction, with the exception of Fort Worth.
- (c) Each Member Jurisdiction other than Fort Worth shall cast all of its votes for one (1) of the eligible candidates on the Candidates List. Each Member Jurisdiction shall be entitled to the number of votes which corresponds to the number of residents residing in that Member Jurisdiction, based on then-current population estimates reported by the North Central Texas Council of Governments.
- (d) The candidate for the available position receiving the most votes shall be certified by Chair of the Board as the winner of the election to that seat.

### Weighted Votes by City

| Jurisdiction      | NTCOG 2018 Pop. | % of Pop.   | Votes       |
|-------------------|-----------------|-------------|-------------|
| Haltom City       | 42740           | 25.22%      | 252.2       |
| Burleson          | 44860           | 26.47%      | 264.7       |
| Saginaw           | 21730           | 12.82%      | 128.2       |
| White Settlement  | 17380           | 10.26%      | 102.6       |
| Forest Hill       | 12840           | 7.58%       | 75.78       |
| River Oaks        | 7310            | 4.31%       | 43.14       |
| Sansom Park       | 5050            | 2.98%       | 29.8        |
| Lake Worth        | 4730            | 2.79%       | 27.91       |
| Edgecliff Village | 3220            | 1.90%       | 19          |
| Blue Mound        | 2390            | 1.41%       | 14.1        |
| Westworth Village | 2620            | 1.55%       | 15.46       |
| Haslet            | 1730            | 1.02%       | 10.21       |
| Lakeside          | 2100            | 1.24%       | 12.39       |
| Westover Hills*   | 748             | 0.44%       | 4.414       |
| <b>Total</b>      | <b>169448</b>   | <b>100%</b> | <b>1000</b> |

\*2018 U.S. Census Estimate



Metropolitan Area EMS Authority  
2900 Alta Mere Drive  
Fort Worth, Texas 76116-4115  
(817) 923-3700  
[www.medstar911.org](http://www.medstar911.org)

January 15, 2019

Mayor Todd Flippo  
PO Drawer 79070  
333 W. McLeroy Blvd  
Saginaw, TX 76179-0070

**RE: Election for Board Seat, Metropolitan Area EMS Authority**

Dear Mayor Flippo:

The time period for Member Cities other than Fort Worth to nominate candidates to serve a three-year term on the MAEMSA Board has now closed. Under Section 2.4.2 of the *Revised and Restated Interlocal EMS Cooperative Agreement*, the list of candidates must be submitted to the governing body of each Member City. A ballot/candidate list is enclosed. There two eligible candidates: Stephen Tatum (the incumbent) and Matthew Aiken. We have enclosed biographical information submitted by each of them. Because the *Interlocal Agreement* states that a city must cast all its votes for one candidate, please check the blank to indicate the candidate for whom your City wishes to cast its votes. We will weight the votes in accordance with enclosed table. The results will be certified at the February 27<sup>th</sup> Board Meeting.

Please be sure that you return the ballot by 5 p.m. on February 15, 2019.

Let us know if you have any questions.

Sincerely

A handwritten signature in dark ink that reads "Douglas R. Hooten". The signature is written in a cursive, flowing style.

Douglas R. Hooten  
Chief Executive Officer

cc: Chief Doug Spears  
Enclosure

**Our Mission:**

*To provide world class mobile healthcare with the highest quality customer service  
and clinical excellence in a fiscally responsible manner*

# Metropolitan Area EMS Authority

## Election of Board Member by Member Cities other than Fort Worth

For term beginning March 1, 2019

### CANDIDATE LIST AND OFFICIAL BALLOT

The following persons have been nominated to serve as a MAEMSA Board Member for a three-year term to begin March 1, 2019. Under Section 2.4.2(c) of the *Revised and Restated Interlocal EMS Cooperative Agreement*, each Member City other than Fort Worth shall cast all their votes for one of the eligible candidates.

MEMBER CITY: \_\_\_\_\_

Please indicate the candidate for which your city wishes to cast its votes:

Matthew Aiken \_\_\_\_\_

Stephen Tatum \_\_\_\_\_

City Official authorized to cast votes on behalf of jurisdiction:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

***Ballots must be received by 5 p.m. on close of business on February 15, 2019.***

Ballots may be submitted by mail to:

Marianne Schmidt  
MedStar Mobile Healthcare  
2900 Alta Mere Drive  
Fort Worth, TX 76116

Or by PDF emailed to:

[mschmidt@medstar911.org](mailto:mschmidt@medstar911.org)



# City of Saginaw

**Meeting Date:** 2/5/2019

**Staff Contact:** Gabe Reaume, City Manager

**Agenda Items:** (4)(f)

**E-mail:** greaume@saginawtx.org

**Phone:** 817-230-0324

---

**SUBJECT:**

Action regarding Agreement to Provide Professional Services related to Building Inspections with Kevin McMillin

---

**BACKGROUND/DISCUSSION:**

The proposed agreement for professional services is for building inspection services to be provided by Kevin McMillin. Kevin retired as Chief Building Inspector with the City on January 31st. The agreement will allow Kevin to continue to provide services related to building inspections.

**FINANCIAL IMPACT:**

The financial impact will be a monthly set fee of \$7,000, and upon request for after hour services as defined by the City, an additional fee of \$75 per hour with a two hour minimum.

The costs will be covered by revenue generated from the Rental Inspection Program and also savings due to the reorganization of the Inspections Department.

**RECOMMENDATION:**

Staff recommends approval of the Agreement to Provide Professional Services with Kevin McMillin.

**ATTACHMENTS:**

Description

Agreement--McMillin

# AGREEMENT TO PROVIDE PROFESSIONAL SERVICES

**THIS AGREEMENT** ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2019 effective immediately by and between the Kevin McMillin ("CONTRACTOR") and the CITY OF SAGINAW, TEXAS, a municipal corporation of the State of Texas ("CITY"). For convenience, the CONTRACTOR and the CITY may sometimes be referred herein collectively as "parties" and individually as a "party."

WITNESSETH

**WHEREAS**, CITY desires to engage the CONTRACTOR to provide professional services as more fully described on Exhibit "A" attached hereto and incorporated herein by reference; and

**WHEREAS**, CONTRACTOR agrees to provide such work and services for the CITY in accordance with the terms of this Agreement;

**NOW, THEREFORE**, for the mutual promises set forth herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto mutually agree as follows:

## 1. Employment of CONTRACTOR.

(a) CITY agrees to engage the CONTRACTOR and the CONTRACTOR hereby agrees to perform the services described in Exhibit "A" attached hereto and incorporated herein by reference.

(b) Notwithstanding anything to the contrary contained in this Agreement, CITY and CONTRACTOR agree and acknowledge that CITY is entering into this Agreement in reliance on CONTRACTOR's special and unique abilities. CONTRACTOR accepts the relationship of trust and confidence established between it and the CITY by this Agreement. CONTRACTOR acknowledges that CONTRACTOR shall be solely responsible for determining the methods for performing the services described in Exhibit "A" attached hereto. CONTRACTOR covenants with CITY to use its best efforts, skill, judgment, and abilities to perform the work required by this Agreement and to further the interests of CITY in accordance with CITY's requirements, in accordance with the highest standards of CONTRACTOR's profession or business and in compliance with all applicable national, federal, state, municipal, laws, regulations, codes, ordinances, orders and with those of any other body having jurisdiction. The CONTRACTOR warrants, represents, covenants, and agrees that all of the work to be performed by the CONTRACTOR under or pursuant to this Agreement shall be of the standard and quality which prevail among similar businesses and organizations of superior knowledge and skill engaged in providing similar services in major United States urban areas under the same or similar circumstances and involving the work to be performed in accordance with Exhibit "A" attached hereto and incorporated herein.

CONTRACTOR warrants, represents, covenants, and agrees that the work he performs will be accurate and free from any material errors.

(c) CONTRACTOR will be responsible for supplying all tools and equipment necessary for CONTRACTOR to provide the services set forth in Exhibit "A" attached hereto.

2. **Compensation.** The CITY agrees to pay the CONTRACTOR the fees set forth in Exhibit "A" attached hereto. Within fifteen (15) days of the end of the month within which services were rendered, CONTRACTOR shall provide City an invoice specifying the services provided during the previous month and the total amount owed by the City. Payment will be made by the CITY within thirty (30) days of receipt of an invoice from CONTRACTOR.
3. **Changes.** CITY may, from time to time require changes in the scope of services of the CONTRACTOR to be performed hereunder. Such changes, which are mutually agreed upon by and between CITY and the CONTRACTOR, shall be incorporated in written amendment to this Agreement.
4. **Services and Materials to be Furnished by CITY.** CITY shall furnish the CONTRACTOR with all available information and data CONTRACTOR requests pertinent to the execution of this Agreement. CITY shall cooperate with the CONTRACTOR in carrying out the work herein and shall provide adequate staff for liaison with the CONTRACTOR.
5. **Ownership of Documents.** All reports, plans, specifications, computer files and other documents prepared by CONTRACTOR pursuant to this Agreement shall be the property of the CITY. CONTRACTOR will deliver to the CITY copies of the prepared documents and materials. CONTRACTOR shall make all documents and related data and material utilized in developing the documents available to CITY for inspection whenever requested. CONTRACTOR may make copies of any and all such documents and items and retain same for its files. CONTRACTOR shall have no liability for changes made to or use of the drawings, specifications, and other documents by anyone other than CONTRACTOR subsequent to delivery of the prepared documents and materials. However, any such change or other use shall be sealed by the individual making the change or use and shall be appropriately marked to reflect what was changed or modified.
6. **Termination of Agreement.** Either party may terminate this agreement at any time by providing thirty (30) days written notice to the other party.
7. **Completeness of Contract.** This Agreement and the documents incorporated herein by specific reference contain all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this contract or any part thereof shall have any validity or bind any of the parties hereto. If there is any conflict between the terms of this Agreement and the documents

attached hereto, the terms of this Agreement shall control. This Agreement may not be subsequently modified except by a writing signed by both parties.

8. **CITY Not Obligated to Third Parties.** CITY shall not be obligated or liable hereunder to any party other than the CONTRACTOR.
9. **Final Decisions.** Serving as a CONTRACTOR to the CITY, CONTRACTOR shall advise all parties that final decisions shall be made by the City Council and/or City Manager.
10. **Indemnification.** THE CONTRACTOR AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY AND ALL OF ITS OFFICERS, EMPLOYEES, COUNCIL MEMBERS AND AGENTS FROM ANY AND ALL CLAIMS BY THIRD PARTIES, INCLUDING, BUT NOT LIMITED TO, CLAIMS FOR DAMAGES, JUDGMENTS, ATTORNEY'S FEES, EXPENSES, INJUNCTIVE OR EQUITABLE RELIEF, INTEREST, PERSONAL INJURY, AND DEATH, THAT MAY ARISE FROM THE CONTRACTOR'S PERFORMANCE UNDER THIS AGREEMENT. **IT IS UNDERSTOOD AND AGREED THAT THE INDEMNITY PROVIDED FOR IN THIS AGREEMENT IS AN INDEMNITY EXTENDED BY CONTRACTOR TO INDEMNIFY, PROTECT, AND HOLD HARMLESS CITY AND/OR ITS OFFICERS, EMPLOYEES, COUNCIL MEMBERS, AND AGENTS FROM ALL LIABILITY, INCLUDING LIABILITY FOR THE CONSEQUENCES OF THE NEGLIGENCE OF CITY AND/OR ITS OFFICERS, EMPLOYEES, COUNCIL MEMBERS OR AGENTS WHETHER THAT NEGLIGENCE IS THE SOLE OR CONTRIBUTING CAUSE OF THE RESULTANT INJURY, DEATH, AND/OR DAMAGE.**
11. **Insurance.** CONTRACTOR agrees to maintain insurance for comprehensive general liability, automobile liability insurance, workers' compensation and professional liability during the term of this Agreement in the amounts not less than those required of other professional consultants and contractors retained by CITY. CONTRACTOR shall provide CITY with evidence of such coverages in a form which is acceptable to the CITY. Such policies shall name the CITY, its officers, and employees as an additional insured and shall provide for a waiver of subrogation against the CITY.
12. **Personnel.** All of the services required hereunder will be performed by the CONTRACTOR or under CONTRACTOR's supervision, and all personnel engaged in the work shall be qualified to perform such services.
13. **Independent Contractor.** In performing the services under this Agreement, CONTRACTOR is acting as an independent contractor. No term or provision hereof be construed as making CONTRACTOR the agent, servant, or employee of the CITY or as creating a partnership or joint venture relationship between CONTRACTOR and the CITY.

14. **Assignability.** The parties hereby agree that CONTRACTOR may not assign, convey or transfer its interest, rights and duties in this Agreement without the prior written consent of CITY.
15. **Governing Law/Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any action brought to interpret or enforce the terms of this Agreement shall lie in Tarrant County, Texas.
16. **Authority to Sign.** The parties hereby warrant and represent that the undersigned persons have full authority and are duly authorized to sign on behalf of their respective principals and that such principals have duly authorized the transaction contemplated by this Agreement.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

**IN WITNESS WHEREOF**, CITY and the CONTRACTOR have executed this Agreement as of the date first written above.

**CITY OF SAGINAW, TEXAS**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

**KEVIN MCMILLIN**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

## Exhibit A

CONTRACTOR agrees to perform the following services at a monthly set fee of seven-thousand dollars (\$7,000.00). Upon the request for after hour services as defined by the City, the City will be billed by Contractor at an additional fee of seventy-five dollars (\$75.00) per hour with a two (2) hour minimum. Regular service days as defined by the City where Contractor is unable to provide services will be pro-rated from the monthly bill. Any known scheduled times of unavailability by the contractor will be coordinated with the City's Chief Building Official and pro-rated accordingly.

Contractor will conduct on-site inspections of: new construction; repairs or alterations to existing structures; new business for certificate of occupancy; proposed structures to insure compliance with zoning and local ordinances; as well as on-site inspections of buildings and residences with fire damage to determine what repair and permits are necessary. Contractor will reviews plans to insure new construction and alterations to existing structures conform with all applicable codes and monitors contractors to insure compliance with state and local licensing, permits, and inspection procedures.

Contractor will also provide:

1. Expert testimony
2. Consultation regarding local ordinances
3. Training of personnel



# City of Saginaw

**Meeting Date:** 2/5/2019

**Staff Contact:** Kim Quin  
Finance Director

**Agenda Items:** (5)

**E-mail:** [kquin@saginawtx.org](mailto:kquin@saginawtx.org)

**Phone:** 817-230-0332

---

**SUBJECT:**

Presentation of Comprehensive Annual Financial Report for the year ended September 30, 2018.

---

**BACKGROUND/DISCUSSION:**

At the end of each fiscal year, the financial transactions of the City are reviewed and inspected by external auditors. The objective of the audit is to express an opinion as to whether the basic financial statements are fairly presented, in all material aspects, in conformity with generally accepted accounting principles, are free from material misstatement, and to report on the fairness of the supplementary information when considered in relation to the basic financial statements as a whole. The 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.

Jennifer Ripka of Weaver and Tidwell, L.L.P. will present the annual report.

**FINANCIAL IMPACT:**

The charge for audit services is approximately \$50,000.

**RECOMMENDATION:**

This item is informational only. There is no action required.

**ATTACHMENTS:**

Description

Comprehensive Financial Report 2018

# **City of Saginaw, Texas**

Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2018



City of Saginaw

**Prepared By  
The City of Saginaw, Texas  
Finance Department**



City of Saginaw

**City of Saginaw, Texas**  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2018  
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**City of Saginaw, Texas**  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2018  
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## **Introductory Section**



City of Saginaw



City of Saginaw

333 West McLeroy  
P.O. Box 79070  
Saginaw, Texas 76179  
817-232-4640  
Fax 817-232-4644  
[www.ci.saginaw.tx.us](http://www.ci.saginaw.tx.us)

## City of Saginaw

February 5, 2019  
Honorable Mayor Todd Flippo,  
Members of the City Council,  
City of Saginaw, Texas

The Saginaw City staff is pleased to submit the Comprehensive Annual Financial Report of the City of Saginaw, Texas, for the fiscal year ended September 30, 2018. The purpose of the report is to provide the Council, management, staff, public and other interested parties with detailed information reflecting the City's financial condition.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City. We also believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included. The financial statements included in the report were prepared by the General Administrative Office in accordance with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB).

Weaver and Tidwell, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City's financial statements for the year ended September 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

The Financial Section includes the Management's Discussion and Analysis (MD&A). The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement and should be read in conjunction with the MD&A.

### **The Reporting Entity**

The City of Saginaw sits solidly in the heart of the Dallas-Fort Worth Metroplex. Saginaw remains an agribusiness center for much of Texas with some of the largest grain storage facilities in the United States.

The City of Saginaw is located in Tarrant County, nine miles north of downtown Fort Worth and 37 miles west of Dallas. The Fort Worth Federal Bureau of Printing and Engraving facility is located six-tenths of a mile from Saginaw. The Alliance Airport and Texas Motor Speedway are also located just north of Saginaw (within 14 miles). The City's corporate boundaries comprise a total of approximately 7.75 square miles. Saginaw's population from the 1990 Census was 8,551. The 2000 Census was 12,374 and the 2010 Census was 19,806. The 2018 population estimate is 21,730.

The City was incorporated in 1949 and is operating under a Charter adopted on January 19, 1988. The City has a Council/Manager form of government, with the City Council comprised of seven members including the Mayor. All seven Council members are elected by place number and at large for three year staggered terms. The City Council is responsible for adopting ordinances and regulations governing the City, adopting the budget, determining policies, and appointing the City Manager, City Attorney, City Secretary, and Judge of the Municipal Court, as well as members of boards and commissions. The City Manager is responsible to the Council, for appointing and supervising employees of the City (except for those appointed by the Council) and for preparing and administering the annual budget and capital improvements program.

## **Services Provided**

The City provides a full range of municipal services including general government, police and fire protection, street maintenance, building inspection services, library services, recreation, animal services, parks operation and maintenance, and maintenance and operation of City-owned buildings. The City of Saginaw contracts with the City of Fort Worth for water purchase and wastewater treatment. A franchise has been granted to a privately-owned firm for solid waste collection, disposal, and recycling services. Commercial customers contract directly with the firm while residential customers contract through the City, with fees added to their municipal utility bills.

This report includes the financial statements of the funds required to account for those activities, organizations and functions which are related to the City and are controlled by or dependent upon the City's governing body, the City Council. The criteria used by the City for including activities in preparing its financial statements are set forth by the GASB. Based on these criteria, all municipal services listed are included in the City's 2017-2018 financial statements.

## **Basis of Accounting**

The City's accounting records for general governmental operations are maintained on a modified accrual basis. Under this method of accounting, expenditures are recognized when the services or goods are received and the liability is incurred. Revenues are recognized when measurable and available. Accounting records for the City's Water and Wastewater Enterprise Fund are maintained on the accrual basis. Expenses are recognized when a commitment is made and revenues are recognized when they are earned and due to the City.

## **Budgetary Controls**

The City Charter requires that the City Manager prepare and submit a proposed budget for the fiscal year beginning October 1<sup>st</sup> to the City Council at least 45 days prior to the beginning of the fiscal year. The operating budget includes proposed expenditures and the means of financing them. Public hearings are held, and the budget is adopted at a regular or special meeting prior to the first day of the fiscal year.

Following adoption of the budget by the City Council, the City Manager and department heads monitor expenditures and revenues throughout the year to ensure that the integrity of the budget is maintained. The Charter requires City Council approval for a transfer of funds from one department to another. Any revisions that alter the total expenditures of any fund must be approved by ordinance of the City Council.

## Internal Controls

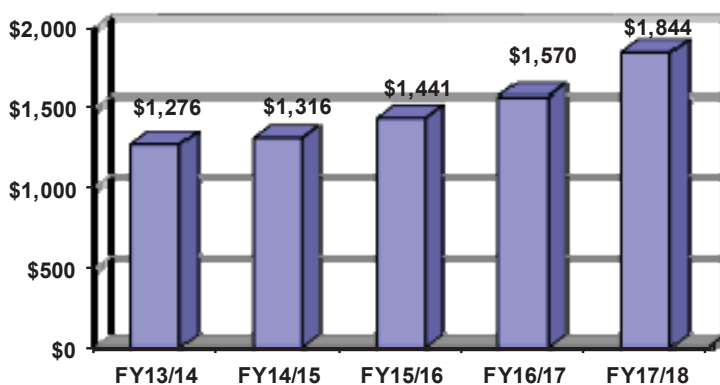
One of the objectives of the City's financial accounting system is to provide an internal control structure designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records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

## ECONOMIC OUTLOOK AND FINANCIAL CONDITION

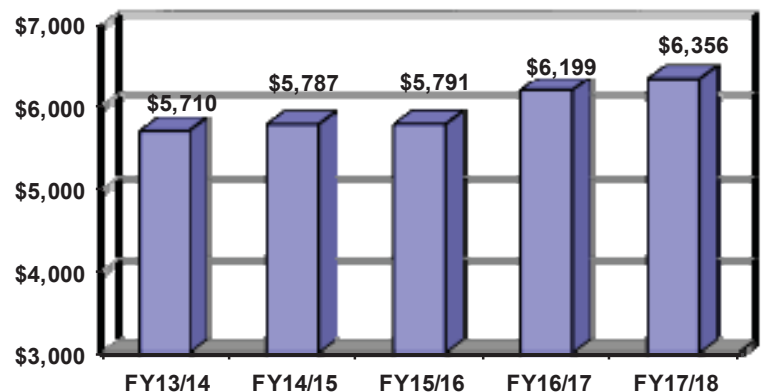
### Summary of Local Economy

The local economy in Saginaw remains good. Unemployment in the area remains low and economic trends are optimistic but with a cautious outlook. The real estate market continues to see high demand with a tight inventory. The City continues to see new housing starts which adds to our tax base. Taxable values for 2018/2019 increased 17.4% and we saw \$59 million (\$25 million residential, \$6 million commercial, \$28 million industrial) in added value from new construction. Fuel City and Basswood Crossing Phase 1 residential development with 76 lots was completed. The expansion at Miller Milling is underway and the expansion of Aldi is complete. The AT&T retail store, the Tiger Spa Car wash, and RaceTrac were completed. Sales tax collections for the current fiscal year to date are tracking 4% higher than last year.

**TAXABLE PROPERTY VALUES**  
(in millions)



**SALES TAX COLLECTIONS**  
(in thousands)



## **Economic Prospects for the Future**

Bar C Ranch Phases 1 and 2 are substantially complete with a total of 146 residential lots. Willow Vista Estates Phase IIIC is under construction with 75 lots, and Basswood Crossing Phases 2 and 3 are substantially complete with a total of 341 residential lots. The Miller Milling expansion will be completed. The Ventura expansion is underway, as well as the construction of the Ryder Truck Maintenance Depot and the Dancer Shopping Center. These residential and commercial construction projects will continue to boost the City's tax base. Saginaw remains an attractive place for new homes and businesses due to our location, land availability, easy freeway access, good schools, low tax rates, and the general quality of life.

## **Long Term Financial Planning**

The current General Fund Reserve Policy states "The City will maintain an Emergency Reserve Fund balance in the General Fund of between 15% and 20% of the operating budget." The Enterprise Fund Emergency Reserve needs to be sufficient to operate the Water Department for three months. Both of these funds are to be used only in an emergency and only with Council approval. We are currently in compliance with both of these policies.

The City's Comprehensive Master Plan and the five-year Capital Improvement Plan was updated in 2016. The plan's theme is "Preparing for Build-out". The plan focuses on completing infrastructure to support development, rehabilitating aging infrastructure, and maintaining existing infrastructure. The capital improvements plan is funded with cash on hand and revenues from the Street Maintenance Fund, and the Drainage Utility Fund. No significant additional operating costs are projected to be incurred related to these capital expenditures.

## **OTHER INFORMATION**

### **Independent Audit**

Article XII, Section 12.06 of the City Charter requires an annual audit by independent certified public accountants. The annual audit must be available for public inspection no later than ninety days after the close of the City's fiscal year. The accounting firm of Weaver and Tidwell, L.L.P. was selected by the City Council. The independent auditors' report on the general purpose financial statements and supplemental statements and schedules is included in the financial section of this report.

### **Certificate of Achievement**

The City of Saginaw was awarded a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017 from the Government Finance Officers Association of the United States and Canada (GFOA). This certificate is awarded to governmental units who publish easily readable and efficiently organized annual reports which satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate is valid for a one year period. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA. The City also received GFOA's Award for Distinguished Budget Presentation for its 2017-2018 annual budget document. In order to qualify for the Award, the City's budget document was judged to be proficient in several categories

including policy documentation, financial planning, and organization. Together the Budget Award, along with the previously mentioned award are evidence of the Finance Department's dedication to producing documents that effectively communicate the City's financial condition to the elected officials, city management and the general public.

### **Acknowledgments**

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the General Administrative Office and our independent auditors. We would like to express our sincere appreciation to all of our employees who contributed to the preparation.

In closing, we would also like to thank the Mayor and City Council for their leadership and support in planning and conducting the financial operations of the City.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Gabe Reaume". The signature is fluid and cursive, with the first name "Gabe" being more prominent than the last name "Reaume".

Gabe Reaume, City Manager

**City of Saginaw, Texas**  
Principal Officials  
September 30, 2018

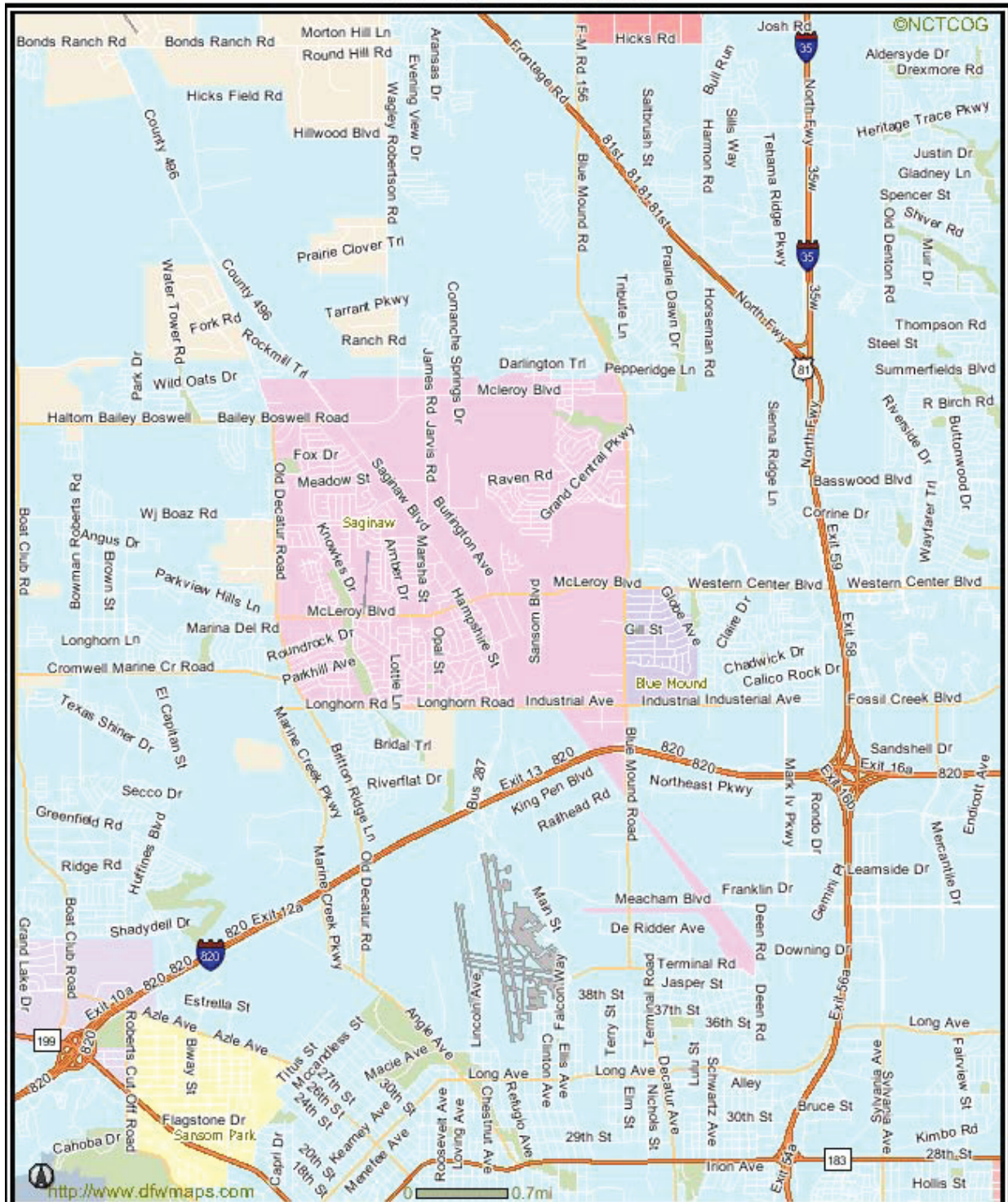
**GOVERNING BODY**

Todd Flippo.....Mayor  
David Flory..... Mayor Pro-Tem  
Patrick Farr..... Councilmember, Place 2  
Valerie Tankersley..... Councilmember, Place 3  
Charles Tucker ..... Councilmember, Place 4  
Cindy Bighorse ..... Councilmember, Place 5  
Mary Copeland..... Councilmember, Place 6

**ADMINISTRATION**

Gabriel Reaume..... City Manager  
Dolph Johnson..... Assistant City Manager  
Kim Quin..... Finance Director  
Janice England.....City Secretary  
Lorraine Irby.....Municipal Court Judge  
Lee Howell.....Police Chief  
Doug Spears..... Fire Chief  
Rick Trice ..... Director of Public Works  
Keith Rinehart.....Director of Community Services  
Ellen Ritchie ..... Library Director  
Greg Clayton .....Director of Information Technology  
Alora Wachholz ..... Director of Economic Development  
Melanie McManus ..... Director of Human Resources  
Bryn Meredith.....City Attorney  
Andrew Simonsen ..... City Engineer

# CITY OF SAGINAW



**NCTCOG Maps**  
[www.dfwmaps.com](http://www.dfwmaps.com)

**DISCLAIMER**  
 This data has been compiled for NCTCOG. Various official and unofficial sources were used to gather this information. Every effort was made to ensure the accuracy of this data, however, no guarantee is given or implied as to the accuracy of said data.





Government Finance Officers Association

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

Presented to

**City of Saginaw  
Texas**

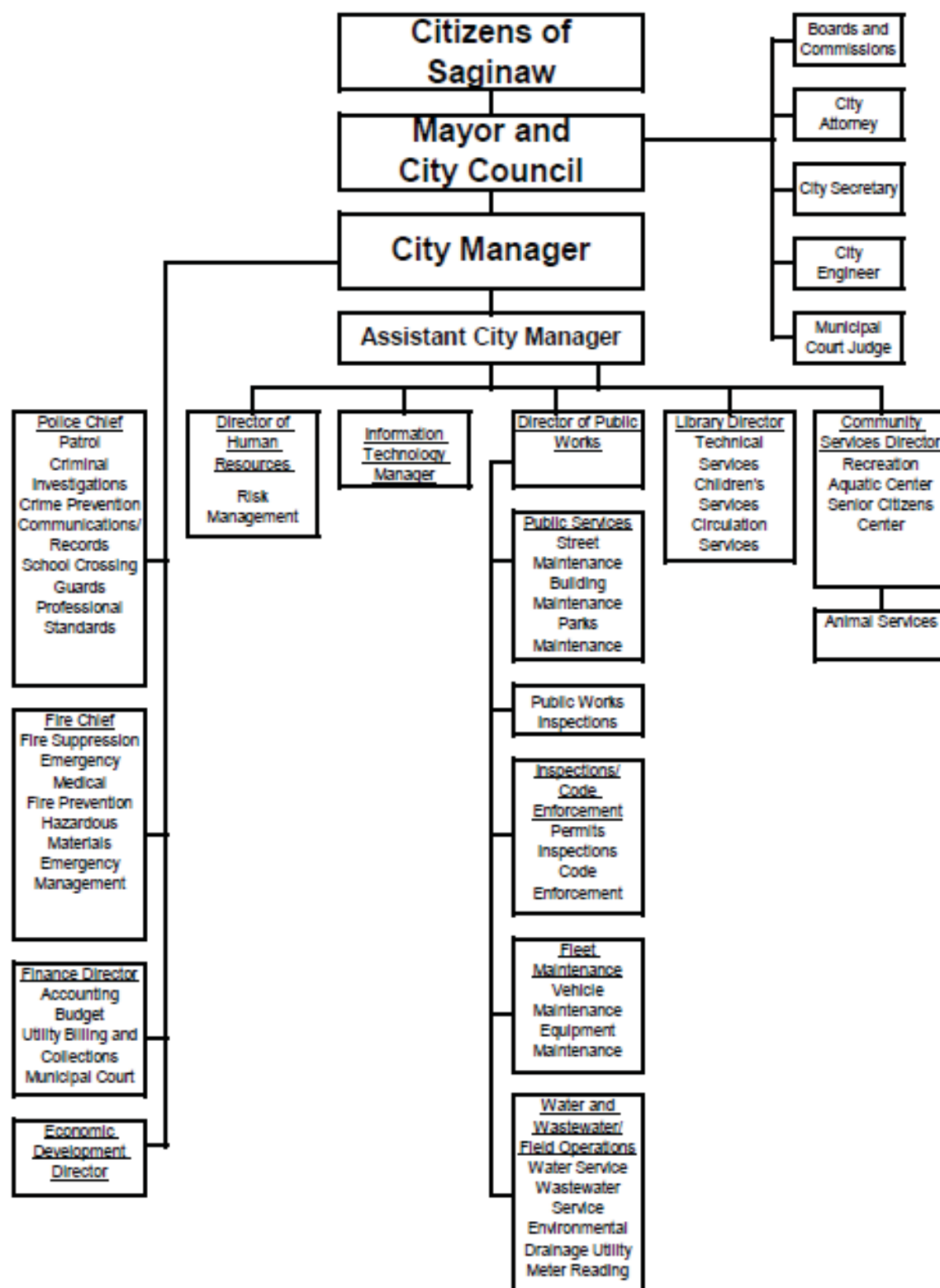
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

**CITY OF SAGINAW  
ORGANIZATIONAL CHART  
2018-2019**





City of Saginaw

## **Financial Section**



City of Saginaw

## **Independent Auditor's Report**

To the Honorable Mayor Todd Flippo  
and Members of the City Council of the  
City of Saginaw, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Saginaw, Texas (the City) as of and for the year ended September 30, 2018, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

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

The Honorable Mayor Todd Flippo  
and the Members of the City Council of the  
City of Saginaw, Texas

### **Emphasis of Matter**

As discussed in Note 9 and 14 to the financial statements, the City adopted new accounting guidance GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas Municipal Retirement System pension schedules, Texas Municipal Retirement System OPEB schedule, and budgetary comparison information on pages 5 through 12, 60 through 61, 62 and 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Information**

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

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

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
February 5, 2019

Weaver and Tidwell, L.L.P.  
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**CPAs AND ADVISORS | WEAVER.COM**

**CITY OF SAGINAW, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2018  
(UNAUDITED)**

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

**FINANCIAL HIGHLIGHTS**

- The assets of the City of Saginaw exceeded its liabilities at the close of the most recent fiscal year by \$107,972,937 (net position). Of this amount, \$17,753,534 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$5,601,272.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$26,145,279. About 41% of this total amount, or \$10,714,092, is unassigned and available for use with the City's fund designation and policies.
- At the end of the current year, unassigned fund balance for the general fund was \$10,714,092 or 67% of the total general fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide financial 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.

The Statement of Net Position presents information on all of the City's assets, deferred outflows/inflows, and liabilities, with the difference between these 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.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from 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 and administration, municipal court, fire, police, public services, parks, library, community services, fleet maintenance, inspections, animal services and economic development. The business-type activities of the City include water and wastewater services. The government-wide financial statements can be found on pages 17-19 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 two categories – governmental funds and proprietary 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 current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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

The City maintains nine governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, six Special Revenue, Debt Service, and Capital Projects funds. The basic governmental funds financial statements can be found on pages 22-25.

**Proprietary Funds** – The City maintains one type of proprietary fund. The Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its water and wastewater operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 28-31 of this report.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because those funds are not available to support the City's programs. The City is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The City does not currently have fiduciary activities to report.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-57.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2018, the City of Saginaw's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$107,972,937.

The largest portion of the City's net position (82%) reflects its investments in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service 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 resources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Saginaw's Net Position

|                                  | Governmental Activities |                       | Business-type Activities |                      | Total                 |                       |
|----------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                                  | 2018                    | 2017                  | 2018                     | 2017                 | 2018                  | 2017                  |
| Current and other assets         | \$ 29,037,843           | \$ 32,749,930         | \$ 11,580,612            | \$ 10,327,569        | \$ 40,618,455         | \$ 43,077,499         |
| Capital assets                   | 88,786,676              | 82,740,925            | 24,927,375               | 24,200,124           | 113,714,051           | 106,941,049           |
| Total assets                     | <u>\$ 117,824,519</u>   | <u>\$ 115,490,855</u> | <u>\$ 36,507,987</u>     | <u>\$ 34,527,693</u> | <u>\$ 154,332,506</u> | <u>\$ 150,018,548</u> |
| Deferred outflows of resources   | \$ 1,338,432            | \$ 2,199,761          | \$ 192,673               | \$ 313,580           | \$ 1,531,105          | \$ 2,513,341          |
| Long term liabilities            | \$ 36,352,184           | \$ 40,225,384         | \$ 2,354,798             | \$ 2,764,855         | \$ 38,706,982         | \$ 42,990,239         |
| Other liabilities                | 5,469,951               | 4,856,511             | 2,333,924                | 1,361,257            | 7,803,875             | 6,217,768             |
| Total liabilities                | <u>\$ 41,822,135</u>    | <u>\$ 45,081,895</u>  | <u>\$ 4,688,722</u>      | <u>\$ 4,126,112</u>  | <u>\$ 46,510,857</u>  | <u>\$ 49,208,007</u>  |
| Deferred inflows of resources    | \$ 1,231,566            | \$ 592,076            | \$ 148,251               | \$ 69,213            | \$ 1,379,817          | \$ 661,289            |
| Net Position                     |                         |                       |                          |                      |                       |                       |
| Net Investment in capital assets | \$ 65,704,199           | \$ 62,510,664         | \$ 23,273,899            | \$ 22,315,277        | \$ 88,978,098         | \$ 84,825,941         |
| Restricted                       | 1,062,127               | 1,120,206             | 179,178                  | 175,662              | 1,241,305             | 1,295,868             |
| Unrestricted                     | <u>9,342,924</u>        | <u>8,385,775</u>      | <u>8,410,610</u>         | <u>8,155,009</u>     | <u>17,753,534</u>     | <u>16,540,784</u>     |
| Total net position               | <u>\$ 76,109,250</u>    | <u>\$ 72,016,645</u>  | <u>\$ 31,863,687</u>     | <u>\$ 30,645,948</u> | <u>\$ 107,972,937</u> | <u>\$ 102,662,593</u> |

An additional portion of the City's net position \$1,241,305 (1%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$17,753,534 may be used to meet the City's ongoing obligation to citizens and creditors.

The \$5,601,465 increase in net position is a result of increased capital assets partially offset by a decrease in deferred outflows related to pension accounting, decreased long term liabilities, and increased deferred inflows related to pension accounting. There was a \$290,928 adjustment to net position to record the cumulative effect of accounting changes for other post-employment benefits. As of September 30, 2018, the City is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Analysis of the City's Operations** – The following table provides a summary of the City's operations for the year ended September 30, 2018. Overall the City had an increase in net position of \$5,601,465. Total City revenues decreased by \$436,644. Governmental activities revenues decreased due to a decrease in contributed assets, operating grants and franchise fees. These decreases were partially offset by increases in: building permits due to continued residential and commercial construction, recreation fees due to the popularity of new programs and increased facility rentals, delinquent property tax collections, interest earnings due to increased interest rates, and the repayment of an economic development incentive loan. Ad valorem tax revenue increased due to higher property values and an increased tax rate to cover increased operating costs. Sales tax collections increased due to the improved economy and increased construction activity. Cable TV franchise fees decreased due to fewer subscribers. Enterprise Fund revenue increased due to increased water sales, wastewater service, wastewater surcharge revenue, and interest earnings. These increases were partially offset by a decrease in contributed assets from the previous year.

### City of Saginaw's Changes in Net Position

|                                                               | Governmental Activities |                      | Business-type Activities |                      | Total                 |                       |
|---------------------------------------------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                                                               | 2018                    | 2017                 | 2018                     | 2017                 | 2018                  | 2017                  |
| <b>Revenues</b>                                               |                         |                      |                          |                      |                       |                       |
| Program revenues                                              |                         |                      |                          |                      |                       |                       |
| Fees, fines and charges for services                          | \$ 3,112,368            | \$ 3,012,073         | \$ 10,434,663            | \$ 9,088,796         | \$ 13,547,031         | \$ 12,100,869         |
| Operating grants and contributions                            | 159,428                 | 234,121              | -                        | -                    | 159,428               | 234,121               |
| Capital grants and contributions                              | 2,544,847               | 5,835,552            | 1,360,420                | 1,447,523            | 3,905,267             | 7,283,075             |
| General revenues                                              |                         |                      |                          |                      |                       |                       |
| Ad valorem taxes                                              | 8,172,372               | 7,608,668            | -                        | -                    | 8,172,372             | 7,608,668             |
| Sales taxes                                                   | 6,356,478               | 6,198,989            | -                        | -                    | 6,356,478             | 6,198,989             |
| Franchise taxes                                               | 1,660,835               | 1,693,095            | -                        | -                    | 1,660,835             | 1,693,095             |
| Other taxes                                                   | 79,388                  | 32,666               | -                        | -                    | 79,388                | 32,666                |
| Penalties and interest                                        | 22,706                  | 17,148               | 109,754                  | 111,492              | 132,460               | 128,640               |
| Interest income                                               | 475,921                 | 214,428              | 145,445                  | 63,794               | 621,366               | 278,222               |
| Miscellaneous                                                 | 590,747                 | 116,691              | 74,087                   | 61,067               | 664,834               | 177,758               |
| <b>Total revenues</b>                                         | <b>\$ 23,175,090</b>    | <b>\$ 24,963,431</b> | <b>\$ 12,124,369</b>     | <b>\$ 10,772,672</b> | <b>\$ 35,299,459</b>  | <b>\$ 35,736,103</b>  |
| <b>Expenses</b>                                               |                         |                      |                          |                      |                       |                       |
| General administrative office                                 | \$ 2,306,824            | \$ 2,183,540         | \$ -                     | \$ -                 | \$ 2,306,824          | \$ 2,183,540          |
| Municipal court                                               | 167,338                 | 190,521              | -                        | -                    | 167,338               | 190,521               |
| Fire                                                          | 3,410,291               | 3,446,465            | -                        | -                    | 3,410,291             | 3,446,465             |
| Police                                                        | 4,732,436               | 4,616,528            | -                        | -                    | 4,732,436             | 4,616,528             |
| Public works                                                  | 3,717,371               | 3,705,943            | -                        | -                    | 3,717,371             | 3,705,943             |
| Parks                                                         | 345,716                 | 348,531              | -                        | -                    | 345,716               | 348,531               |
| Community services                                            | 1,141,716               | 1,130,034            | -                        | -                    | 1,141,716             | 1,130,034             |
| Library                                                       | 610,243                 | 624,921              | -                        | -                    | 610,243               | 624,921               |
| Inspections                                                   | 563,502                 | 861,619              | -                        | -                    | 563,502               | 861,619               |
| Animal services                                               | 322,993                 | -                    | -                        | -                    | 322,993               | -                     |
| Fleet maintenance                                             | 499,089                 | 513,948              | -                        | -                    | 499,089               | 513,948               |
| Economic development                                          | 567,431                 | 46,520               | -                        | -                    | 567,431               | 46,520                |
| Interest on long term debt                                    | 1,017,739               | 883,962              | -                        | -                    | 1,017,739             | 883,962               |
| Water and Wastewater                                          | -                       | -                    | 10,295,498               | 9,199,426            | 10,295,498            | 9,199,426             |
| <b>Total expenses</b>                                         | <b>\$ 19,402,689</b>    | <b>\$ 18,552,532</b> | <b>\$ 10,295,498</b>     | <b>\$ 9,199,426</b>  | <b>\$ 29,698,187</b>  | <b>\$ 27,751,958</b>  |
| <b>Increases (decreases) in net position before transfers</b> | <b>\$ 3,772,401</b>     | <b>\$ 6,410,899</b>  | <b>\$ 1,828,871</b>      | <b>\$ 1,573,246</b>  | <b>\$ 5,601,272</b>   | <b>\$ 7,984,145</b>   |
| <b>Transfers</b>                                              | <b>579,130</b>          | <b>590,530</b>       | <b>(579,130)</b>         | <b>(590,530)</b>     | <b>-</b>              | <b>-</b>              |
| <b>Increase in net position</b>                               | <b>\$ 4,351,531</b>     | <b>\$ 7,001,429</b>  | <b>\$ 1,249,741</b>      | <b>\$ 982,716</b>    | <b>\$ 5,601,272</b>   | <b>\$ 7,984,145</b>   |
| <b>Net position - October 1, as restated</b>                  | <b>71,757,719</b>       | <b>65,015,216</b>    | <b>30,613,946</b>        | <b>29,663,232</b>    | <b>102,371,665</b>    | <b>94,678,448</b>     |
| <b>Net position - September 30</b>                            | <b>\$ 76,109,250</b>    | <b>\$ 72,016,645</b> | <b>\$ 31,863,687</b>     | <b>\$ 30,645,948</b> | <b>\$ 107,972,937</b> | <b>\$ 102,662,593</b> |

Total City expenses increased by \$1,946,229. There were city wide increases related to increased salary and benefits. The increase in General Administration is due to the cost of services for the interim City Manager, increased legal fees expense, a planning consultant used to evaluate and recommend an overlay program, an information technology consultant to make recommendations on current and future needs, and a strategic planning consultant. The decrease in Municipal Court is due to employee turnover. Overtime for the Fire department decreased due to fewer vacancies than the previous year. Police Department increases are for salaries and benefits. Public Works salary and benefit increases are partially offset by lower building maintenance expense, mowing expense savings, and lower utility expense. The decrease in Library is due a vacant position for part of the year. Animal Services function was separated from Inspections. Community Services increases are due to additional programs such as "Concerts in the Park". An increase in gasoline expense in Fleet Maintenance is offset by savings for utilities, parts, and contract repairs. The increase in Economic Development reflects the economic development incentive loan and partial year funding for the enhanced economic development program. The increase in interest expense is due to new debt issued in 2017. The increased expenses in the Enterprise Fund is due to capital projects including the Park Center elevated storage tank rehabilitation. Other increases for salary, benefits, and water meter supplies are partially offset by savings in power to operate pumps and engineering expense.

City Governmental activities increased net position by \$4,351,531 and Enterprise Fund activities increased net position by \$1,249,741. Net position of the governmental activities has been decreased by \$258,926 and business-type activities by \$32,002 due to the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

At the end of the current fiscal year, the City of Saginaw's governmental funds reported combined ending fund balances of \$26,145,279. Approximately 41% of this total (\$10,714,092) constitutes unassigned fund balance and \$760 constitutes unspendable fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for other purposes. The General Fund decreased by \$48,196. The planned use of fund balance did not occur due increased sales tax, franchise fee, construction inspections fee, property tax, building permit, and interest earning revenues. In addition the following projects remain incomplete at the end of the fiscal year: the public safety radio system upgrade, the food truck/farmers market project, the crosswalk at Basswood, the signal light at Knowles and McLeroy, the court software upgrade, and the live streaming of City Council meetings. The fund balance decrease of \$37,941 in the Debt Service Fund was a planned drawdown using fund balance for a portion of debt service. The decrease of \$5,389,206 in the Capital Projects Fund reflects the use of previously issued bonds for the Bailey Boswell Road construction project. There was a planned increase in the Drainage Utility Fund balance for cash funding of future planned drainage projects. The increase is more than expected due to increased drainage fees and interest earnings. There was an increase of \$12,920 in the Crime Control and Prevention District Fund due to higher than budgeted sales tax collections. The Street Maintenance Fund balance increased by \$203,520 due to increased sales tax collections and the delay of a project due to construction in the area. There was an increase in the Donations Fund balance of \$52,198. Donation balances will be used for future Parks and Beautification projects. Escrow Fund balance increased due to a payment for the future widening of Old Decatur Road and an increase in Hotel/Motel Tax collections collected from the new Motel 6.

**Proprietary Fund** – The City's proprietary fund statements provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Enterprise Fund is \$8,410,610. Total net position of the Enterprise Fund increased by \$1,249,741 from fiscal year 2017 to fiscal year 2018. The increase is due to increased sewer surcharge, a result of increased industrial activity, and contributed water and sewer lines for the Fuel City and Basswood Crossing Phase 1 developments.

**Budgetary Highlights** – The City, with City Council approval, made revisions to the original appropriations approved by the City Council. General Fund revenues were increased by \$904,620 or 6%. Increased revenues were due to increased property tax collections, building permits and construction inspection fees due to construction activity, the repayment of an economic development incentive loan, and interest earnings. These increases were partially offset by a decrease in court fines and fees. General Fund expenditures increased by \$1,722,640 or 11% for an economic development incentive loan, and additional staffing for the Police and Economic Development departments. The revised budget anticipated a drawdown of fund balance for the public safety radio system upgrade (\$652,800) and the food truck/farmer's market project (\$370,000). Both of these projects are ongoing at year end and are projected to be completed in the coming year.

The budgeted revenues of the Enterprise Fund were increased by \$1,050,000 or 11%. Water sales and wastewater surcharge revenue was increased due to weather, growth, and increased industrial activity. Expenditures increased by 9% for the purchase of water, the treatment of wastewater, the completion of the Blue Ridge Trail sewer line project that was not completed in the prior year, and engineering on the Fairmount sewer rehab project that was identified at mid-year.

The Capital Projects Fund budget was decreased, revenues by \$2,536,415 and expenditures by \$5,997,850 due to the construction delay of the Bailey Boswell Road improvements project.

The Crime Control and Prevention District budget was increased by \$23,607 for the grant funded purchase of rifle resistant vests.

The Drainage Fund budget was increased by \$30,000 for drainage improvements at Knowles and Silverbrook.

The Donations Fund expenditures were increased by \$47,125 for additions to the holiday light display and resurfacing of tennis courts at Willow Creek Park.

The budgeted revenues in the General Escrow Fund were increased by \$287,125 for increased insurance claims and the payment for future widening of Old Decatur Road. Expenditures increased by \$21,120 as a result of increased insurance claims.

## CAPITAL ASSETS

The City of Saginaw's investment in capital assets for its governmental and business-type activities as of September 30, 2018 amounts to \$113,714,051 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, improvements, infrastructure and construction in progress.

Major capital asset events during the fiscal year included the following:

- Willow Creek Park Restroom completion (\$7,771).
- Engineering for a crosswalk on Basswood Boulevard (\$5,400).
- Security gate at the Ridgecrest entrance of the Police Department (\$12,489).
- City Council agenda/live streaming project (\$18,376).
- Completion of the Blue Ridge Trail 8" sewer line (\$101,558).
- Cage remodel at Animal Services (\$34,163).
- Additions to the holiday light display (\$42,352).
- Continued construction of the East Bailey Boswell Road project (\$5,549,587).
- Fire Department pumper truck (\$650,015).
- Parking lot expansion at Willow Creek Park (\$38,556).
- City-wide equipment replacement (\$154,171).
- Public Safety equipment replacement (\$162,163).
- Public Safety radio system (\$149,696).
- Drainage improvements at Knowles & Silverbrook (\$42,970).
- Traffic signal at Bailey Boswell Road and Basswood Boulevard (\$212,429).
- Traffic signal at West McLeroy Boulevard and Knowles (\$57,885).
- Construction of the Saginaw Boulevard 12" water line Phase2 (\$219,613).
- Completion of the South Hampshire 16" water line (\$363,358).
- Donated streets, drainage, and water lines for the Fuel City (\$125,253).
- Donated land at 805 East McLeroy Boulevard (\$54,755).
- Donated streets, drainage, and ROW for Basswood Crossing Phase 1 (\$2,139,265).
- Donated water and sewer lines for Basswood Crossing Phase 1 (\$768,284).

### Capital Assets at Year End Net of Accumulated Depreciation

|                          | Governmental Activities |               | Business-type Activities |               | Total          |                |
|--------------------------|-------------------------|---------------|--------------------------|---------------|----------------|----------------|
|                          | 2018                    | 2017          | 2018                     | 2017          | 2018           | 2017           |
| Land                     | \$ 14,527,200           | \$ 13,850,991 | \$ 16,657                | \$ 16,657     | \$ 14,543,857  | \$ 13,867,648  |
| Improvements             | 1,937,259               | 1,898,703     | -                        | -             | 1,937,259      | 1,898,703      |
| Buildings                | 19,713,546              | 19,671,612    | 154,587                  | 154,587       | 19,868,133     | 19,826,199     |
| Equipment                | 7,623,973               | 7,448,530     | 1,418,367                | 1,394,658     | 9,042,340      | 8,843,188      |
| Infrastructure           | 99,788,376              | 98,116,198    | 35,584,887               | 34,278,137    | 135,373,263    | 132,394,335    |
| Construction in progress | 14,783,021              | 8,139,633     | 277,420                  | 116,807       | 15,060,441     | 8,256,440      |
| Accumulated depreciation | (69,586,699)            | (66,384,742)  | (12,524,543)             | (11,760,722)  | (82,111,242)   | (78,145,464)   |
| Total                    | \$ 88,786,676           | \$ 82,740,925 | \$ 24,927,375            | \$ 24,200,124 | \$ 113,714,051 | \$ 106,941,049 |

Additional information on the City of Saginaw's capital assets can be found in Note 5 on pages 42-43.

## DEBT ADMINISTRATION

At the end of the fiscal year, the City had a total bonded debt of \$33,104,342. Of this amount, \$32,330,000 comprises bonded debt backed by the full faith and credit of the government and \$100,000 represents bonds secured solely by water and wastewater revenues.

### Outstanding Bond Debt at Year End

|                            | Governmental Activities |                      | Business-type Activities |                     | Total                |                      |
|----------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                            | 2018                    | 2017                 | 2018                     | 2017                | 2018                 | 2017                 |
| General obligations        | \$ 28,765,000           | \$ 30,980,000        | \$ 1,615,000             | \$ 1,810,000        | \$ 30,380,000        | \$ 32,790,000        |
| Certificates of obligation | 1,950,000               | 2,110,000            | -                        | -                   | 1,950,000            | 2,110,000            |
| Revenue bonds payable      | -                       | -                    | 100,000                  | 150,000             | 100,000              | 150,000              |
| Premiums on bonds          | 672,612                 | 729,335              | 1,730                    | 6,918               | 674,342              | 736,253              |
| Total                      | <u>\$ 31,387,612</u>    | <u>\$ 33,819,335</u> | <u>\$ 1,716,730</u>      | <u>\$ 1,966,918</u> | <u>\$ 33,104,342</u> | <u>\$ 35,786,253</u> |

During the fiscal year, the City's total debt decreased by \$2,681,911 or 7.5%. Enterprise Fund principal payments of \$245,000 and General Fund principal payments of \$2,375,000 were made. The City's General Obligation Bonds, and Certificates of Obligation have a Standard and Poor's Ratings Services rating of AA/Stable and a Moody's Investor Service rating of Aa3. The Revenue bonds have a Standard and Poor's Rating of AA/Stable and a Moody's rating of Aa3.

Additional information on the City of Saginaw's long-term debt can be found on pages 44-46 of this report.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2018-2019 budget, General Fund revenues and transfers in are budgeted to increase by \$238,080 (1.5%) from the 2017-2018 revised budget year with property tax making up 34% and sales tax making up 30% of budgeted revenues. Certified assessed valuations increased 17.4% from the preceding year. The increased value has allowed the property tax rate to drop from .495 to .4718 with budgeted property tax revenues estimated at \$5,366,835 (\$3,330,595 for the Debt Service Fund). General Fund expenditures and transfers decreased by \$861,995 or 4.9%. The approved budget will be revised for the public safety radio system, signal light at Knowles and West McLeroy, food truck court/farmer's market projects that were not completed by fiscal year end. Funding is provided for a 1% increase in retirement benefits, two intern positions, a firefighter, a Management Analyst, a School Resource Officer, and a Jailer. One-time expenses include advertising and election expenses for charter revisions, replacement of 24 self-contained breathing apparatus, a replacement fire rescue vehicle, interview room recording equipment, the standardization of Police Department uniforms, two public service trucks, repairs and repainting of the Chamber of Commerce building, a matching donation for an all abilities playground, a park evaluation and improvement plan, renovations of the aquatic center, and computer replacements at the Library. The General Fund budget is balanced with the use of \$885,540 from the beginning fund balance for these one-time expenses.

The 2018-2019 budget includes an 8% increase in wastewater rates. The increase is due to the increase charged by our wastewater treatment provider, the City of Fort Worth. The Enterprise Fund budget has been balanced using \$1,707,525 from the fund balance. Fund balance is used to fund design costs of the Saginaw Boulevard 16" water line phase 2, construction costs of the Fairmount sewer project, phase 2 of the inflow and infiltration study and repairs, and the relocation of utilities in preparation of the Texas Department of Transportation FM 156 road widening project.

### REQUEST FOR INFORMATION

This 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 Finance Director at P.O. Box 79070, Saginaw, Texas 76179, or call (817) 232-4640.

## **Basic Financial Statements**



City of Saginaw

## **Government-Wide Financial Statements**



City of Saginaw

**City of Saginaw, Texas**  
Statement of Net Position  
September 30, 2018

|                                          | Primary Government         |                             |                       |
|------------------------------------------|----------------------------|-----------------------------|-----------------------|
|                                          | Governmental<br>Activities | Business-type<br>Activities | Total                 |
| <b>ASSETS</b>                            |                            |                             |                       |
| Deposits and investments                 | \$ 19,368,948              | \$ 9,485,977                | \$ 28,854,925         |
| Receivables:                             |                            |                             |                       |
| Taxes, net of allowance                  | 1,150,876                  | -                           | 1,150,876             |
| Accounts, net of allowance               | 93,850                     | 1,285,344                   | 1,379,194             |
| Other                                    | 239,087                    | -                           | 239,087               |
| Prepaid                                  | 760                        | 190                         | 950                   |
| Notes Receivable                         | 1,000                      | -                           | 1,000                 |
| Restricted assets:                       |                            |                             |                       |
| Deposits and investments                 | 8,183,322                  | 809,101                     | 8,992,423             |
| Capital assets:                          |                            |                             |                       |
| Land                                     | 14,527,200                 | 16,657                      | 14,543,857            |
| Improvements                             | 1,937,259                  | -                           | 1,937,259             |
| Buildings                                | 19,713,546                 | 154,587                     | 19,868,133            |
| Equipment                                | 7,623,973                  | 1,418,367                   | 9,042,340             |
| Infrastructure                           | 99,788,376                 | 35,584,887                  | 135,373,263           |
| Construction in progress                 | 14,783,021                 | 277,420                     | 15,060,441            |
| Accumulated depreciation                 | (69,586,699)               | (12,524,543)                | (82,111,242)          |
| Total assets                             | 117,824,519                | 36,507,987                  | 154,332,506           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>    |                            |                             |                       |
| Deferred charge for refunding            | 260,239                    | 63,254                      | 323,493               |
| Related to TMRS pension                  | 1,055,591                  | 126,625                     | 1,182,216             |
| Related to TMRS OPEB                     | 22,602                     | 2,794                       | 25,396                |
| Total deferred outflows of resources     | 1,338,432                  | 192,673                     | 1,531,105             |
| <b>LIABILITIES</b>                       |                            |                             |                       |
| Accounts payable and accrued liabilities | 1,567,145                  | 1,454,355                   | 3,021,500             |
| Accrued interest payable                 | 73,884                     | 2,916                       | 76,800                |
| Unearned revenue                         | 302,568                    | -                           | 302,568               |
| Payable from restricted assets:          |                            |                             |                       |
| Contracts payable                        | 974,631                    | -                           | 974,631               |
| Current portion of revenue bonds payable | -                          | 246,730                     | 246,730               |
| Customer deposits                        | -                          | 629,923                     | 629,923               |
| Noncurrent liabilities:                  |                            |                             |                       |
| Debt due within one year                 | 2,551,723                  | -                           | 2,551,723             |
| Debt due in more than one year           | 28,835,889                 | 1,470,000                   | 30,305,889            |
| Net pension liability                    | 7,210,721                  | 847,030                     | 8,057,751             |
| Net OPEB liability                       | 305,574                    | 37,768                      | 343,342               |
| Total liabilities                        | 41,822,135                 | 4,688,722                   | 46,510,857            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>     |                            |                             |                       |
| Related to TMRS pension                  | 1,231,566                  | 148,251                     | 1,379,817             |
| Total deferred inflows of resources      | 1,231,566                  | 148,251                     | 1,379,817             |
| <b>NET POSITION</b>                      |                            |                             |                       |
| Net investment in capital assets         | 65,704,199                 | 23,273,899                  | 88,978,098            |
| Restricted for:                          |                            |                             |                       |
| Debt service                             | 1,062,127                  | 179,178                     | 1,241,305             |
| Unrestricted                             | 9,342,924                  | 8,410,610                   | 17,753,534            |
| <b>TOTAL NET POSITION</b>                | <u>\$ 76,109,250</u>       | <u>\$ 31,863,687</u>        | <u>\$ 107,972,937</u> |

The Notes to Basic Financial Statements are an integral part of these statements.

**City of Saginaw, Texas**  
Statement of Activities  
For the Fiscal Year Ended September 30, 2018

| Program Activities             | Expenses             | Program Revenues                     |                                    |                                  |
|--------------------------------|----------------------|--------------------------------------|------------------------------------|----------------------------------|
|                                |                      | Fees, Fines and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities:       |                      |                                      |                                    |                                  |
| General administrative offices | \$ 2,306,824         | \$ 77,113                            | \$ -                               | \$ -                             |
| Municipal court                | 167,338              | 416,477                              | -                                  | -                                |
| Fire                           | 3,410,291            | 84,000                               | 30,833                             | -                                |
| Police                         | 4,732,436            | 4,439                                | 128,595                            | -                                |
| Public works                   | 3,717,371            | 776,501                              | -                                  | 2,544,847                        |
| Parks                          | 345,716              | -                                    | -                                  | -                                |
| Community services             | 1,141,716            | 692,897                              | -                                  | -                                |
| Library                        | 610,243              | 15,309                               | -                                  | -                                |
| Inspection                     | 563,502              | 1,025,588                            | -                                  | -                                |
| Animal services                | 322,993              | 20,044                               | -                                  | -                                |
| City garage                    | 499,089              | -                                    | -                                  | -                                |
| Economic development           | 567,431              | -                                    | -                                  | -                                |
| Interest on long term debt     | 1,017,739            | -                                    | -                                  | -                                |
| Total governmental activities  | 19,402,689           | 3,112,368                            | 159,428                            | 2,544,847                        |
| Business-type activities:      |                      |                                      |                                    |                                  |
| Water and wastewater           | 10,295,498           | 10,434,663                           | -                                  | 1,360,420                        |
| Total business-type activities | 10,295,498           | 10,434,663                           | -                                  | 1,360,420                        |
| <b>TOTAL GOVERNMENT</b>        | <b>\$ 29,698,187</b> | <b>\$ 13,547,031</b>                 | <b>\$ 159,428</b>                  | <b>\$ 3,905,267</b>              |

|                                                     |
|-----------------------------------------------------|
| General revenues                                    |
| Taxes                                               |
| Ad valorem                                          |
| Sales                                               |
| Franchise taxes                                     |
| Other taxes                                         |
| Penalties and interest                              |
| Interest income                                     |
| Miscellaneous revenues                              |
| Transfers                                           |
| Total general revenues and transfers                |
| Change in net position                              |
| Net position - beginning of year                    |
| Cumulative effect of change in accounting principle |
| Net position - end of year                          |

The Notes to Basic Financial Statements are an integral part of these statements.

**Net (Expenses) Revenue and  
Changes in Net Position**

| <b>Governmental<br/>Activities</b> | <b>Business- type<br/>Activities</b> | <b>Total</b>    |
|------------------------------------|--------------------------------------|-----------------|
| \$ (2,229,711)                     | \$ -                                 | \$ (2,229,711)  |
| 249,139                            | -                                    | 249,139         |
| (3,295,458)                        | -                                    | (3,295,458)     |
| (4,599,402)                        | -                                    | (4,599,402)     |
| (396,023)                          | -                                    | (396,023)       |
| (345,716)                          | -                                    | (345,716)       |
| (448,819)                          | -                                    | (448,819)       |
| (594,934)                          | -                                    | (594,934)       |
| 462,086                            | -                                    | 462,086         |
| (302,949)                          | -                                    | (302,949)       |
| (499,089)                          | -                                    | (499,089)       |
| (567,431)                          | -                                    | (567,431)       |
| (1,017,739)                        | -                                    | (1,017,739)     |
| (13,586,046)                       | -                                    | (13,586,046)    |
| -                                  | 1,499,585                            | 1,499,585       |
| -                                  | 1,499,585                            | 1,499,585       |
| \$ (13,586,046)                    | \$ 1,499,585                         | \$ (12,086,461) |
| \$ 8,172,372                       | \$ -                                 | \$ 8,172,372    |
| 6,356,478                          | -                                    | 6,356,478       |
| 1,660,835                          | -                                    | 1,660,835       |
| 79,388                             | -                                    | 79,388          |
| 22,706                             | 109,754                              | 132,460         |
| 475,921                            | 145,445                              | 621,366         |
| 590,747                            | 74,087                               | 664,834         |
| 579,130                            | (579,130)                            | -               |
| 17,937,577                         | (249,844)                            | 17,687,733      |
| 4,351,531                          | 1,249,741                            | 5,601,272       |
| 72,016,645                         | 30,645,948                           | 102,662,593     |
| (258,926)                          | (32,002)                             | (290,928)       |
| \$ 76,109,250                      | \$ 31,863,687                        | \$ 107,972,937  |



City of Saginaw

## **Fund Financial Statements Governmental Funds**

# City of Saginaw, Texas

## Balance Sheet - Governmental Funds

September 30, 2018

|                                                                               | General              | Debt<br>Service     | Capital<br>Projects | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-------------------------------------------------------------------------------|----------------------|---------------------|---------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>                                                                 |                      |                     |                     |                                |                                |
| Deposits and investments                                                      | \$ 12,366,858        | \$ 1,115,473        | \$ -                | \$ 5,886,617                   | \$ 19,368,948                  |
| Receivables:                                                                  |                      |                     |                     |                                |                                |
| Taxes, net of allowance                                                       | 868,618              | 20,537              | -                   | 261,721                        | 1,150,876                      |
| Accounts                                                                      | 93,850               | -                   | -                   | -                              | 93,850                         |
| Other                                                                         | 106,715              | -                   | -                   | 132,372                        | 239,087                        |
| Prepaid items                                                                 | 760                  | -                   | -                   | -                              | 760                            |
| Note receivable                                                               | 1,000                | -                   | -                   | -                              | 1,000                          |
| Restricted assets                                                             |                      |                     |                     |                                |                                |
| Deposits and investments                                                      | -                    | -                   | 8,183,322           | -                              | 8,183,322                      |
| <b>TOTAL ASSETS</b>                                                           | <b>\$ 13,437,801</b> | <b>\$ 1,136,010</b> | <b>\$ 8,183,322</b> | <b>\$ 6,280,710</b>            | <b>\$ 29,037,843</b>           |
| <b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>                        |                      |                     |                     |                                |                                |
| <b>LIABILITIES</b>                                                            |                      |                     |                     |                                |                                |
| Accounts payable and accrued liabilities                                      | \$ 1,533,250         | \$ -                | \$ -                | \$ 33,895                      | \$ 1,567,145                   |
| Payable from restricted assets:                                               |                      |                     |                     |                                |                                |
| Contracts payable                                                             | -                    | -                   | 974,631             | -                              | 974,631                        |
| Unearned revenue                                                              | 276,475              | -                   | -                   | 26,093                         | 302,568                        |
| <b>Total liabilities</b>                                                      | <b>1,809,725</b>     | <b>-</b>            | <b>974,631</b>      | <b>59,988</b>                  | <b>2,844,344</b>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                          |                      |                     |                     |                                |                                |
| Unavailable revenue - property taxes                                          | 27,684               | 20,536              | -                   | -                              | 48,220                         |
| <b>Total deferred inflows of resources</b>                                    | <b>27,684</b>        | <b>20,536</b>       | <b>-</b>            | <b>-</b>                       | <b>48,220</b>                  |
| <b>Fund balances:</b>                                                         |                      |                     |                     |                                |                                |
| Nonspendable                                                                  |                      |                     |                     |                                |                                |
| Prepays items                                                                 | 760                  | -                   | -                   | -                              | 760                            |
| Restricted:                                                                   |                      |                     |                     |                                |                                |
| Debt service                                                                  | -                    | 1,115,474           | -                   | -                              | 1,115,474                      |
| Capital projects                                                              | -                    | -                   | 7,208,691           | -                              | 7,208,691                      |
| Street maintenance                                                            | -                    | -                   | -                   | 1,655,775                      | 1,655,775                      |
| Crime prevention                                                              | -                    | -                   | -                   | 535,811                        | 535,811                        |
| Drainage                                                                      | -                    | -                   | -                   | 2,217,041                      | 2,217,041                      |
| Other                                                                         | -                    | -                   | -                   | 1,487,451                      | 1,487,451                      |
| Committed:                                                                    |                      |                     |                     |                                |                                |
| Donations                                                                     | -                    | -                   | -                   | 324,644                        | 324,644                        |
| Assigned                                                                      | 885,540              | -                   | -                   | -                              | 885,540                        |
| Unassigned                                                                    | 10,714,092           | -                   | -                   | -                              | 10,714,092                     |
| <b>Total fund balances</b>                                                    | <b>11,600,392</b>    | <b>1,115,474</b>    | <b>7,208,691</b>    | <b>6,220,722</b>               | <b>26,145,279</b>              |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <b>\$ 13,437,801</b> | <b>\$ 1,136,010</b> | <b>\$ 8,183,322</b> | <b>\$ 6,280,710</b>            | <b>\$ 29,037,843</b>           |

The Notes to Basic Financial Statements are an integral part of these statements.

## City of Saginaw, Texas

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2018

|                                               |                      |
|-----------------------------------------------|----------------------|
| <b>TOTAL FUND BALANCE - GOVERNMENTAL FUND</b> | <b>\$ 26,145,279</b> |
|-----------------------------------------------|----------------------|

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

|                                                                                                                                                           |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet | 88,786,676 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------|

|                                                                                                                                                                                     |          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Interest payable on long term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet. | (73,884) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|

|                                                                                                                                     |        |
|-------------------------------------------------------------------------------------------------------------------------------------|--------|
| Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements. | 48,220 |
|-------------------------------------------------------------------------------------------------------------------------------------|--------|

|                                                                                                                                                                                                                                                                                                                                             |              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Long-term liabilities, including bonds payable and capital leases are not due and payable in the current period and therefore are not reported in the fund financial statements. A deferred charge on an advanced refunding of bonds payable of \$260,239 is reflected as a deferred outflow of resources on the Statement of Net Position. | (31,127,373) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|

|                                                                                                                                                                                                                                                                                                                     |             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Included in noncurrent liabilities is the recognition of the City's net pension liability required by GASB 68 in the amount of \$7,210,721, a deferred resource outflow related to TMRS of \$1,055,591, and a deferred resource inflow related to TMRS of \$1,231,566. This resulted in a decrease in net position. | (7,386,696) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|

|                                                                                                                                                                                                   |           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Included in noncurrent liabilities is the recognition of the City's net OPEB liability required by GASB 75 in the amount of \$305,574 and a deferred resource outflow related to TMRS of \$22,602 | (282,972) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                     |                      |
|-----------------------------------------------------|----------------------|
| <b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b> | <b>\$ 76,109,250</b> |
|-----------------------------------------------------|----------------------|

# City Of Saginaw, Texas

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For The Year Ended September 30, 2018

|                                                      | General              | Debt<br>Service     | Capital<br>Projects | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------------------------|----------------------|---------------------|---------------------|--------------------------------|--------------------------------|
| <b>REVENUES</b>                                      |                      |                     |                     |                                |                                |
| Taxes                                                | \$ 11,206,947        | \$ 3,488,544        | \$ -                | \$ 1,592,198                   | \$ 16,287,689                  |
| Licenses and permits                                 | 951,542              | -                   | -                   | -                              | 951,542                        |
| Charges for services                                 | 84,000               | -                   | -                   | 776,401                        | 860,401                        |
| Fines and fees                                       | 505,110              | -                   | -                   | 20,766                         | 525,876                        |
| Interest income                                      | 191,974              | 46,420              | 160,379             | 77,148                         | 475,921                        |
| Recreation income                                    | 520,798              | -                   | -                   | -                              | 520,798                        |
| Intergovernmental                                    | 135,821              | -                   | -                   | 23,607                         | 159,428                        |
| Miscellaneous revenues                               | 601,504              | -                   | -                   | 489,990                        | 1,091,494                      |
| Total revenues                                       | 14,197,696           | 3,534,964           | 160,379             | 2,980,110                      | 20,873,149                     |
| <b>EXPENDITURES</b>                                  |                      |                     |                     |                                |                                |
| Current:                                             |                      |                     |                     |                                |                                |
| General administrative office                        | 1,774,678            | -                   | -                   | 442,446                        | 2,217,124                      |
| Municipal court                                      | 168,421              | -                   | -                   | -                              | 168,421                        |
| Fire                                                 | 3,982,620            | -                   | -                   | -                              | 3,982,620                      |
| Police                                               | 4,546,478            | -                   | -                   | 92,426                         | 4,638,904                      |
| Public works                                         | 1,609,303            | -                   | -                   | -                              | 1,609,303                      |
| Parks                                                | 339,015              | -                   | -                   | -                              | 339,015                        |
| Community services                                   | 959,782              | -                   | -                   | -                              | 959,782                        |
| Library                                              | 569,005              | -                   | -                   | -                              | 569,005                        |
| Inspection                                           | 579,082              | -                   | -                   | -                              | 579,082                        |
| Animal services                                      | 398,633              | -                   | -                   | -                              | 398,633                        |
| City garage                                          | 456,219              | -                   | -                   | -                              | 456,219                        |
| Economic development                                 | 567,978              | -                   | -                   | -                              | 567,978                        |
| Capital outlay                                       | -                    | -                   | 5,549,585           | 212,080                        | 5,761,665                      |
| Principal retirement                                 | -                    | 2,555,536           | -                   | -                              | 2,555,536                      |
| Interest charges                                     | -                    | 1,012,169           | -                   | -                              | 1,012,169                      |
| Fiscal agent's fees and<br>debt issuance costs       | -                    | 5,200               | -                   | -                              | 5,200                          |
| Total expenditures                                   | 15,951,214           | 3,572,905           | 5,549,585           | 746,952                        | 25,820,656                     |
| Excess (deficiency) of<br>revenues over expenditures | (1,753,518)          | (37,941)            | (5,389,206)         | 2,233,158                      | (4,947,507)                    |
| <b>OTHER FINANCING SOURCES (uses)</b>                |                      |                     |                     |                                |                                |
| Transfers in                                         | 1,705,322            | -                   | -                   | -                              | 1,705,322                      |
| Transfers out                                        | -                    | -                   | -                   | (1,126,192)                    | (1,126,192)                    |
| Total other financing sources (uses)                 | 1,705,322            | -                   | -                   | (1,126,192)                    | 579,130                        |
| Net change in fund balances                          | (48,196)             | (37,941)            | (5,389,206)         | 1,106,966                      | (4,368,377)                    |
| Fund Balance, beginning                              | 11,648,588           | 1,153,415           | 12,597,897          | 5,113,756                      | 30,513,656                     |
| <b>FUND BALANCE, ending</b>                          | <b>\$ 11,600,392</b> | <b>\$ 1,115,474</b> | <b>\$ 7,208,691</b> | <b>\$ 6,220,722</b>            | <b>\$ 26,145,279</b>           |

The Notes to Basic Financial Statements are an integral part of these statements.

## City of Saginaw, Texas

### Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities For the Fiscal Year Ended September 30, 2018

|                                                             |                       |
|-------------------------------------------------------------|-----------------------|
| <b>TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND</b> | <b>\$ (4,368,377)</b> |
|-------------------------------------------------------------|-----------------------|

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

|                                                                                                                                                                                                                                                                                       |           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period. | 7,115,189 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                                                                                                                                       |           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense. | 2,304,723 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                                                                                                             |             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Depreciation expense on capital assets is reported in the statement of activities and does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds. | (3,367,287) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|

|                                                                                                                                                                                                |         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. | (6,874) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 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. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are capitalized and amortized in the statement of activities. This amount consists of repayments of \$2,555,535 and amortization of \$21,407 for premiums and deferred charges on refundings, which is the net effect of these differences in the treatment of long-term debt and related items. | 2,576,942 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                                                                    |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Current year changes in the net pension liability, deferred inflows of resources and the deferred outflows of resources of the pension plan. The net effect of these items increased net position. | 138,947 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|                                                                                                                                                                  |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Current year changes in the net OPEB liability and the deferred outflows of resources of the pension plan. The net effect of these items decreased net position. | (24,046) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|

|                                                                                                                                                                            |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. | (21,777) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|

|                                                                                                                                                                        |       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. | 4,091 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|

|                                                         |                     |
|---------------------------------------------------------|---------------------|
| <b>CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES</b> | <b>\$ 4,351,531</b> |
|---------------------------------------------------------|---------------------|

The Notes to Basic Financial Statements are an integral part of these statements.



City of Saginaw

# **Fund Financial Statements Proprietary Funds**

**City of Saginaw, Texas**  
Statement of Net Position  
Proprietary Funds  
September 30, 2018

|                                                       | <b>Enterprise<br/>Fund</b>  |
|-------------------------------------------------------|-----------------------------|
| <b>ASSETS</b>                                         |                             |
| Current assets:                                       |                             |
| Deposits and investments                              | \$ 9,485,977                |
| Deposits and investments-restricted                   | 179,178                     |
| Receivables:                                          |                             |
| Accounts receivable, net of allowance of \$70,137     | 798,377                     |
| Unbilled accounts                                     | 486,967                     |
| Prepaid                                               | 190                         |
| Total current assets                                  | <u>10,950,689</u>           |
| Noncurrent assets:                                    |                             |
| Capital assets, at cost:                              |                             |
| Land and land improvements                            | 16,657                      |
| Buildings and improvements                            | 154,587                     |
| Waterworks and sewer system                           | 35,584,887                  |
| Machinery and equipment                               | 1,418,367                   |
| Construction in progress                              | 277,420                     |
| Accumulated depreciation                              | <u>(12,524,543)</u>         |
| Total capital assets, net of accumulated depreciation | 24,927,375                  |
| Deposits and investments-restricted                   | <u>629,923</u>              |
| Total noncurrent assets                               | <u>25,557,298</u>           |
| Total assets                                          | <u>36,507,987</u>           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                 |                             |
| Deferred charge for refunding                         | 63,254                      |
| Related to the TMRS pension                           | 126,625                     |
| Related to the TMRS OPEB                              | <u>2,794</u>                |
| Total deferred outflows of resources                  | <u>192,673</u>              |
| <b>LIABILITIES</b>                                    |                             |
| Current liabilities:                                  |                             |
| Accounts payable and accrued liabilities              | 1,454,355                   |
| Accrued interest                                      | 2,916                       |
| Revenue bonds payable                                 | <u>246,730</u>              |
| Total current liabilities                             | <u>1,704,001</u>            |
| Noncurrent liabilities:                               |                             |
| Revenue bonds payable                                 | 1,470,000                   |
| Customer deposits                                     | 629,923                     |
| Net pension liability                                 | 847,030                     |
| Net OPEB liability                                    | <u>37,768</u>               |
| Total noncurrent liabilities                          | <u>2,984,721</u>            |
| Total liabilities                                     | <u>4,688,722</u>            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                             |
| Related to the TMRS pension                           | <u>148,251</u>              |
| Total deferred inflows of resources                   | <u>148,251</u>              |
| <b>NET POSITION</b>                                   |                             |
| Net investment in capital assets                      | 23,273,899                  |
| Restricted for revenue bond retirement                | 179,178                     |
| Unrestricted                                          | <u>8,410,610</u>            |
| <b>TOTAL NET POSITION</b>                             | <u><u>\$ 31,863,687</u></u> |

The Notes to the Basic Financial Statements are an integral part of these statements.

**City of Saginaw, Texas**

## Statement of Revenues, Expenses and Changes in Fund Net Position

## Proprietary Funds

For the Fiscal Year Ended September 30, 2018

|                                                | <b>Enterprise<br/>Fund</b> |
|------------------------------------------------|----------------------------|
| <b>OPERATING REVENUES</b>                      |                            |
| Water and sewer sales                          | \$ 8,604,460               |
| Penalties                                      | 109,754                    |
| Surcharges                                     | 1,830,203                  |
| Miscellaneous                                  | 74,087                     |
|                                                | <hr/>                      |
| Total operating revenue                        | 10,618,504                 |
| <b>OPERATING EXPENSES</b>                      |                            |
| Cost of sales and services                     | 6,464,089                  |
| Administrative                                 | 3,013,465                  |
| Depreciation                                   | 763,821                    |
|                                                | <hr/>                      |
| Total operating expenses                       | 10,241,375                 |
|                                                | <hr/>                      |
| Operating income                               | 377,129                    |
| <b>NONOPERATING REVENUES (EXPENSES)</b>        |                            |
| Investment income                              | 145,445                    |
| Gain (Loss) on sale of machinery and equipment | 1,440                      |
| Interest expense and agent fees                | (55,563)                   |
|                                                | <hr/>                      |
| Total nonoperating revenues (expenses)         | 91,322                     |
|                                                | <hr/>                      |
| Income before contributions and transfers      | 468,451                    |
| <b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>     |                            |
| Capital contributions                          | 782,834                    |
| Impact and tap fees                            | 577,586                    |
| Transfers out                                  | (621,775)                  |
| Transfers in                                   | 42,645                     |
|                                                | <hr/>                      |
| Total capital contributions and transfers      | 781,290                    |
|                                                | <hr/>                      |
| Change in net position                         | 1,249,741                  |
| Net position, beginning                        | 30,613,946                 |
|                                                | <hr/>                      |
| <b>NET POSITION, ending</b>                    | <b>\$ 31,863,687</b>       |
|                                                | <hr/> <hr/>                |

The Notes to the Basic Financial Statements are an integral part of these statements.

**City of Saginaw, Texas**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2018

|                                                                     | <b>Enterprise<br/>Fund</b> |
|---------------------------------------------------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                            |
| Cash received from customers                                        | \$ 10,507,024              |
| Cash paid to employees                                              | (930,771)                  |
| Cash paid to suppliers                                              | (7,617,579)                |
| Net cash provided by operating activities                           | 1,958,674                  |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>          |                            |
| Transfers out to other funds                                        | (621,775)                  |
| Transfers from other funds                                          | 42,645                     |
| Net cash used in noncapital financing activities                    | (579,130)                  |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b> |                            |
| Proceeds from sale of machinery and equipment                       | 1,440                      |
| Impact and tap fees                                                 | 577,586                    |
| Principal paid on bonds                                             | (245,000)                  |
| Purchase of capital assets                                          | (708,238)                  |
| Interest and fees paid on debt issuance                             | (40,818)                   |
| Fiscal agent fees                                                   | (1,564)                    |
| Net cash used in capital and related financing activities           | (416,594)                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                            |
| Interest on investments                                             | 145,445                    |
| Net cash provided by investing activities                           | 145,445                    |
| Net change in cash                                                  | 1,108,395                  |
| <b>CASH AND CASH EQUIVALENTS, beginning of year</b>                 | 9,186,683                  |
| <b>CASH AND CASH EQUIVALENTS, end of year</b>                       | \$ 10,295,078              |

The Notes to the Basic Financial Statements are an integral part of these statements.

**City of Saginaw, Texas**  
Statement of Cash Flows – Continued  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2018

|                                                                                                                         | Current<br>Assets   | Enterprise Fund<br>Restricted Assets |                   | Statement of<br>Cash Flows<br>Totals |
|-------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------------------|-------------------|--------------------------------------|
|                                                                                                                         |                     | Current                              | Noncurrent        |                                      |
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS<br/>PER STATEMENT OF CASH FLOWS TO THE STATEMENT<br/>OF NET POSITION</b> |                     |                                      |                   |                                      |
| Cash and cash equivalents - beginning                                                                                   | \$ 8,414,076        | \$ 175,662                           | \$ 596,945        | \$ 9,186,683                         |
| Net increase(decrease)                                                                                                  | 1,071,901           | 3,516                                | 32,978            | 1,108,395                            |
| Cash and cash equivalents - ending                                                                                      | <u>\$ 9,485,977</u> | <u>\$ 179,178</u>                    | <u>\$ 629,923</u> | <u>\$ 10,295,078</u>                 |
| <b>RECONCILIATION OF OPERATING INCOME TO<br/>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>                              |                     |                                      |                   |                                      |
| Operating income                                                                                                        |                     |                                      |                   | \$ 377,129                           |
| Adjustments to reconcile operating income to net cash<br>provided by operating activities:                              |                     |                                      |                   |                                      |
| Depreciation                                                                                                            |                     |                                      |                   | 763,821                              |
| Increase in accounts receivable                                                                                         |                     |                                      |                   | (144,458)                            |
| Increase in prepaids                                                                                                    |                     |                                      |                   | (190)                                |
| Decrease in deferred outflows of resources-pension                                                                      |                     |                                      |                   | 104,885                              |
| Increase in deferred outflows of resources-OPEB                                                                         |                     |                                      |                   | (2,591)                              |
| Increase in accounts payable and accrued expenses                                                                       |                     |                                      |                   | 943,595                              |
| Increase in customer deposits                                                                                           |                     |                                      |                   | 32,978                               |
| Decrease in net pension liability                                                                                       |                     |                                      |                   | (201,096)                            |
| Increase in net OPEB liability                                                                                          |                     |                                      |                   | 5,563                                |
| Increase in deferred inflows of resources-pension                                                                       |                     |                                      |                   | 79,038                               |
| Net cash provided by operating activities                                                                               |                     |                                      |                   | <u>\$ 1,958,674</u>                  |
| <b>SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL<br/>AND INVESTING ACTIVITIES</b>                                 |                     |                                      |                   |                                      |
| Capital asset contributions from developers                                                                             |                     |                                      |                   | <u>\$ 782,834</u>                    |

The Notes to the Basic Financial Statements are an integral part of these statements.



City of Saginaw

## **City of Saginaw, Texas**

### Notes to the Basic Financial Statements

#### **Note 1. Summary of Significant Accounting Policies**

##### **A. General Statement**

The City of Saginaw (the City) was incorporated in 1949. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: general government, court, police and fire protection, street maintenance, building inspection services, library services, animal services, recreation, parks operation and maintenance, and maintenance and operation of City-owned buildings. The City contracts with the City of Fort Worth for water purchases and wastewater service but owns the waterworks and wastewater systems within the City.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

##### **B. Financial Reporting Entity**

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either there is ongoing financial benefit or burden or operational responsibility. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has operational responsibility for an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government. Complete financial statements for the individual component units may be obtained at the City's office.

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

The following entity was found to be a component unit of the City and is included in the combined financial statements:

**Blended Component Unit** – The Saginaw Crime Control and Prevention District (CCPD) serves all the citizens of the City and is used to account for the accumulation and use of resources to add law enforcement officers and purchase additional equipment for law enforcement purposes. The governing body of the Saginaw CCPD Fund is the same as that of the primary government and the primary government has operational responsibility. The Saginaw CCPD is reported as a governmental activity in the government-wide financial statements and as a Special Revenue Fund in the governmental financial statements.

#### C. Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City, except for fiduciary funds. The effect of interfund activity, within the governmental and business-type activities columns, have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

#### Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The City has presented the following major governmental funds:

**General Fund.** The general fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

**Debt Service Fund.** The debt service fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted to signify the amounts that are restricted exclusively for debt service expenditures.

**Capital Projects Fund.** The capital projects fund is used to account for funds received and expended for the construction and renovation of thoroughfares, arterial streets and drainage improvements in the City and construction, renovation, expansion and major improvement of various City facilities, acquisition of land and other large nonrecurring projects.

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

Proprietary Funds are those funds for activities supported by user fees and charges. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary fund:

**Enterprise Fund.** The Enterprise Fund is used to account for the provision of water and wastewater services to the residents of the City. Activities of the fund include administration, operations 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 integrity of the fund.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### **D. Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and wastewater services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers receivables collected within

sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for services, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

## **City of Saginaw, Texas**

### Notes to the Basic Financial Statements

#### **E. Budgetary Control**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, the City administration submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of a resolution.
4. Any revisions that alter the total expenditures of any fund must be approved by the City Council. The City Council amended the budget during the year.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Saginaw CCPD Fund, Enterprise Fund and Debt Service Fund. A budget is legally adopted for the General Fund, Saginaw CCPD Fund and Debt Service Fund.

Budgets for the General Fund, Saginaw CCPD Fund and Debt Service Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

All appropriations lapse on September 30 of the fiscal year.

Budgeted amounts are as originally adopted or as amended by the City Council.

#### **F. Cash and Investments**

Cash of all funds, including restricted cash, are pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's pooled cash and investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with a maturity of ninety days or less are also considered "cash equivalents."

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

State statutes authorize the City to invest in obligations of the U.S. Government or its agencies; obligations of the State of Texas or its agencies; and certain other obligations, repurchase agreements, money market mutual funds and certificates of deposits within established criterion.

#### **G. Interfund Receivables and Payables**

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**City of Saginaw, Texas**  
Notes to the Basic Financial Statements

**H. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at acquisition value. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

|                             |             |
|-----------------------------|-------------|
| Buildings                   | 40 Years    |
| Water and Wastewater System | 50 Years    |
| Infrastructure              | 10-50 Years |
| Equipment                   | 5-25 Years  |
| Improvements                | 20 Years    |

**I. Accumulated Vacation, Compensatory Time and Sick Leave**

City employees earn vacation leave and compensatory time off for holidays worked. All annual vacation leave must be taken within one year after it is earned unless an exception has been granted by the City Manager. All earned vacation leave not taken within one year of its accumulation will be forfeited. Unused sick leave accumulated during the year is carried over into the next year with a maximum accrual of forty working days or twenty shifts. At the time of resignation or retirement, employees with ten or more years of service will be paid for unused sick leave. The compensated absences liability increased \$146,647 over the course of the fiscal year and ended September 30, 2018 with a liability of \$944,569.

**J. Nature and Purpose of Designations of Fund Balance**

The City follows Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) for classification of fund balances. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

Fund balance categories under GASB 54 are Nonspendable and Spendable. Classifications under the Spendable category are Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

In accordance with GASB 54, the City classifies governmental fund balances in its financial statements, as follows:

#### **1. Nonspendable Fund Balance**

Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. Examples include inventories, long-term receivables, endowment principal, and/or prepaid/deferred items.

#### **2. Spendable Fund Balance**

- a. **Restricted Fund Balance** – Includes amounts that can be spent only for the specific purposes as imposed by law, or imposed by creditors, grantors, contributors, or other governments' laws and regulations. Examples include federal and state grant programs, retirement of long-term debt, and construction.
  - i. The aggregate fund balance of the debt service fund is legally restricted for payment of bonded indebtedness and is not available for other purposes until all bonded indebtedness is liquidated.
  - ii. The fund balance of the capital projects fund reflects an amount restricted for construction and major renovation projects, and it usually represents unexpended proceeds from the sale of bonds, which primarily have restricted use.
  - iii. The proceeds of specific revenue sources that is restricted to expenditures for specified purposes as designated by grantors, contributors, by vote of citizens, or governmental entities over state or local program grants.
- b. **Committed Fund Balance** – Includes amounts that can be used only for the specific purposes as determined by the governing body by use of a resolution, recorded in the minutes of the governing body. Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally. Examples include, but not specifically limited to, council action regarding construction, claims, and judgments, retirement of loans/notes payable, and capital expenditures. The City Council must take action to commit funds for a specific purpose prior to the end of the fiscal year, but the amount of the commitment may be determined after the end of the fiscal year.
- c. **Assigned Fund Balance** – Includes amounts intended to be used by the City for specific purposes. Pursuant to GASB 54, this intent can be expressed by an official or body to which the governing body delegates that authority. Through a resolution, the City has delegated the City Manager to determine and define the amounts of those components of fund balance that are classified as Assigned. Examples take on the similar appearance as those enumerated for committed fund balance, including the appropriation of existing fund balance to eliminate a deficit in next year's budget.
- d. **Unassigned Fund Balance** – Includes the residual classification of the General Fund and includes all amounts not contained in other classifications. By accounting for amounts in other funds, the City has implicitly assigned the funds for the purposes of those particular funds.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be extended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

## **City of Saginaw, Texas**

### **Notes to the Basic Financial Statements**

At the end of each fiscal year, the General Fund should maintain unassigned fund balance that is no less than 15% of the subsequent year's General Fund appropriated expenditure budget. This target amount has been established in order to provide a reasonable level of assurance that the City's day-to-day operations will be able to continue even if circumstances occur where revenues are insufficient to cover expenditures.

#### **K. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. In circumstances where an expense is to be made for a purpose for which amounts are available in multiple net position classifications, restricted position will be fully utilized first followed by unrestricted as necessary.

#### **L. 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. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

#### **M. Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the City's actuary report. For this purpose, OPEB expense recognized each fiscal year is equal to the change in the net OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Information regarding the City's net OPEB liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

#### **N. Management's Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates. The assumptions utilized for purposes of measuring the net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense for a year can and does vary from actual results.

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

#### Note 2. Cash and Investments

Cash and investments as of September 30, 2018 consist of the following:

|                                      |    |            |
|--------------------------------------|----|------------|
| Deposits with financial institutions | \$ | 1,461,554  |
| Investments                          |    | 36,385,794 |
|                                      |    | <hr/>      |
|                                      | \$ | 37,847,348 |
|                                      |    | <hr/>      |

#### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 30 days thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

As of September 30, 2018, the City had the following investments:

| Investment Type | Weighted<br>Average<br>Amount | Maturity |
|-----------------|-------------------------------|----------|
| TexPool         | \$ 36,385,794                 | 28 days  |

As of September 30, 2018, the City did not invest in any securities which are highly sensitive to interest rate fluctuations.

#### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

| Investment Type | Amount        | Minimum<br>Legal Rating | Rating as of<br>September 30,<br>2018 |
|-----------------|---------------|-------------------------|---------------------------------------|
| TexPool         | \$ 36,385,794 | AAA                     | AAAm                                  |

#### Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2018, other than external investment pools, the City did not have 5% or more of its investments with one issuer.

**City of Saginaw, Texas**  
Notes to the Basic Financial Statements

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The Public Funds Investment Act and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

At September 30, 2018, the carrying amount of the City's cash on hand and deposits were \$1,461,554 and the bank balance was \$1,857,014. \$250,000 of the bank balance was covered by depository insurance under the FDIC, with the remaining \$1,607,014 secured with securities held by pledging financial institutions.

**Investment in State Investment Pools**

The Texpool investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. Texpool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity. Texpool is subject to regulatory oversight by the State Treasurer, although it is not registered with the Securities and Exchange Commission.

**Note 3. Restricted Assets**

Restricted assets in the Enterprise Fund are held for the following purposes in accordance with bond ordinances or other legal restrictions:

|                                          |            |
|------------------------------------------|------------|
| Debt Service - Interest and Sinking Fund |            |
| Cash and investments                     | \$ 179,178 |
| Refundable water and wastewater deposits | 629,923    |
|                                          | <hr/>      |
| Total                                    | \$ 809,101 |
|                                          | <hr/>      |

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

#### Note 4. Notes Receivable

During the year ended September 30, 2018, the City loaned \$460,000 to a residential developer to construct the Mariposa Apartment Homes at Spring Hollow. The purpose of the Loan was to assist Spring Hollow in meeting the requirements for a federal tax credit. Payments totaling \$459,000 were received during the fiscal year. As of September 30, 2018, the outstanding balance was \$1,000. The remaining balance is due over a 15 year term, bearing an interest rate of 3%.

#### Note 5. Capital Assets

Capital asset activity for the year ended September 30, 2018, was as follows:

|                                                    | Balance,<br>October 1,<br>2017 | Additions/<br>Completions | Retirements/<br>Adjustments | Balance,<br>September 30,<br>2018 |
|----------------------------------------------------|--------------------------------|---------------------------|-----------------------------|-----------------------------------|
| Governmental activities:                           |                                |                           |                             |                                   |
| Capital assets, not being depreciated:             |                                |                           |                             |                                   |
| Land                                               | \$ 13,850,991                  | \$ 676,209                | \$ -                        | \$ 14,527,200                     |
| Construction in progress                           | 8,139,633                      | 6,643,388                 | -                           | 14,783,021                        |
| Total capital assets, not being depreciate         | 21,990,624                     | 7,319,597                 | -                           | 29,310,221                        |
| Capital assets being depreciated:                  |                                |                           |                             |                                   |
| Buildings                                          | 19,671,612                     | 41,934                    | -                           | 19,713,546                        |
| Improvements                                       | 1,898,703                      | 38,556                    | -                           | 1,937,259                         |
| Infrastructure                                     | 98,116,198                     | 1,672,178                 | -                           | 99,788,376                        |
| Equipment                                          | 7,448,530                      | 347,647                   | (172,204)                   | 7,623,973                         |
| Total capital assets, being depreciated            | 127,135,043                    | 2,100,315                 | (172,204)                   | 129,063,154                       |
| Less accumulated depreciation for:                 |                                |                           |                             |                                   |
| Buildings                                          | 6,629,775                      | 501,764                   | -                           | 7,131,539                         |
| Improvements                                       | 844,088                        | 89,533                    | -                           | 933,621                           |
| Infrastructure                                     | 53,971,476                     | 2,288,535                 | -                           | 56,260,011                        |
| Equipment                                          | 4,939,403                      | 487,455                   | (165,330)                   | 5,261,528                         |
| Total accumulated depreciation                     | 66,384,742                     | 3,367,287                 | (165,330)                   | 69,586,699                        |
| Total capital assets being depreciated, net        | 60,750,301                     | (1,266,972)               | (6,874)                     | 59,476,455                        |
| <b>Governmental activities capital assets, net</b> | <b>\$ 82,740,925</b>           | <b>\$ 6,052,625</b>       | <b>\$ (6,874)</b>           | <b>\$ 88,786,676</b>              |

**City of Saginaw, Texas**  
Notes to the Basic Financial Statements

|                                                     | Balance,<br>October 1,<br>2017 | Additions/<br>Completions | Retirements/<br>Adjustments | Balance,<br>September 30,<br>2018 |
|-----------------------------------------------------|--------------------------------|---------------------------|-----------------------------|-----------------------------------|
| Business-type Activities:                           |                                |                           |                             |                                   |
| Capital assets, not being depreciated:              |                                |                           |                             |                                   |
| Land                                                | \$ 16,657                      | \$ -                      | \$ -                        | \$ 16,657                         |
| Construction in progress                            | 116,808                        | 684,528                   | (523,916)                   | 277,420                           |
| Total capital assets, not being depreciate          | 133,465                        | 684,528                   | (523,916)                   | 294,077                           |
| Capital assets, being depreciated:                  |                                |                           |                             |                                   |
| Buildings                                           | 154,587                        | -                         | -                           | 154,587                           |
| Water and wastewater system                         | 34,278,137                     | 782,834                   | 523,916                     | 35,584,887                        |
| Equipment                                           | 1,394,657                      | 23,710                    | -                           | 1,418,367                         |
| Total capital assets, being depreciated             | 35,827,381                     | 806,544                   | 523,916                     | 37,157,841                        |
| Less accumulated depreciation                       |                                |                           |                             |                                   |
| Buildings                                           | 68,358                         | 3,540                     | -                           | 71,898                            |
| Water and wastewater system                         | 10,766,910                     | 681,691                   | -                           | 11,448,601                        |
| Equipment                                           | 925,454                        | 78,590                    | -                           | 1,004,044                         |
| Total accumulated depreciation                      | 11,760,722                     | 763,821                   | -                           | 12,524,543                        |
| Total capital assets being depreciated, net         | 24,066,659                     | 42,723                    | 523,916                     | 24,633,298                        |
| <b>Business-type activities capital assets, net</b> | <b>\$ 24,200,124</b>           | <b>\$ 727,251</b>         | <b>\$ -</b>                 | <b>\$ 24,927,375</b>              |

Depreciation expense was charged as direct expense to programs of the primary government as follows:

|                               |                     |
|-------------------------------|---------------------|
| Governmental activities:      |                     |
| General administrative office | \$ 119,275          |
| Fire                          | 168,130             |
| Police                        | 298,784             |
| Public works                  | 2,413,546           |
| Community services            | 186,356             |
| Library                       | 46,088              |
| Inspections/code enforcement  | 14,860              |
| Animal services               | 4,429               |
| Fleet maintenance             | 44,814              |
| Parks                         | 71,005              |
|                               | <u>\$ 3,367,287</u> |
| Business-type activities:     |                     |
| Water and wastewater          | <u>\$ 763,821</u>   |

The City has active construction projects as of September 30, 2018. Total accumulated commitments for capital projects are \$489,016 for the Capital Projects Fund and \$77,863 for the Enterprise Fund.

**City of Saginaw, Texas**  
Notes to the Basic Financial Statements

**Note 6. Long-Term Debt**

At September 30, 2018, the City's bonds payable consisted of the following:

|                                                                                                                                                                          | <u>Governmental</u>  | <u>Business-type</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| 2009 Certificates of Obligation Bonds, dated May 1, 2009, due in annual installments through September 1, 2025, bearing interest rates of 3.8% to 4.6%                   | \$ 700,000           | \$ -                 |
| 2010 Certificates of Obligation Bonds, dated August 1, 2010, due in annual installments through September 1, 2030, bearing interest rates of 2.5% to 4%                  | 1,250,000            | -                    |
| 2010 Waterworks and Sewer System Refunding Revenue Bonds, dated August 1, 2010, due in annual installments through September 1, 2020, bearing interest rates of 2% to 3% | -                    | 100,000              |
| 2012 General Obligation Refunding Bonds, dated April 1, 2012, due in annual installments through September 1, 2023, bearing interest rates of 2% to 3%.                  | 1,500,000            | -                    |
| 2013 General Obligation Refunding Bonds, dated August 29, 2013, due in annual installments through September 1, 2033, bearing interest rates of 2% to 4.1%               | 6,935,000            | -                    |
| 2014 General Obligation Refunding Bonds, dated April 8, 2014, due in annual installments through September 1, 2024, bearing an interest rate of 1.99%.                   | 1,335,000            | 275,000              |
| 2015 General Obligation Bonds, dated September 7, 2015, due in annual installments through September 1, 2035, bearing an interest rate of 1.00% through 3.50%.           | 6,770,000            | -                    |
| 2015 General Obligation Refunding Bonds, dated December 22, 2015, due in annual installments through September 1, 2027, bearing an interest rate of 1.98%.               | -                    | 1,340,000            |
| 2016 General Obligation Refunding Bonds, dated June 21, 2016, due in annual installments through September 1, 2027, bearing an interest rate of 1.69%.                   | 4,630,000            | -                    |
| 2017 General Obligation Bonds, dated June 1, 2017, due in annual installments through September 1, 2037, bearing an interest rate of 3.00%.                              | 7,595,000            | -                    |
| Premium on bonds                                                                                                                                                         | 672,612              | 1,730                |
| Total bonds payable                                                                                                                                                      | <u>\$ 31,387,612</u> | <u>\$ 1,716,730</u>  |

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2018:

|                                       | Balance,<br>October 1,<br>2017 | Increases   | Decreases             | Balance,<br>September 30,<br>2018 | Due Within<br>One Year |
|---------------------------------------|--------------------------------|-------------|-----------------------|-----------------------------------|------------------------|
| Governmental activities:              |                                |             |                       |                                   |                        |
| General obligation bonds              | \$ 30,980,000                  | \$ -        | \$ (2,215,000)        | \$ 28,765,000                     | \$ 2,330,000           |
| Certificates of obligation            | 2,110,000                      | -           | (160,000)             | 1,950,000                         | 165,000                |
| Obligations under capital leases      | 180,535                        | -           | (180,535)             | -                                 | -                      |
| Premiums on bonds                     | 729,335                        | -           | (56,723)              | 672,612                           | 56,723                 |
| <b>Total governmental activities</b>  | <b>\$ 33,999,870</b>           | <b>\$ -</b> | <b>\$ (2,612,258)</b> | <b>\$ 31,387,612</b>              | <b>\$ 2,551,723</b>    |
| Business-type activities:             |                                |             |                       |                                   |                        |
| Revenue bonds                         | \$ 150,000                     | \$ -        | \$ (50,000)           | \$ 100,000                        | \$ 50,000              |
| General obligation bonds              | 1,810,000                      | -           | (195,000)             | 1,615,000                         | 195,000                |
| Premiums on bonds                     | 6,918                          | -           | (5,188)               | 1,730                             | 1,730                  |
| <b>Total business-type activities</b> | <b>\$ 1,966,918</b>            | <b>\$ -</b> | <b>\$ (250,188)</b>   | <b>\$ 1,716,730</b>               | <b>\$ 246,730</b>      |

The City issues general obligation bonds and certificates of obligation. General obligation bonds and certificates of obligation are direct obligations of the City and pledge the full faith and credit of the City.

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

| General Obligation Bonds                   |                         |                     |                      |
|--------------------------------------------|-------------------------|---------------------|----------------------|
| Due Fiscal<br>Year Ending<br>September 30, | Governmental Activities |                     |                      |
|                                            | Principal               | Interest            | Total                |
| 2019                                       | \$ 2,330,000            | \$ 810,619          | \$ 3,140,619         |
| 2020                                       | 2,380,000               | 759,853             | 3,139,853            |
| 2021                                       | 2,065,000               | 704,128             | 2,769,128            |
| 2022                                       | 2,115,000               | 653,483             | 2,768,483            |
| 2023                                       | 2,160,000               | 601,569             | 2,761,569            |
| 2024-2028                                  | 7,935,000               | 2,295,708           | 10,230,708           |
| 2029-2033                                  | 6,840,000               | 1,189,561           | 8,029,561            |
| 2034-2038                                  | 2,940,000               | 199,420             | 3,139,420            |
| <b>Totals</b>                              | <b>\$ 28,765,000</b>    | <b>\$ 7,214,341</b> | <b>\$ 35,979,341</b> |

**City of Saginaw, Texas**  
Notes to the Basic Financial Statements

Certificates of Obligation

| Due Fiscal<br>Year Ending<br>September 30, | Governmental Activities |                   |                     |
|--------------------------------------------|-------------------------|-------------------|---------------------|
|                                            | Principal               | Interest          | Total               |
| 2019                                       | \$ 165,000              | \$ 75,990         | \$ 240,990          |
| 2020                                       | 175,000                 | 70,190            | 245,190             |
| 2021                                       | 185,000                 | 63,860            | 248,860             |
| 2022                                       | 195,000                 | 56,945            | 251,945             |
| 2023                                       | 200,000                 | 49,458            | 249,458             |
| 2024-2028                                  | 775,000                 | 132,791           | 907,791             |
| 2029-2033                                  | 255,000                 | 15,400            | 270,400             |
| <b>Totals</b>                              | <b>\$ 1,950,000</b>     | <b>\$ 464,634</b> | <b>\$ 2,414,634</b> |

General Obligation Bonds

| Due Fiscal<br>Year Ending<br>September 30, | Business-type Activities |                   |                     |
|--------------------------------------------|--------------------------|-------------------|---------------------|
|                                            | Principal                | Interest          | Total               |
| 2019                                       | \$ 195,000               | \$ 32,004         | \$ 227,004          |
| 2020                                       | 200,000                  | 28,138            | 228,138             |
| 2021                                       | 210,000                  | 24,170            | 234,170             |
| 2022                                       | 220,000                  | 20,004            | 240,004             |
| 2023                                       | 150,000                  | 15,642            | 165,642             |
| 2024-2028                                  | 640,000                  | 31,977            | 671,977             |
| <b>Totals</b>                              | <b>\$ 1,615,000</b>      | <b>\$ 151,935</b> | <b>\$ 1,766,935</b> |

Revenue Bonds

| Due Fiscal<br>Year Ending<br>September 30, | Business-type Activities |                 |                   |
|--------------------------------------------|--------------------------|-----------------|-------------------|
|                                            | Principal                | Interest        | Total             |
| 2019                                       | \$ 50,000                | \$ 3,000        | \$ 53,000         |
| 2020                                       | 50,000                   | 1,500           | 51,500            |
| <b>Totals</b>                              | <b>\$ 100,000</b>        | <b>\$ 4,500</b> | <b>\$ 104,500</b> |

## **City of Saginaw, Texas**

### **Notes to the Basic Financial Statements**

#### **Note 7. Property Tax**

Property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business property located in the City. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the City Council.

Taxes are due on October 1, the levy date, and are delinquent after the following January 31. Tax assessments are automatic on January 1, each year. Penalties and interest are included for any payment received after January 31. Penalties start at 6% of the outstanding balance, respectively and increase to 12% for payments received after July 1. Interest increases 1% for each month the balance is outstanding after January 31.

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 have been recognized as revenue. Property taxes are recorded net of the allowance for uncollectible taxes (\$141,447 for the General Fund and \$135,872 for the Debt Service Fund). The allowance is evaluated annually based upon analysis of historical trends, current economic conditions and other pertinent factors. Uncollectible personal property taxes are written off upon expiration of the five year statute of limitations.

#### **Note 8. Pension Plan**

##### **Plan Description**

The City of Saginaw participates as one of 883 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.tmr.com](http://www.tmr.com).

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

##### **Benefits**

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.

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

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

|                                   |                           |
|-----------------------------------|---------------------------|
| Employee deposit rate             | 6%                        |
| Matching ratio (City to employee) | 2-1                       |
| A member is vested after          | 5 years                   |
| Updated service credit            | 100% Repeating, Transfers |
| Annuity increase (to retirees)    | 70% of CPI Repeating      |

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City are 5 years at 60 years of age or 20 years at any age.

#### Employees covered by benefit terms

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

|                                                                  |       |
|------------------------------------------------------------------|-------|
| Inactive employees or beneficiaries currently receiving benefits | 53    |
| Inactive employees entitled to but not yet receiving benefits    | 80    |
| Active employees                                                 | 141   |
|                                                                  | <hr/> |
|                                                                  | 274   |
|                                                                  | <hr/> |

#### 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 Saginaw were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Saginaw were 17.55% and 17.44% in calendar years 2017 and 2018, respectively. The city's contributions to TMRS for the year ended September 30, 2018, were \$1,427,850, and were equal to the required contributions.

#### Net Pension Liability

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

**City of Saginaw, Texas**  
Notes to the Basic Financial Statements

**Actuarial assumptions**

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

|                           |                                                                          |
|---------------------------|--------------------------------------------------------------------------|
| Inflation                 | 2.5% per year                                                            |
| Overall payroll growth    | 3.5% to 10.5% per year                                                   |
| Investment Rate of Return | 6.75%, net of pension plan<br>investment expense, including<br>inflation |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103% and due to the size of the City, rates are multiplied by an additional factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2017 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2017 valuation. 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 weighing 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).

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

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

| Asset Class           | Target Allocation | Long-Term Expected Real Rate<br>of Return (Arithmetic) |
|-----------------------|-------------------|--------------------------------------------------------|
| Domestic Equity       | 17.5%             | 4.55%                                                  |
| International Equity  | 17.5%             | 6.35%                                                  |
| Core Fixed Income     | 10.0%             | 1.00%                                                  |
| Non-Core Fixed Income | 20.0%             | 3.90%                                                  |
| Real Return           | 10.0%             | 3.80%                                                  |
| Real Estate           | 10.0%             | 4.50%                                                  |
| Absolute Return       | 10.0%             | 3.75%                                                  |
| Private Equity        | 5.0%              | 7.50%                                                  |
| 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 expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

|                                                               | Increase (Decrease)               |                                       |                                       |
|---------------------------------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
|                                                               | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
| Balance at December 31, 2016                                  | \$ 35,117,600                     | \$ 25,231,702                         | \$ 9,885,898                          |
| Changes for the year:                                         |                                   |                                       |                                       |
| Service cost                                                  | 1,287,912                         | -                                     | 1,287,912                             |
| Interest                                                      | 2,372,294                         | -                                     | 2,372,294                             |
| Change of benefit terms                                       | -                                 | -                                     | -                                     |
| Difference between expected and actual experience             | (93,610)                          | -                                     | (93,610)                              |
| Changes of assumptions                                        | -                                 | -                                     | -                                     |
| Contributions - employer                                      | -                                 | 1,427,850                             | (1,427,850)                           |
| Contributions - employee                                      | -                                 | 488,154                               | (488,154)                             |
| Net investment income                                         | -                                 | 3,497,782                             | (3,497,782)                           |
| Benefit payments, including refunds of employee contributions | (1,232,910)                       | (1,232,910)                           | -                                     |
| Administrative expense                                        | -                                 | (18,123)                              | 18,123                                |
| Other changes                                                 | -                                 | (920)                                 | 920                                   |
| Net changes                                                   | 2,333,686                         | 4,161,833                             | (1,828,147)                           |
| <b>Balance at December 31, 2017</b>                           | <b>\$ 37,451,286</b>              | <b>\$ 29,393,535</b>                  | <b>\$ 8,057,751</b>                   |

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

#### 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 in<br>Discount Rate<br>(5.75%) | Discount Rate<br>(6.75%) | 1% Increase in<br>Discount Rate<br>(7.75%) |
|------------------------------|--------------------------------------------|--------------------------|--------------------------------------------|
| City's net pension liability | \$ 13,667,653                              | \$ 8,057,751             | \$ 3,474,851                               |

#### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmr.com](http://www.tmr.com).

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

For the year ended September 30, 2018, the City recognized pension expense of \$1,318,218.

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

|                                                             | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|-------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ -                                 | \$ (584,577)                        |
| Changes in actuarial assumptions                            | 47,060                               | -                                   |
| Difference between projected and actual investment earnings | -                                    | (795,240)                           |
| Contributions subsequent to the measurement date            | 1,135,156                            | -                                   |
| <b>Totals</b>                                               | <b>\$ 1,182,216</b>                  | <b>\$ (1,379,817)</b>               |

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

\$1,135,156 was reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending December 30, 2018 (i.e. recognized in the City's financial statements for the year ended September 30, 2019). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended<br>December 31, |                       |
|----------------------------|-----------------------|
| 2018                       | \$ (169,734)          |
| 2019                       | (219,801)             |
| 2020                       | (487,456)             |
| 2021                       | (429,731)             |
| 2022                       | (26,035)              |
| Thereafter                 | -                     |
| <b>Totals</b>              | <b>\$ (1,332,757)</b> |

## Note 9. Postemployment Benefits Other Than Pensions

### Plan Description

The City participates in a single employer, defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). 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 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan.

The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The city may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The 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.

### Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500.

### Employees covered by benefit terms

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

|                                                                  |       |
|------------------------------------------------------------------|-------|
| Inactive employees or beneficiaries currently receiving benefits | 44    |
| Inactive employees entitled to but not yet receiving benefits    | 13    |
| Active employees                                                 | 141   |
|                                                                  | <hr/> |
|                                                                  | 198   |

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

#### Net OPEB Liability

The City's net OPEB liability of \$343,342 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

#### Actuarial Assumptions

The net OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

|                        |                        |
|------------------------|------------------------|
| Inflation              | 2.5% per year          |
| Overall payroll growth | 3.5% to 10.5% per year |
| Discount Rate          | 3.31%                  |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103% and due to the size of the City, rates are multiplied by an additional factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

#### Discount Rate

The discount rate used to measure the net OPEB liability was 3.31%. The discount rate was based on Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

|                                                   | <u>Net OPEB Liability</u> |
|---------------------------------------------------|---------------------------|
| Balance at December 31, 2016                      | \$ 292,772                |
| Changes for the year:                             |                           |
| Service cost                                      | 14,645                    |
| Interest                                          | 11,297                    |
| Change of benefit terms                           | -                         |
| Difference between expected and actual experience | -                         |
| Changes of assumptions or other inputs            | 27,069                    |
| Benefit payments                                  | <u>(2,441)</u>            |
| Net changes                                       | <u>50,570</u>             |
| <b>Balance at December 31, 2017</b>               | <b><u>\$ 343,342</u></b>  |

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

#### Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 3.31%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.31%) or 1-percentage-point higher (4.31%) than the current rate:

|                       | 1% Decrease<br>in Discount<br>Rate (2.31%) | Discount<br>Rate (3.31%) | 1% Increase<br>in Discount<br>Rate (4.31%) |
|-----------------------|--------------------------------------------|--------------------------|--------------------------------------------|
| City's OPEB liability | \$ 412,139                                 | \$ 343,342               | \$ 289,163                                 |

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$29,551.

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

|                                                             | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|-------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ -                                 | \$ -                                |
| Changes in actuarial assumptions                            | 23,460                               | -                                   |
| Contributions subsequent to the measurement date            | 1,936                                | -                                   |
| Total                                                       | \$ 25,396                            | \$ -                                |

\$1,936 was reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability for the measurement year ending December 30, 2018 (i.e. recognized in the City's financial statements for the year ended September 30, 2019). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:"

| Year ended<br>December 31, |           |
|----------------------------|-----------|
| 2018                       | \$ 3,609  |
| 2019                       | 3,609     |
| 2020                       | 3,609     |
| 2021                       | 3,609     |
| 2022                       | 3,609     |
| 2023 and thereafter        | 5,415     |
| Total                      | \$ 23,460 |

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

#### Note 10. Commitments

The City renewed a twenty (20) year contract in 2017 with the City of Fort Worth for the treatment and transportation of wastewater. Payments under this contract are on a strength and volume basis per month. Also, there is a twenty-five dollar (\$25) per meter monthly service charge.

The City renewed a twenty (20) year contract in 2010 with the City of Fort Worth for the delivery of treated water. Payments under this contract are on a volume and rate of use basis per month. There is also a twenty-five dollar (\$25) per meter monthly service charge.

#### Note 11. Interfund Balances and Transfers

All interfund transfers between the various funds are approved supplements to the operations of those funds.

| Receivable Fund | Payable Fund          | Amount              |
|-----------------|-----------------------|---------------------|
| General Fund    | Enterprise Fund       | \$ 621,775          |
| General Fund    | Saginaw CCPD Fund     | 954,200             |
| General Fund    | Donations Fund        | 8,120               |
| General Fund    | Escrow Fund           | 5,717               |
| General Fund    | Drainage Utility Fund | 115,510             |
| Enterprise Fund | Drainage Utility Fund | 42,645              |
|                 |                       | <u>\$ 1,747,967</u> |

Transfers are primarily used to move funds from:

- The Enterprise Fund to the General Fund for vehicle maintenance expenses and operating expenses.
- The Saginaw CCPD Fund to the General Fund for salaries and related expenses for ten Police Officers, one Public Safety Officer, one Dispatcher, and half (1/2) of one of the School Resource Officers.
- The Donations Fund to the General Fund for two seasonal part-time library pages.
- The Escrow Fund to the General Fund for police over-time for bailiff duty.
- The Drainage Utility Fund to the General Fund for salaries and related expenses.
- The Drainage Utility Fund to the Enterprise Fund for half (1/2) of the cost of the Environmental Specialist.

#### Note 12. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City insures its buildings and contents, law enforcement liability, public officials' liability, general liability and auto liability under a renewable one year policy with the Texas Municipal League. The City insures its workers compensation risk by participating in the Texas Municipal League Intergovernmental Risk Pool which is a self-insurance policy mechanism for political subdivisions in Texas. Rates are set by the State Insurance Board. Each participant's contribution to the pool is adjusted based on its workers' compensation history. The City is responsible only to the extent of premiums paid and contributions made to Texas Municipal League and the Intergovernmental Risk Pool. There have been no significant changes in insurance coverage as compared to last year and settlements have not exceeded coverage in each of the past three fiscal years.

## **City of Saginaw, Texas**

### Notes to the Basic Financial Statements

#### **Note 13. Tax Abatements and Economic Incentive Agreements**

Tax Abatements under Chapter 312 of the Texas Tax Code and economic incentive agreements under Chapter 380 of the Texas Tax Code allow the City to negotiate tax abatement agreements and economic incentive agreements with applicants. These agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. Property taxes abated under these programs were \$237,292 in fiscal year 2018.

#### **Note 14. Cumulative Effect of Change in Accounting Principle**

As a result of the implementation of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions", an adjustment has been made to record the City's net OPEB liability as of October 1, 2017. As a result, beginning net position of the governmental activities has been decreased by \$258,926 and business-type activities has been decreased by \$32,002.

#### **Note 15. New Accounting Pronouncements**

The GASB pronouncements effective in fiscal years 2018 and 2019 are listed as follows:

The GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions, which was effective for fiscal year 2018. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement applies to all state and governmental entities. See note 9 for OPEB disclosure.

The GASB issued Statement No. 82, Pension Issues- an amendment of GASB Statements No. 67, No. 68, and No. 73, which was effective for fiscal year 2018. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement applies to all state and governmental entities. See note 8 for pension disclosure.

The GASB issued Statement No. 83, Certain Asset Retirement Obligations, which will be effective for periods beginning after June 15, 2018. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement applies to all state and governmental entities. The City will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

The GASB issued Statement No. 85, Omnibus 2017, which was effective for fiscal year 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and

## **City of Saginaw, Texas**

### **Notes to the Basic Financial Statements**

application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement applies to all state and governmental entities. See note 9 for OPEB disclosure.

The GASB issued Statement No. 86, Certain Debt Extinguishment Issues, which was effective for fiscal year 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement applies to all state and governmental entities. The implementation of this statement did not impact the City's financial statements.

The GASB issued Statement No. 88, Certain Disclosures Related to debt, including Direct Borrowings and Direct Placements, which will be effective for periods beginning after June 15, 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement applies to all state and governmental entities. The City will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

#### **Note 16. Subsequent Events**

The City has evaluated all events and transactions that occurred after September 30, 2018 through February 5, 2019, the date the financial statements were issued.



City of Saginaw

## **Required Supplementary Information**



City of Saginaw

# City of Saginaw, Texas

## Schedule of Changes in Net Pension Liability and Related Ratios Texas Municipal Retirement System

|                                                                        | Year Ended December 31 |                      |                      |                      |
|------------------------------------------------------------------------|------------------------|----------------------|----------------------|----------------------|
|                                                                        | 2014                   | 2015                 | 2016                 | 2017                 |
| <b>TOTAL PENSION LIABILITY</b>                                         |                        |                      |                      |                      |
| Service cost                                                           | \$ 1,094,648           | \$ 1,192,902         | \$ 1,237,546         | \$ 1,287,912         |
| Interest (on the total pension liability)                              | 2,004,340              | 2,134,257            | 2,224,580            | 2,372,294            |
| Changes of benefit terms                                               | -                      | -                    | -                    | -                    |
| Difference between expected and actual experience                      | (494,746)              | (194,482)            | (306,070)            | (93,610)             |
| Change of assumptions                                                  | -                      | 89,204               | -                    | -                    |
| Benefit payments, including refunds of employee contributions          | (793,956)              | (800,864)            | (752,837)            | (1,232,910)          |
| Net change in total pension liability                                  | 1,810,286              | 2,421,017            | 2,403,219            | 2,333,686            |
| Total pension liability, beginning                                     | 28,483,078             | 30,293,364           | 32,714,381           | 35,117,600           |
| <b>TOTAL PENSION LIABILITY, ending (a)</b>                             | <b>\$ 30,293,364</b>   | <b>\$ 32,714,381</b> | <b>\$ 35,117,600</b> | <b>\$ 37,451,286</b> |
| <b>PLAN FIDUCIARY NET POSITION</b>                                     |                        |                      |                      |                      |
| Contributions - employer                                               | \$ 1,247,471           | \$ 1,351,553         | \$ 1,404,336         | \$ 1,427,850         |
| Contributions - employee                                               | 433,652                | 453,288              | 472,046              | 488,154              |
| Net investment income                                                  | 1,120,846              | 31,855               | 1,527,402            | 3,497,782            |
| Benefit payments, including refunds of employee contributions          | (793,956)              | (800,864)            | (752,837)            | (1,232,912)          |
| Administrative expense                                                 | (11,699)               | (19,398)             | (17,249)             | (18,123)             |
| Other                                                                  | (962)                  | (958)                | (929)                | (920)                |
| Net change in plan fiduciary net position                              | 1,995,352              | 1,015,476            | 2,632,769            | 4,161,831            |
| Plan fiduciary net position, beginning                                 | 19,588,107             | 21,583,459           | 22,598,935           | 25,231,704           |
| <b>PLAN FIDUCIARY NET POSITION, ending (b)</b>                         | <b>\$ 21,583,459</b>   | <b>\$ 22,598,935</b> | <b>\$ 25,231,704</b> | <b>\$ 29,393,535</b> |
| <b>NET PENSION LIABILITY/ (ASSET), ending (a) - (b)</b>                | <b>\$ 8,709,905</b>    | <b>\$ 10,115,446</b> | <b>\$ 9,885,896</b>  | <b>\$ 8,057,751</b>  |
| Plan fiduciary net position as a percentage of total pension liability | 71.25%                 | 69.08%               | 71.85%               | 78.48%               |
| Covered Payroll                                                        | \$ 7,227,528           | \$ 7,554,795         | \$ 7,867,428         | \$ 8,135,894         |
| Net pension liability as a percentage of covered payroll               | 120.51%                | 133.89%              | 125.66%              | 99.04%               |

### Other Information:

#### Notes

Only four years of data is presented in accordance with GASB 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

**City of Saginaw, Texas**  
Schedule of Contributions  
Texas Municipal Retirement System

|                                                                      | Year Ended September 30 |                    |                    |                    |
|----------------------------------------------------------------------|-------------------------|--------------------|--------------------|--------------------|
|                                                                      | 2015                    | 2016               | 2017               | 2018               |
| Actuarially Determined Contribution                                  | \$ 1,247,471            | \$ 1,351,553       | \$ 1,404,336       | \$ 1,427,850       |
| Contributions in relation to the actuarially determined contribution | 1,327,755               | 1,416,758          | 1,437,537          | 1,488,506          |
| Contribution deficiency (excess)                                     | <u>\$ (80,284)</u>      | <u>\$ (65,205)</u> | <u>\$ (33,201)</u> | <u>\$ (60,656)</u> |
| Covered payroll                                                      | \$ 7,431,617            | \$ 8,101,429       | \$ 8,085,355       | \$ 8,444,346       |
| Contributions as a percentage of covered payroll                     | 17.87%                  | 17.49%             | 17.78%             | 17.63%             |

**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     | Level Percentage of Payroll, Closed                                                                                                                                                 |
| Remaining Amortization Period | 28 years                                                                                                                                                                            |
| Asset Valuation Method        | 10 Year smoothed market; 15% soft corridor                                                                                                                                          |
| Inflation                     | 2.50%                                                                                                                                                                               |
| Salary Increases              | 3.50% to 10.50% including inflation                                                                                                                                                 |
| Investment Rate of Return     | 6.75%                                                                                                                                                                               |
| Retirement Age                | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014     |
| Mortality                     | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with |

**Other Information:**

Notes There were no benefit changes during the year.

Only four years of data is presented in accordance with GASB 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

## City of Saginaw, Texas

### Schedule of Changes in Net OPEB Liability and Related Ratios Texas Municipal Retirement System

|                                                       | Year Ended<br>December 31<br><u>2017</u> |
|-------------------------------------------------------|------------------------------------------|
| <b>NET OPEB LIABILITY</b>                             |                                          |
| Service cost                                          | \$ 14,645                                |
| Interest                                              | 11,297                                   |
| Change of benefit terms                               | -                                        |
| Difference between expected and actual experience     | -                                        |
| Changes of assumptions or other inputs                | 27,069                                   |
| Benefit payments*                                     | <u>(2,441)</u>                           |
| Net change in total pension liability                 | 50,570                                   |
| Net OPEB liability, beginning                         | <u>292,772</u>                           |
| <b>NET OPEB LIABILITY, ending</b>                     | <u><u>\$ 343,342</u></u>                 |
| Covered Payroll                                       | \$ 8,135,894                             |
| Net OPEB liability as a percentage of covered payroll | 4.22%                                    |

## City of Saginaw, Texas

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund For the Fiscal Year Ended September 30, 2018

|                                                              | Budgeted amounts |               | Actual        | Variance with                  |
|--------------------------------------------------------------|------------------|---------------|---------------|--------------------------------|
|                                                              | Original         | Final         | GAAP<br>Basis | Final Budget<br>Over / (Under) |
| <b>REVENUES</b>                                              |                  |               |               |                                |
| Taxes                                                        | \$ 10,808,920    | \$ 10,931,000 | \$ 11,206,947 | \$ 275,947                     |
| Licenses and permits                                         | 685,000          | 870,470       | 951,542       | 81,072                         |
| Charges for services                                         | 84,000           | 84,000        | 84,000        | -                              |
| Fines and fees                                               | 487,000          | 491,050       | 505,110       | 14,060                         |
| Interest income                                              | 80,000           | 185,000       | 191,974       | 6,974                          |
| Recreation income                                            | 490,000          | 490,000       | 520,798       | 30,798                         |
| Intergovernmental                                            | 124,910          | 135,740       | 135,821       | 81                             |
| Miscellaneous revenues                                       | 120,000          | 597,190       | 601,504       | 4,314                          |
| Total revenues                                               | 12,879,830       | 13,784,450    | 14,197,696    | 413,246                        |
| <b>EXPENDITURES</b>                                          |                  |               |               |                                |
| Current:                                                     |                  |               |               |                                |
| General administrative office                                | 1,632,215        | 1,838,940     | 1,774,678     | (64,262)                       |
| Municipal court                                              | 225,060          | 225,060       | 168,421       | (56,639)                       |
| Fire                                                         | 3,960,830        | 3,973,330     | 3,982,620     | 9,290                          |
| Police                                                       | 4,457,290        | 5,159,320     | 4,546,478     | (612,842)                      |
| Public works                                                 | 1,922,800        | 2,292,800     | 1,609,303     | (683,497)                      |
| Parks                                                        | 357,180          | 366,200       | 339,015       | (27,185)                       |
| Community services                                           | 1,000,195        | 1,000,195     | 959,782       | (40,413)                       |
| Library                                                      | 593,220          | 593,220       | 569,005       | (24,215)                       |
| Inspections/code enforcement                                 | 576,185          | 576,185       | 579,082       | 2,897                          |
| Animal services                                              | 416,660          | 416,660       | 398,633       | (18,027)                       |
| City garage                                                  | 554,695          | 469,695       | 456,219       | (13,476)                       |
| Economic development                                         | 55,700           | 563,065       | 567,978       | 4,913                          |
| Total expenditures                                           | 15,752,030       | 17,474,670    | 15,951,214    | (1,523,456)                    |
| <b>EXCESS (DEFICIENCY) OR REVENUES<br/>OVER EXPENDITURES</b> | (2,872,200)      | (3,690,220)   | (1,753,518)   | 1,936,702                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |               |               |                                |
| Operating transfers in                                       | 1,704,605        | 1,704,605     | 1,705,322     | 717                            |
| Total other financing sources (uses)                         | 1,704,605        | 1,704,605     | 1,705,322     | 717                            |
| Net change in fund balance                                   | (1,167,595)      | (1,985,615)   | (48,196)      | 1,937,419                      |
| <b>FUND BALANCES, beginning of year</b>                      | 11,648,588       | 11,648,588    | 11,648,588    | -                              |
| <b>FUND BALANCES, end of year</b>                            | \$ 10,480,993    | \$ 9,662,973  | \$ 11,600,392 | \$ 1,937,419                   |

## **Combining and Individual Fund Statements and Schedules**



City of Saginaw

## **Non-Major Governmental Funds**

**City of Saginaw, Texas**  
Combining Balance Sheet  
Non-Major Governmental Funds  
September 30, 2018

|                                             | Special Revenue  |                         |                             |                               |                   |                     |                                      |
|---------------------------------------------|------------------|-------------------------|-----------------------------|-------------------------------|-------------------|---------------------|--------------------------------------|
|                                             | Police<br>Fund   | Saginaw<br>CCPD<br>Fund | Drainage<br>Utility<br>Fund | Street<br>Maintenance<br>Fund | Donations<br>Fund | Escrow<br>Fund      | Total Other<br>Governmental<br>Funds |
| <b>ASSETS</b>                               |                  |                         |                             |                               |                   |                     |                                      |
| Deposits and investments                    | \$ 10,638        | \$ 335,137              | \$ 2,138,125                | \$ 1,585,697                  | \$ 351,471        | \$ 1,465,549        | \$ 5,886,617                         |
| Receivables                                 |                  |                         |                             |                               |                   |                     |                                      |
| Other                                       | -                | -                       | 84,240                      | -                             | 26,093            | 22,039              | 132,372                              |
| Taxes                                       | -                | 191,643                 | -                           | 70,078                        | -                 | -                   | 261,721                              |
| <b>TOTAL ASSETS AND OTHER DEBITS</b>        | <b>\$ 10,638</b> | <b>\$ 526,780</b>       | <b>\$ 2,222,365</b>         | <b>\$ 1,655,775</b>           | <b>\$ 377,564</b> | <b>\$ 1,487,588</b> | <b>\$ 6,280,710</b>                  |
| <b>LIABILITIES AND FUND BALANCES</b>        |                  |                         |                             |                               |                   |                     |                                      |
| Liabilities:                                |                  |                         |                             |                               |                   |                     |                                      |
| Accounts payable<br>and accrued liabilities | \$ -             | \$ 1,607                | \$ 5,324                    | \$ -                          | \$ 26,827         | \$ 137              | \$ 33,895                            |
| Unearned revenue                            | -                | -                       | -                           | -                             | 26,093            | -                   | 26,093                               |
| Total liabilities                           | -                | 1,607                   | 5,324                       | -                             | 52,920            | 137                 | 59,988                               |
| Fund balances:                              |                  |                         |                             |                               |                   |                     |                                      |
| Restricted:                                 |                  |                         |                             |                               |                   |                     |                                      |
| Street maintenance                          | -                | -                       | -                           | 1,655,775                     | -                 | -                   | 1,655,775                            |
| Crime prevention                            | 10,638           | 525,173                 | -                           | -                             | -                 | -                   | 535,811                              |
| Drainage                                    | -                | -                       | 2,217,041                   | -                             | -                 | -                   | 2,217,041                            |
| Other                                       | -                | -                       | -                           | -                             | -                 | 1,487,451           | 1,487,451                            |
| Committed:                                  |                  |                         |                             |                               |                   |                     |                                      |
| Donations                                   | -                | -                       | -                           | -                             | 324,644           | -                   | 324,644                              |
| Total fund balances                         | 10,638           | 525,173                 | 2,217,041                   | 1,655,775                     | 324,644           | 1,487,451           | 6,220,722                            |
| <b>TOTAL LIABILITIES, AND FUND BALANCES</b> | <b>\$ 10,638</b> | <b>\$ 526,780</b>       | <b>\$ 2,222,365</b>         | <b>\$ 1,655,775</b>           | <b>\$ 377,564</b> | <b>\$ 1,487,588</b> | <b>\$ 6,280,710</b>                  |

# City of Saginaw, Texas

## Combining Statement of Revenues, Expenditures and Changes in Fund Balance Non-Major Governmental Funds For the Fiscal Year Ended September 30, 2018

|                                                             | Special Revenue  |                         |                             |                               |                   |                     |                                      |
|-------------------------------------------------------------|------------------|-------------------------|-----------------------------|-------------------------------|-------------------|---------------------|--------------------------------------|
|                                                             | Police<br>Fund   | Saginaw<br>CCPD<br>Fund | Drainage<br>Utility<br>Fund | Street<br>Maintenance<br>Fund | Donations<br>Fund | Escrow<br>Fund      | Total Other<br>Governmental<br>Funds |
| <b>REVENUES</b>                                             |                  |                         |                             |                               |                   |                     |                                      |
| Taxes                                                       | \$ -             | \$ 1,131,636            | \$ -                        | \$ 401,911                    | \$ -              | \$ 58,651           | \$ 1,592,198                         |
| Fines and fees                                              | -                | -                       | -                           | -                             | -                 | 20,766              | 20,766                               |
| Intergovernmental                                           | -                | 23,607                  | -                           | -                             | -                 | -                   | 23,607                               |
| Miscellaneous                                               | 560              | -                       | -                           | -                             | 172,099           | 317,331             | 489,990                              |
| Interest income                                             | 161              | 5,517                   | 28,079                      | 22,020                        | 4,121             | 17,250              | 77,148                               |
| Charges for services                                        | -                | -                       | 776,401                     | -                             | -                 | -                   | 776,401                              |
| Total revenues                                              | 721              | 1,160,760               | 804,480                     | 423,931                       | 176,220           | 413,998             | 2,980,110                            |
| <b>EXPENDITURES</b>                                         |                  |                         |                             |                               |                   |                     |                                      |
| Current:                                                    |                  |                         |                             |                               |                   |                     |                                      |
| General operating                                           | -                | -                       | 53,181                      | 220,411                       | 85,149            | 83,705              | 442,446                              |
| Police                                                      | 2,716            | 89,710                  | -                           | -                             | -                 | -                   | 92,426                               |
| Capital outlay                                              | -                | 103,930                 | 77,397                      | -                             | 30,753            | -                   | 212,080                              |
| Total expenditures                                          | 2,716            | 193,640                 | 130,578                     | 220,411                       | 115,902           | 83,705              | 746,952                              |
| <b>EXCESS (DEFICENCY) OR REVENUES<br/>OVER EXPENDITURES</b> | (1,995)          | 967,120                 | 673,902                     | 203,520                       | 60,318            | 330,293             | 2,233,158                            |
| <b>OTHER FINANCING SOURCES (USES)</b>                       |                  |                         |                             |                               |                   |                     |                                      |
| Transfers out                                               | -                | (954,200)               | (158,155)                   | -                             | (8,120)           | (5,717)             | (1,126,192)                          |
| Total other financing sources (uses)                        | -                | (954,200)               | (158,155)                   | -                             | (8,120)           | (5,717)             | (1,126,192)                          |
| Net change in fund balances                                 | (1,995)          | 12,920                  | 515,747                     | 203,520                       | 52,198            | 324,576             | 1,106,966                            |
| Fund balances, beginning of year                            | 12,633           | 512,253                 | 1,701,294                   | 1,452,255                     | 272,446           | 1,162,875           | 5,113,756                            |
| <b>FUND BALANCES, end of year</b>                           | <u>\$ 10,638</u> | <u>\$ 525,173</u>       | <u>\$ 2,217,041</u>         | <u>\$ 1,655,775</u>           | <u>\$ 324,644</u> | <u>\$ 1,487,451</u> | <u>\$ 6,220,722</u>                  |



City of Saginaw

## **Special Revenue Fund**

Saginaw Crime Control and Prevention District Fund – Used to account for funds to be used to address crime control and prevention.

**City of Saginaw, Texas**

## Comparative Balance Sheets

## Saginaw Crime Control and Prevention District Fund

September 30, 2018 and 2017

|                                            | <b>2018</b>       | <b>2017</b>       |
|--------------------------------------------|-------------------|-------------------|
|                                            |                   |                   |
| <b>ASSETS</b>                              |                   |                   |
| Deposits and investments                   | \$ 335,137        | \$ 327,554        |
| Receivables                                |                   |                   |
| Taxes, net of allowance                    | 191,643           | 185,717           |
| <b>TOTAL ASSETS</b>                        | <b>\$ 526,780</b> | <b>\$ 513,271</b> |
|                                            |                   |                   |
| <b>LIABILITIES AND FUND BALANCES</b>       |                   |                   |
| <b>LIABILITIES</b>                         |                   |                   |
| Accounts payable and accrued liabilities   | \$ 1,607          | \$ 1,018          |
| Total liabilities                          | 1,607             | 1,018             |
| <b>FUND BLANCES</b>                        |                   |                   |
| Restricted for crime prevention            | 525,173           | 512,253           |
| Total fund balances                        | 525,173           | 512,253           |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 526,780</b> | <b>\$ 513,271</b> |

## City of Saginaw, Texas

### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Saginaw Crime Control and Prevention District Fund For the Fiscal Year Ended September 30, 2018 And 2017

|                                                              | Budgeted amounts |              | Actual       | Variance with       | Actual       |
|--------------------------------------------------------------|------------------|--------------|--------------|---------------------|--------------|
|                                                              | Original         | Final        | GAAP         | Final Budget        | GAAP         |
|                                                              |                  |              | Basis        | Positive (Negative) | Basis        |
|                                                              |                  |              |              |                     | 2017         |
| <b>REVENUE</b>                                               |                  |              |              |                     |              |
| Sales taxes                                                  | \$ 1,100,000     | \$ 1,100,000 | \$ 1,131,636 | \$ 31,636           | \$ 1,107,600 |
| Intergovernmental                                            | -                | 23,607       | 23,607       | -                   | 78,104       |
| Interest income                                              | 2,500            | 2,500        | 5,517        | 3,017               | 2,747        |
| Total revenues                                               | 1,102,500        | 1,126,107    | 1,160,760    | 34,653              | 1,188,451    |
| <b>EXPENDITURES</b>                                          |                  |              |              |                     |              |
| Uniforms                                                     | 6,300            | 6,300        | 2,091        | 4,209               | 5,725        |
| Data processing                                              | 48,000           | 48,000       | 43,795       | 4,205               | 45,402       |
| Officer supplies and equipment                               | 2,000            | 2,000        | 931          | 1,069               | 1,603        |
| Books                                                        | 3,500            | 3,500        | 3,310        | 190                 | 3,500        |
| Crime prevention supplies                                    | 2,000            | 2,000        | 748          | 1,252               | 463          |
| Maintenance and repairs                                      | -                | -            | 25,448       | (25,448)            | 58,896       |
| Tactical employee training                                   | 13,500           | 13,500       | 13,387       | 113                 | 12,342       |
| Capital outlay                                               | 106,000          | 129,607      | 103,930      | 25,677              | 207,011      |
| Total expenditures                                           | 181,300          | 204,907      | 193,640      | 11,267              | 334,942      |
| <b>EXCESS (DEFICIENCY) OR REVENUES<br/>OVER EXPENDITURES</b> | 921,200          | 921,200      | 967,120      | 45,920              | 853,509      |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |              |              |                     |              |
| Transfers out                                                | (954,200)        | (954,200)    | (954,200)    | -                   | (923,390)    |
| Total other financing sources (uses)                         | (954,200)        | (954,200)    | (954,200)    | -                   | (923,390)    |
| <b>NET CHANGE IN FUND BALANCES</b>                           | (33,000)         | (33,000)     | 12,920       | 45,920              | (69,881)     |
| <b>FUND BALANCES, beginning of year</b>                      | 512,253          | 512,253      | 512,253      | -                   | 582,134      |
| <b>FUND BALANCES, end of year</b>                            | \$ 479,253       | \$ 479,253   | \$ 525,173   | \$ 45,920           | \$ 512,253   |



City of Saginaw

## **Debt Service Fund**

Used to account for the accumulation of resources for, and the payment of, general obligation long-term debt principal and interest.

**City of Saginaw, Texas**  
Comparative Balance Sheets  
Debt Service Fund  
September 30, 2018 and 2017

|                                                 | <b>2018</b>         | <b>2017</b>         |
|-------------------------------------------------|---------------------|---------------------|
|                                                 | <u>2018</u>         | <u>2017</u>         |
| <b>ASSETS</b>                                   |                     |                     |
| Deposits and investments                        | \$ 1,115,473        | \$ 1,153,415        |
| Receivables                                     |                     |                     |
| Taxes, net of allowance                         | 20,537              | 18,898              |
|                                                 | <u>20,537</u>       | <u>18,898</u>       |
| <b>TOTAL ASSETS</b>                             | <u>\$ 1,136,010</u> | <u>\$ 1,172,313</u> |
| <b>DEFERRED INFLOWS AND FUND BALANCES</b>       |                     |                     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                     |                     |
| Unavailable revenue - property taxes            | \$ 20,536           | \$ 18,898           |
|                                                 | <u>20,536</u>       | <u>18,898</u>       |
| Total deferred inflows of resources             | 20,536              | 18,898              |
| <b>FUND BALANCE</b>                             |                     |                     |
| Restricted for debt service                     | 1,115,474           | 1,153,415           |
|                                                 | <u>1,115,474</u>    | <u>1,153,415</u>    |
| Total fund balances                             | 1,115,474           | 1,153,415           |
| <b>TOTAL DEFERRED INFLOWS AND FUND BALANCES</b> | <u>\$ 1,136,010</u> | <u>\$ 1,172,313</u> |

# City Of Saginaw, Texas

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Debt Service Fund For the Fiscal Year Ended September 30, 2018 and 2017

|                                                                    | Budgeted amounts  |                   | Actual              | Variance with       | Actual              |
|--------------------------------------------------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
|                                                                    | Original          | Final             | GAAP                | Final Budget        | GAAP                |
|                                                                    |                   |                   | Basis               | Positive (Negative) | Basis               |
|                                                                    |                   |                   |                     |                     | 2017                |
| <b>REVENUES</b>                                                    |                   |                   |                     |                     |                     |
| Current and delinquent general property tax - debt service portion | \$ 3,350,705      | \$ 3,350,705      | \$ 3,480,217        | \$ 129,512          | \$ 3,255,375        |
| Penalties, interest and fees on delinquent taxes                   | 7,000             | 7,000             | 8,327               | 1,327               | 7,172               |
| Interest income                                                    | 20,000            | 20,000            | 46,420              | 26,420              | 21,698              |
| Total revenues                                                     | 3,377,705         | 3,377,705         | 3,534,964           | 157,259             | 3,284,245           |
| <b>EXPENDITURES</b>                                                |                   |                   |                     |                     |                     |
| Bond principal payments                                            | 2,375,000         | 2,375,000         | 2,375,000           | -                   | 2,490,000           |
| Capital lease principal payments                                   | 180,536           | 180,536           | 180,536             | -                   | 177,570             |
| Total principal payments                                           | 2,555,536         | 2,555,536         | 2,555,536           | -                   | 2,667,570           |
| Bond interest                                                      | 1,009,155         | 1,009,155         | 1,009,154           | 1                   | 751,847             |
| Capital lease and note interest                                    | 3,015             | 3,015             | 3,015               | -                   | 11,766              |
| Fiscal charges and debt issuance costs                             | 10,000            | 10,000            | 5,200               | 4,800               | 6,350               |
| Total interest payments                                            | 1,022,170         | 1,022,170         | 1,017,369           | 4,801               | 769,963             |
| Total expenditures                                                 | 3,577,706         | 3,577,706         | 3,572,905           | 4,801               | 3,437,533           |
| Net change in fund balances                                        | (200,001)         | (200,001)         | (37,941)            | 162,060             | (153,288)           |
| Fund balances, beginning of year                                   | 1,153,415         | 1,153,415         | 1,153,415           | -                   | 1,306,703           |
| <b>FUND BALANCES, end of year</b>                                  | <b>\$ 953,414</b> | <b>\$ 953,414</b> | <b>\$ 1,115,474</b> | <b>\$ 162,060</b>   | <b>\$ 1,153,415</b> |



City of Saginaw

## **Enterprise Fund**

Used to account for operations of the City's water and wastewater activities that are financed and operated in a manner similar to those of private business enterprises. Services of this fund are intended to be self-supporting through user charges.

**City of Saginaw, Texas**  
Comparative Statement of Net Position  
Enterprise Fund  
September 30, 2018 and 2017

|                                                                                | 2018          | 2017          |
|--------------------------------------------------------------------------------|---------------|---------------|
| <b>ASSETS</b>                                                                  |               |               |
| <b>CURRENT ASSETS</b>                                                          |               |               |
| Deposits and investments                                                       | \$ 9,485,977  | \$ 8,414,076  |
| Deposits and investments-restricted                                            | 179,178       | 175,662       |
| Receivables:                                                                   |               |               |
| Accounts receivable, net of allowance of \$70,137 in 2018 and \$58,215 in 2017 | 798,377       | 636,782       |
| Unbilled accounts                                                              | 486,967       | 500,234       |
| Other                                                                          | -             | 3,870         |
| Prepaid                                                                        | 190           | -             |
| Total current assets                                                           | 10,950,689    | 9,730,624     |
| <b>NONCURRENT ASSETS</b>                                                       |               |               |
| Capital assets, at cost:                                                       |               |               |
| Land and land improvements                                                     | 16,657        | 16,657        |
| Buildings and improvements                                                     | 154,587       | 154,587       |
| Waterworks and wastewater system                                               | 35,584,887    | 34,278,137    |
| Machinery and equipment                                                        | 1,418,367     | 1,394,657     |
| Construction in progress                                                       | 277,420       | 116,808       |
| Accumulated depreciation                                                       | (12,524,543)  | (11,760,722)  |
| Total capital assets, net of accumulated depreciation                          | 24,927,375    | 24,200,124    |
| Deposits and investments-restricted                                            | 629,923       | 596,945       |
| Total noncurrent assets                                                        | 25,557,298    | 24,797,069    |
| Total assets                                                                   | 36,507,987    | 34,527,693    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                          |               |               |
| Deferred charge for refunding                                                  | 63,254        | 82,070        |
| Related to the TMRS pension                                                    | 126,625       | 231,510       |
| Related to the TMRS OPEB                                                       | 2,794         | 203           |
| Total deferred outflows of resources                                           | 192,673       | 313,783       |
| <b>LIABILITIES AND NET POSITION</b>                                            |               |               |
| <b>CURRENT LIABILITIES</b>                                                     |               |               |
| Accounts payable and accrued liabilities                                       | 1,454,355     | 510,760       |
| Accrued interest                                                               | 2,916         | 3,364         |
| Revenue bonds payable                                                          | 246,730       | 250,188       |
| Total current liabilities                                                      | 1,704,001     | 764,312       |
| <b>NONCURRENT LIABILITIES</b>                                                  |               |               |
| Revenue bonds payable                                                          | 1,470,000     | 1,716,729     |
| Customer deposits                                                              | 629,923       | 596,945       |
| Net pension liability                                                          | 847,030       | 1,048,126     |
| Net OPEB liability                                                             | 37,768        | 32,205        |
| Total noncurrent liabilities                                                   | 2,984,721     | 3,394,005     |
| Total liabilities                                                              | 4,688,722     | 4,158,317     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                           |               |               |
| Related to the TMRS pension                                                    | 148,251       | 69,213        |
| Total deferred inflows of resources                                            | 148,251       | 69,213        |
| <b>NET POSITION</b>                                                            |               |               |
| Net investment in capital assets                                               | 23,273,899    | 22,315,277    |
| Restricted for                                                                 |               |               |
| Revenue bond retirement                                                        | 179,178       | 175,662       |
| Unrestricted                                                                   | 8,410,610     | 8,123,007     |
| Total net position                                                             | \$ 31,863,687 | \$ 30,613,946 |

**City of Saginaw, Texas**

## Comparative Statement of Revenues, Expenses and Changes in Net Position

## Enterprise Fund

For the Fiscal Years Ended September 30, 2018 and 2017

|                                                      | <b>2018</b>          | <b>2017</b>          |
|------------------------------------------------------|----------------------|----------------------|
| <b>OPERATING REVENUE</b>                             |                      |                      |
| Water and sewer sales                                | \$ 8,604,460         | \$ 7,636,193         |
| Penalties                                            | 109,754              | 111,492              |
| Surcharges                                           | 1,830,203            | 1,452,603            |
| Miscellaneous                                        | 74,087               | 61,067               |
| Total operating revenue                              | 10,618,504           | 9,261,355            |
| <b>OPERATING EXPENSES</b>                            |                      |                      |
| Cost of sales and services                           | 6,464,089            | 5,540,812            |
| Administrative                                       | 3,013,465            | 2,843,112            |
| Depreciation                                         | 763,821              | 748,388              |
| Total operating expenses                             | 10,241,375           | 9,132,312            |
| Operating income                                     | 377,129              | 129,043              |
| <b>NONOPERATING REVENUES (EXPENSES)</b>              |                      |                      |
| Investment income                                    | 145,445              | 63,794               |
| Gain (Loss) on sale of machinery and equipment       | 1,440                | 3,870                |
| Interest expense and agent fees                      | (55,563)             | (70,984)             |
| Total nonoperating revenues (expenses)               | 91,322               | (3,320)              |
| Income before contributions and transfers            | 468,451              | 125,723              |
| <b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>           |                      |                      |
| Capital contributions                                | 782,834              | 814,640              |
| Impact and tap fees                                  | 577,586              | 632,883              |
| Transfers out                                        | (621,775)            | (632,070)            |
| Transfers in                                         | 42,645               | 41,540               |
| Total capital contributions and transfers            | 781,290              | 856,993              |
| Changes in net position                              | 1,249,741            | 982,716              |
| <b>NET POSITION, beginning of year (as restated)</b> | 30,613,946           | 29,631,230           |
| <b>NET POSITION, end of year</b>                     | <u>\$ 31,863,687</u> | <u>\$ 30,613,946</u> |

**City of Saginaw, Texas**

## Comparative Statement of Cash Flows

## Enterprise Fund

For the Fiscal Years Ended September 30, 2018 and 2017

|                                                                 | <b>2018</b>          | <b>2017</b>         |
|-----------------------------------------------------------------|----------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                      |                     |
| Cash received from customers                                    | \$ 10,507,024        | \$ 9,223,890        |
| Cash paid to employees                                          | (930,771)            | (816,233)           |
| Cash paid to suppliers                                          | (7,617,579)          | (7,943,486)         |
| Net cash provided by operating activities                       | 1,958,674            | 464,171             |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>          |                      |                     |
| Transfers out to other funds                                    | (621,775)            | (632,070)           |
| Transfer from other funds                                       | 42,645               | 41,540              |
| Net cash used in noncapital financing activities                | (579,130)            | (590,530)           |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b> |                      |                     |
| Proceeds from sale of machinery and equipment                   | 1,440                | -                   |
| Impact and tap fees                                             | 577,586              | 632,883             |
| Principal paid on bonds                                         | (245,000)            | (420,000)           |
| Purchase of capital assets                                      | (708,238)            | (229,758)           |
| Interest                                                        | (40,818)             | (51,932)            |
| Fiscal agent fees                                               | (1,564)              | (750)               |
| Net cash used in capital and related financing activities       | (416,594)            | (69,557)            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                      |                     |
| Interest on investments                                         | 145,445              | 63,794              |
| Net cash provided by investing activities                       | 145,445              | 63,794              |
| Net change in cash                                              | 1,108,395            | (132,122)           |
| <b>CASH AND CASH EQUIVALENTS, beginning of year</b>             | 9,186,683            | 9,318,805           |
| <b>CASH AND CASH EQUIVALENTS, end of year</b>                   | <u>\$ 10,295,078</u> | <u>\$ 9,186,683</u> |

# City of Saginaw, Texas

## Comparative Statement of Cash Flows – Continued

### Enterprise Fund

For the Fiscal Years Ended September 30, 2018 and 2017

|                                                                                                     |                     |                   | 2018                 | 2017                |
|-----------------------------------------------------------------------------------------------------|---------------------|-------------------|----------------------|---------------------|
|                                                                                                     | Current             | Restricted        | Statement of         | Statement of        |
|                                                                                                     | Assets              | Assets            | Cash Flows           | Cash Flows          |
|                                                                                                     |                     |                   | Totals               | Totals              |
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET</b> |                     |                   |                      |                     |
| Cash and cash equivalents, beginning of year                                                        | \$ 8,414,076        | \$ 772,607        | \$ 9,186,683         | \$ 9,318,805        |
| Net increase (decrease)                                                                             | 1,071,901           | 36,494            | 1,108,395            | (132,122)           |
| <b>CASH AND CASH EQUIVALENTS, end of year</b>                                                       | <b>\$ 9,485,977</b> | <b>\$ 809,101</b> | <b>\$ 10,295,078</b> | <b>\$ 9,186,683</b> |
| <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>              |                     |                   |                      |                     |
| Operating income                                                                                    |                     |                   | \$ 377,129           | \$ 129,043          |
| Adjustments to reconcile operating income to net cash provided by operating activities:             |                     |                   |                      |                     |
| Depreciation                                                                                        |                     |                   | 763,821              | 748,388             |
| Increase in accounts receivable                                                                     |                     |                   | (144,458)            | (54,582)            |
| Increase in prepaids                                                                                |                     |                   | (190)                | -                   |
| Decrease in deferred outflows of resources-pension                                                  |                     |                   | 104,885              | 34,008              |
| Increase in deferred outflows of resources-OPEB                                                     |                     |                   | (2,591)              | -                   |
| Increase (Decrease) in accounts payable and accrued expenses                                        |                     |                   | 943,595              | (402,056)           |
| Increase in customer deposits                                                                       |                     |                   | 32,978               | 17,117              |
| Decrease in net pension liability                                                                   |                     |                   | (201,096)            | (22,955)            |
| Increase in net OPEB liability                                                                      |                     |                   | 5,563                | -                   |
| Increase in deferred inflows of resources-pension                                                   |                     |                   | 79,038               | 15,208              |
| Net cash provided by operating activities                                                           |                     |                   | <b>\$ 1,958,674</b>  | <b>\$ 464,171</b>   |
| <b>SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES</b>                 |                     |                   |                      |                     |
| Capital asset contributions from developers                                                         |                     |                   | <b>\$ 782,834</b>    | <b>\$ 814,640</b>   |



City of Saginaw

## **Statistical Section (Unaudited)**



City of Saginaw

**City of Saginaw, Texas**  
Statistical Section (Unaudited)

This part of the City of Saginaw'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 government's overall financial health.

**Contents:**

Financial Trend.....88-97

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

Revenue Capacity .....98-101

These schedules contain information to help the reader assess one of the government's most significant local source revenues, property taxes.

Debt Capacity .....102-106

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

Demographic and Economic Information .....107-108

This schedule offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information .....109-111

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial reports relates to the services the government provides and the activities it performs.

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

**City of Saginaw, Texas**  
Net Position by Component  
Last Ten Fiscal Years

|                                                    | 2009                 | 2010                 | 2011                 | 2012                 |
|----------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>                     |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 41,370,363        | \$ 42,319,951        | \$ 44,362,424        | \$ 45,854,628        |
| Restricted                                         | 852,265              | 1,300,786            | 1,348,022            | 1,384,617            |
| Unrestricted                                       | 12,736,406           | 13,800,224           | 13,807,108           | 14,302,944           |
| <b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>  | 54,959,034           | 57,420,961           | 59,517,554           | 61,542,189           |
| <b>BUSINESS-TYPE ACTIVITIES</b>                    |                      |                      |                      |                      |
| Net investment in capital assets                   | 16,275,619           | 15,624,168           | 16,165,325           | 16,699,361           |
| Restricted                                         | 518,066              | 577,205              | 436,461              | 437,166              |
| Unrestricted                                       | 5,888,777            | 6,249,006            | 6,504,546            | 7,008,669            |
| <b>TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b> | 22,682,462           | 22,450,379           | 23,106,332           | 24,145,196           |
| <b>PRIMARY GOVERNMENT</b>                          |                      |                      |                      |                      |
| Net investment in capital assets                   | 57,645,982           | 57,944,119           | 60,527,749           | 62,553,989           |
| Restricted                                         | 1,370,331            | 1,877,991            | 1,784,483            | 1,821,783            |
| Unrestricted                                       | 18,625,183           | 20,049,230           | 20,311,654           | 21,311,613           |
| <b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>       | <u>\$ 77,641,496</u> | <u>\$ 79,871,340</u> | <u>\$ 82,623,886</u> | <u>\$ 85,687,385</u> |

\*2013 restated for GASB 65

\*\*2017 restated for GASB 75

Table 1

| 2013*         | 2014          | 2015          | 2016          | 2017**         | 2018           |
|---------------|---------------|---------------|---------------|----------------|----------------|
| \$ 48,872,324 | \$ 52,280,544 | \$ 55,375,158 | \$ 56,038,750 | \$ 62,510,664  | \$ 65,704,199  |
| 1,828,513     | 1,596,119     | 1,416,987     | 1,267,190     | 1,120,206      | 1,062,127      |
| 11,624,828    | 13,139,145    | 5,701,871     | 7,709,276     | 8,126,849      | 9,342,924      |
| 62,325,665    | 67,015,808    | 62,494,016    | 65,015,216    | 71,757,719     | 76,109,250     |
| 17,623,648    | 19,067,165    | 20,210,164    | 21,614,590    | 22,315,277     | 23,273,899     |
| 420,735       | 420,905       | 421,162       | 444,944       | 175,662        | 179,178        |
| 6,628,613     | 7,726,467     | 8,015,115     | 7,603,698     | 8,123,007      | 8,410,610      |
| 24,672,996    | 27,214,537    | 28,646,441    | 29,663,232    | 30,613,946     | 31,863,687     |
| 66,495,972    | 71,347,709    | 75,585,322    | 77,653,340    | 84,825,941     | 88,978,098     |
| 2,249,248     | 2,017,024     | 1,838,149     | 1,712,134     | 1,295,868      | 1,241,305      |
| 18,253,441    | 20,865,612    | 13,716,986    | 15,312,974    | 16,249,856     | 17,753,534     |
| \$ 86,998,661 | \$ 94,230,345 | \$ 91,140,457 | \$ 94,678,448 | \$ 102,371,665 | \$ 107,972,937 |

# City of Saginaw, Texas

## Changes in Net Position

### Last Ten Fiscal Years

|                                                           | 2009                | 2010                | 2011                | 2012                |
|-----------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>EXPENSES</b>                                           |                     |                     |                     |                     |
| Governmental activities:                                  |                     |                     |                     |                     |
| General administrative office                             | \$ 1,913,944        | \$ 2,262,203        | \$ 2,401,322        | \$ 2,214,653        |
| Municipal court                                           | 220,745             | 225,191             | 200,323             | 193,082             |
| Fire                                                      | 2,735,528           | 2,672,742           | 2,713,654           | 2,864,618           |
| Police                                                    | 3,519,529           | 3,667,446           | 3,698,868           | 3,848,768           |
| Public works                                              | 3,440,255           | 3,058,371           | 3,301,972           | 3,177,703           |
| Parks *                                                   | -                   | -                   | -                   | -                   |
| Community services                                        | 1,269,148           | 1,086,742           | 1,168,490           | 1,078,909           |
| Library                                                   | 563,843             | 569,505             | 558,945             | 524,847             |
| Inspections                                               | 542,983             | 579,670             | 589,130             | 565,326             |
| Janitorial                                                | -                   | -                   | -                   | -                   |
| Fleet maintenance                                         | 426,987             | 440,832             | 538,987             | 566,689             |
| Economic development                                      | 30,808              | 12,439              | 142                 | 14,504              |
| Interest on long term debt                                | 1,049,129           | 1,042,557           | 1,015,329           | 866,299             |
| Total governmental activities                             | 15,712,899          | 15,617,698          | 16,187,162          | 15,915,398          |
| Business-type activities:                                 |                     |                     |                     |                     |
| Water and wastewater                                      | 6,265,358           | 6,784,699           | 6,464,532           | 6,972,839           |
| Total business-type activities                            | 6,265,358           | 6,784,699           | 6,464,532           | 6,972,839           |
| Total primary government expenses                         | 21,978,257          | 22,402,397          | 22,651,694          | 22,888,237          |
| <b>PROGRAM REVENUES</b>                                   |                     |                     |                     |                     |
| Governmental activities:                                  |                     |                     |                     |                     |
| Fines, fees and charges for services:                     |                     |                     |                     |                     |
| General administrative office                             | -                   | -                   | -                   | -                   |
| Municipal court                                           | 422,800             | 436,988             | 408,017             | 476,100             |
| Fire                                                      | 73,125              | 75,250              | 79,250              | 80,000              |
| Police                                                    | 5,536               | 4,359               | 3,889               | 4,814               |
| Public works                                              | 446,975             | 421,802             | 430,697             | 431,564             |
| Community services                                        | 650,111             | 640,832             | 659,004             | 669,578             |
| Library                                                   | 31,654              | 28,357              | 19,379              | 17,730              |
| Inspections                                               | 344,831             | 346,402             | 311,149             | 296,414             |
| Animal services **                                        | -                   | -                   | -                   | -                   |
| Operating grants and contributions:                       |                     |                     |                     |                     |
| General administrative office                             | -                   | -                   | -                   | -                   |
| Fire                                                      | 541,018             | 310,411             | 151,412             | 76,328              |
| Police                                                    | 86,959              | 80,824              | 76,223              | 156,535             |
| Public works                                              | -                   | -                   | -                   | 84,999              |
| Capital grants and contributions:                         |                     |                     |                     |                     |
| Public works                                              | -                   | 2,771,279           | 3,080,767           | 1,959,028           |
| <b>TOTAL GOVERNMENTAL ACTIVITIES AND PROGRAM REVENUES</b> | <b>\$ 2,603,009</b> | <b>\$ 5,116,504</b> | <b>\$ 5,219,787</b> | <b>\$ 4,253,090</b> |

\* Prior to 2013 Parks was included in Community services

\*\* Prior to 2018 Animal Services was included in Inspections

**Table 2**  
(Page 1 of 2)

| 2013*        | 2014         | 2015         | 2016         | 2017         | 2018         |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 2,385,797 | \$ 2,343,593 | \$ 2,126,569 | \$ 2,060,595 | \$ 1,924,614 | \$ 2,306,824 |
| 185,237      | 200,512      | 184,794      | 186,864      | 190,521      | 167,338      |
| 2,858,957    | 2,955,138    | 3,284,144    | 3,242,317    | 3,446,465    | 3,410,291    |
| 3,860,896    | 4,038,792    | 4,230,644    | 4,434,955    | 4,616,528    | 4,732,436    |
| 3,465,002    | 2,895,713    | 3,422,440    | 3,435,053    | 3,705,943    | 3,717,371    |
| 195,900      | 208,076      | 226,152      | 294,992      | 348,531      | 345,716      |
| 969,556      | 985,348      | 1,076,881    | 1,076,293    | 1,130,034    | 1,141,716    |
| 540,261      | 548,383      | 564,913      | 591,580      | 624,921      | 610,243      |
| 583,930      | 603,213      | 716,049      | 824,509      | 861,619      | 563,502      |
| -            | -            | -            | -            | -            | 322,993      |
| 546,241      | 573,011      | 531,903      | 439,379      | 513,948      | 499,089      |
| 64,779       | 35,860       | 19,363       | 50,197       | 46,520       | 567,431      |
| 1,162,182    | 916,082      | 942,168      | 994,113      | 883,962      | 1,017,739    |
| 16,818,738   | 16,303,721   | 17,326,020   | 17,630,847   | 18,293,606   | 19,402,689   |
| 7,241,735    | 7,068,008    | 7,469,979    | 8,355,662    | 9,167,424    | 10,295,498   |
| 7,241,735    | 7,068,008    | 7,469,979    | 8,355,662    | 9,167,424    | 10,295,498   |
| 24,060,473   | 23,371,729   | 24,795,999   | 25,986,509   | 27,461,030   | 29,698,187   |
| -            | -            | 40,118       | 63,426       | 32,724       | 77,113       |
| 459,209      | 543,001      | 561,382      | 441,298      | 493,172      | 416,477      |
| 80,226       | 80,000       | 80,000       | 83,000       | 84,000       | 84,000       |
| 3,850        | 3,880        | 4,248        | 4,314        | 3,822        | 4,439        |
| 563,194      | 577,267      | 583,358      | 592,078      | 754,462      | 776,501      |
| 680,961      | 652,176      | 670,826      | 646,004      | 665,004      | 692,897      |
| 18,668       | 20,499       | 18,982       | 16,260       | 16,944       | 15,309       |
| 377,646      | 433,586      | 740,778      | 939,380      | 961,945      | 1,025,588    |
| -            | -            | -            | -            | -            | 20,044       |
| -            | -            | -            | -            | -            | -            |
| 57,337       | 77,426       | 24,992       | 29,134       | 54,529       | 30,833       |
| 75,477       | 97,557       | 209,835      | 150,845      | 179,592      | 128,595      |
| -            | -            | -            | -            | -            | -            |
| -            | -            | -            | -            | -            | -            |
| 1,271,666    | 3,854,521    | 1,457,517    | 1,549,780    | 5,835,552    | 2,544,847    |
| \$ 3,588,234 | \$ 6,339,913 | \$ 4,392,036 | \$ 4,515,519 | \$ 9,081,746 | \$ 5,816,643 |

# City of Saginaw, Texas

## Changes in Net Position

### Last Ten Fiscal Years

|                                                         | 2009                  | 2010                | 2011                | 2012                |
|---------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
| <b>BUSINESS-TYPE ACTIVITIES</b>                         |                       |                     |                     |                     |
| Charges for services:                                   |                       |                     |                     |                     |
| Water and wastewater                                    | \$ 6,550,174          | \$ 6,802,875        | \$ 7,973,010        | \$ 8,374,910        |
| Operating Grants and Contributions                      | -                     | -                   | -                   | -                   |
| Capital grants and contributions                        | 94,633                | 564,691             | 76,931              | 389,921             |
| Total business-type activities program revenues         | 6,644,807             | 7,367,566           | 8,049,941           | 8,764,831           |
| Total primary government program revenues               | 9,247,816             | 12,484,070          | 13,269,728          | 13,017,921          |
| <b>NET (EXPENSES) REVENUE</b>                           |                       |                     |                     |                     |
| Governmental activities                                 | (13,109,890)          | (10,501,194)        | (10,967,375)        | (11,662,308)        |
| Business-type activities                                | 379,449               | 582,867             | 1,585,409           | 1,791,992           |
| Total primary governmental net expenses                 | (12,730,441)          | (9,918,327)         | (9,381,966)         | (9,870,316)         |
| <b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b> |                       |                     |                     |                     |
| Governmental activities:                                |                       |                     |                     |                     |
| Taxes:                                                  |                       |                     |                     |                     |
| Ad valorem                                              | 5,060,742             | 5,456,995           | 5,436,698           | 5,758,607           |
| Sales                                                   | 4,829,521             | 5,002,665           | 4,986,291           | 5,365,461           |
| Franchise taxes                                         | 1,295,929             | 1,256,027           | 1,332,768           | 1,552,095           |
| Other taxes                                             | 13,580                | 13,773              | 11,791              | 14,968              |
| Penalties and interest                                  | 16,990                | 12,622              | 19,516              | 8,350               |
| Interest income                                         | 145,855               | 39,895              | 23,208              | 20,389              |
| Gain (Loss) on sale of assets                           | 13,030                | 29,731              | 23,609              | -                   |
| Miscellaneous revenues                                  | 211,380               | 185,473             | 200,262             | 120,803             |
| Transfers                                               | 620,016               | 965,950             | 1,029,825           | 846,270             |
| Total governmental activities                           | 12,207,043            | 12,963,131          | 13,063,968          | 13,686,943          |
| Business-type activities:                               |                       |                     |                     |                     |
| Interest income                                         | 69,807                | 15,898              | 8,544               | 5,892               |
| Gain on sale of assets                                  | -                     | 31,087              | 2,356               | 2,835               |
| Miscellaneous revenues                                  | 44,796                | 104,015             | 89,469              | 84,415              |
| Transfers                                               | (620,016)             | (965,950)           | (1,029,825)         | (846,270)           |
| Total business-type activities                          | (505,413)             | (814,950)           | (929,456)           | (753,128)           |
| Total primary government                                | 11,701,630            | 12,148,181          | 12,134,512          | 12,933,815          |
| <b>CHANGES IN NET POSITION</b>                          |                       |                     |                     |                     |
| Governmental activities                                 | (902,847)             | 2,461,937           | 2,096,593           | 2,024,635           |
| Business-type activities                                | (125,964)             | (232,083)           | 655,953             | 1,038,864           |
| <b>TOTAL PRIMARY GOVERNMENT</b>                         | <u>\$ (1,028,811)</u> | <u>\$ 2,229,854</u> | <u>\$ 2,752,546</u> | <u>\$ 3,063,499</u> |

Source: Comprehensive Annual Financial Reports

\* 2013 restated for GASB 65

\*\* 2017 restated for GASB 75

**Table 2**  
(Page 2 of 2)

| 2013*        | 2014         | 2015         | 2016         | 2017         | 2018          |
|--------------|--------------|--------------|--------------|--------------|---------------|
| \$ 8,419,089 | \$ 8,910,914 | \$ 8,965,645 | \$ 8,733,275 | \$ 9,088,796 | \$ 10,434,663 |
| -            | -            | -            | -            | -            | -             |
| 88,737       | 1,461,468    | 1,040,496    | 967,271      | 1,447,523    | 1,360,420     |
| 8,507,826    | 10,372,382   | 10,006,141   | 9,700,546    | 10,536,319   | 11,795,083    |
| 12,096,060   | 16,712,295   | 14,398,177   | 14,216,065   | 19,618,065   | 17,611,726    |
| (13,230,504) | (9,963,808)  | (12,933,984) | (13,115,328) | (9,211,860)  | (13,586,046)  |
| 1,266,091    | 3,304,374    | 2,536,162    | 1,344,884    | 1,368,895    | 1,499,585     |
| (11,964,413) | (6,659,434)  | (10,397,822) | (11,770,444) | (7,842,965)  | (12,086,461)  |
| 5,750,493    | 6,277,304    | 6,506,284    | 7,201,098    | 7,608,668    | 8,172,372     |
| 5,528,937    | 5,709,850    | 5,786,769    | 5,790,661    | 6,198,989    | 6,356,478     |
| 1,503,183    | 1,420,451    | 1,851,551    | 1,839,384    | 1,693,095    | 1,660,835     |
| 82,634       | 18,682       | 32,116       | 28,626       | 32,666       | 79,388        |
| 21,585       | 21,965       | 13,367       | 15,202       | 17,148       | 22,706        |
| 16,172       | 7,587        | 11,883       | 84,200       | 214,428      | 475,921       |
| -            | 26,704       | -            | -            | -            | -             |
| 201,147      | 206,735      | 110,595      | 125,952      | 116,691      | 590,747       |
| 909,829      | 964,673      | 564,120      | 551,405      | 590,530      | 579,130       |
| 14,013,980   | 14,653,951   | 14,876,685   | 15,636,528   | 16,472,215   | 17,937,577    |
| 7,146        | 2,508        | 4,529        | 26,998       | 63,794       | 145,445       |
| 12,000       | 9,365        | -            | -            | -            | -             |
| 152,392      | 189,967      | 213,116      | 196,314      | 172,559      | 183,841       |
| (909,829)    | (964,673)    | (564,120)    | (551,405)    | (590,530)    | (579,130)     |
| (738,291)    | (762,833)    | (346,475)    | (328,093)    | (354,177)    | (249,844)     |
| 13,275,689   | 13,891,118   | 14,530,210   | 15,308,435   | 16,118,038   | 17,687,733    |
| 783,476      | 4,690,143    | 1,942,701    | 2,521,200    | 7,260,355    | 4,351,531     |
| 527,800      | 2,541,541    | 2,189,687    | 1,016,791    | 1,014,718    | 1,249,741     |
| \$ 1,311,276 | \$ 7,231,684 | \$ 4,132,388 | \$ 3,537,991 | \$ 8,275,073 | \$ 5,601,272  |

## City of Saginaw, Texas

### Fund Balances, Governmental Funds Last Ten Fiscal Years

|                                           | 2009                | 2010                 | 2011                 | 2012                 |
|-------------------------------------------|---------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND</b>                       |                     |                      |                      |                      |
| Unreserved                                | \$ 9,989,714        | \$ 10,886,568        | \$ -                 | \$ -                 |
| Restricted:                               |                     |                      |                      |                      |
| Capital projects                          | -                   | -                    | 403,681              | 403,681              |
| Municipal court                           | -                   | -                    | 177,709              | 178,379              |
| Hotel/motel tax                           | -                   | -                    | 22,280               | 24,814               |
| Assigned                                  | -                   | -                    | 1,512,180            | 2,222,595            |
| Unassigned                                | -                   | -                    | 9,169,052            | 8,477,945            |
| <b>TOTAL GENERAL FUND</b>                 | <b>\$ 9,989,714</b> | <b>\$ 10,886,568</b> | <b>\$ 11,284,902</b> | <b>\$ 11,307,414</b> |
| <b>ALL OTHER GOVERNMENTAL FUNDS</b>       |                     |                      |                      |                      |
| Reserved for:                             |                     |                      |                      |                      |
| Reserved for construction                 | \$ 4,239,749        | \$ 4,277,000         | \$ -                 | \$ -                 |
| Reserved for debt service                 | 900,810             | 1,121,903            | -                    | -                    |
| Reserved for police department            | 7,510               | 7,916                | -                    | -                    |
| Reserved for Saginaw CCPD                 | 1,056,041           | 989,063              | -                    | -                    |
| Reserved for drainage projects            | 637,247             | 718,018              | -                    | -                    |
| Reserved for street maintenance projects  | 451,055             | 403,583              | -                    | -                    |
| Reserved for animal control               | 3,173               | 4,322                | -                    | -                    |
| Reserved for parks                        | 24,602              | 24,508               | -                    | -                    |
| Reserved for library                      | 111,469             | 141,204              | -                    | -                    |
| Reserved for beautification               | 78,367              | 105,389              | -                    | -                    |
| Reserved for senior center                | -                   | 670                  | -                    | -                    |
| Reserved for fire                         | 603                 | 2,970                | -                    | -                    |
| Restricted:                               |                     |                      |                      |                      |
| Debt service                              | -                   | -                    | 1,184,312            | 1,350,299            |
| Capital projects                          | -                   | -                    | 1,795,653            | 1,802,072            |
| Street maintenance                        | -                   | -                    | 482,269              | 666,275              |
| Crime prevention                          | -                   | -                    | 948,234              | 838,641              |
| Drainage                                  | -                   | -                    | 928,878              | 924,869              |
| Other                                     | -                   | -                    | -                    | -                    |
| Committed:                                |                     |                      |                      |                      |
| Donations                                 | -                   | -                    | 319,242              | 357,682              |
| <b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b> | <b>\$ 7,510,626</b> | <b>\$ 7,796,546</b>  | <b>\$ 5,658,588</b>  | <b>\$ 5,939,838</b>  |

**Note:** The City adopted the provisions of GASB 54 in 2011. Therefore, the fund balances for 2011 were updated to conform with GASB 54.

Table 3

| 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| 403,681              | 403,681              | -                    | -                    | -                    | -                    |
| 142,419              | 146,224              | -                    | -                    | -                    | -                    |
| 17,385               | 18,723               | -                    | -                    | -                    | -                    |
| 383,370              | 509,935              | 294,445              | 537,510              | 1,167,595            | 885,540              |
| 8,637,536            | 8,598,487            | 9,499,273            | 10,155,535           | 10,480,993           | 10,714,852           |
| <u>\$ 9,584,391</u>  | <u>\$ 9,677,050</u>  | <u>\$ 9,793,718</u>  | <u>\$ 10,693,045</u> | <u>\$ 11,648,588</u> | <u>\$ 11,600,392</u> |
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| 1,495,776            | 1,650,611            | 1,473,531            | 1,306,703            | 1,153,415            | 1,115,474            |
| 8,138,595            | 7,077,353            | 12,799,557           | 10,566,997           | 12,597,897           | 7,208,691            |
| 721,837              | 900,917              | 1,137,598            | 1,283,877            | 1,452,255            | 1,655,775            |
| 836,825              | 853,451              | 712,061              | 591,654              | 524,886              | 535,811              |
| 1,139,878            | 1,234,069            | 826,712              | 1,142,095            | 1,701,294            | 2,217,041            |
| -                    | -                    | 513,363              | 1,160,365            | 1,162,875            | 1,487,451            |
| 323,967              | 336,101              | 274,621              | 293,437              | 272,446              | 324,644              |
| <u>\$ 12,656,878</u> | <u>\$ 12,052,502</u> | <u>\$ 17,737,443</u> | <u>\$ 16,345,128</u> | <u>\$ 18,865,068</u> | <u>\$ 14,544,887</u> |

## City of Saginaw, Texas

### Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

|                                                            | 2009          | 2010          | 2011           | 2012          |
|------------------------------------------------------------|---------------|---------------|----------------|---------------|
| <b>REVENUES</b>                                            |               |               |                |               |
| Taxes                                                      | \$ 11,395,798 | \$ 11,759,167 | \$11,796,561   | \$ 12,695,493 |
| Licenses and permits                                       | 305,000       | 303,744       | 208,259        | 263,964       |
| Charges for services                                       | 520,100       | 497,052       | 509,947        | 511,564       |
| Fines and fees                                             | 499,821       | 508,003       | 530,286        | 526,280       |
| Interest income                                            | 145,855       | 39,895        | 23,208         | 20,389        |
| Recreation income                                          | 544,513       | 487,707       | 526,158        | 530,051       |
| Intergovernmental                                          | -             | -             | -              | -             |
| Miscellaneous revenues                                     | 957,983       | 3,377,019     | 3,669,006      | 1,133,483     |
| Total revenues                                             | 14,369,070    | 16,972,587    | 17,263,425     | 15,681,224    |
| <b>EXPENDITURES</b>                                        |               |               |                |               |
| Current:                                                   |               |               |                |               |
| General administrative office                              | 1,855,477     | 2,202,389     | 2,412,083      | 2,648,603     |
| Municipal court                                            | 216,990       | 219,898       | 196,849        | 191,515       |
| Fire                                                       | 2,552,394     | 2,540,632     | 2,419,816      | 2,615,170     |
| Police                                                     | 3,350,395     | 3,370,025     | 3,417,127      | 3,563,149     |
| Public works                                               | 1,261,954     | 890,697       | 973,762        | 1,353,299     |
| Parks *                                                    | -             | -             | -              | -             |
| Community services                                         | 1,051,504     | 841,511       | 927,060        | 848,830       |
| Library                                                    | 523,068       | 512,830       | 501,277        | 470,013       |
| Inspections                                                | 524,837       | 555,629       | 572,152        | 554,909       |
| Animal services **                                         | -             | -             | -              | -             |
| City garage                                                | 422,368       | 435,274       | 522,760        | 525,903       |
| Economic development                                       | 28,571        | 12,439        | 142            | 14,504        |
| Capital outlay                                             | 1,227,084     | 4,476,313     | 5,582,508      | 979,538       |
| Bond sale expense                                          | -             | -             | -              | -             |
| Debt service:                                              |               |               |                |               |
| Principal retirement                                       | 1,907,758     | 1,452,094     | 1,524,223      | 1,610,000     |
| Interest charges                                           | 1,004,545     | 993,891       | 977,169        | 836,587       |
| Debt issuance costs                                        | 37,958        | 42,141        | 5,946          | 104,626       |
| Total expenditures                                         | 15,964,903    | 18,545,763    | 20,032,874     | 16,316,646    |
| Excess (deficiency) of revenues<br>over expenditures       | (1,595,833)   | (1,573,176)   | (2,769,449)    | (635,422)     |
| Other financing sources (uses):                            |               |               |                |               |
| Capital lease proceeds                                     | -             | -             | -              | -             |
| Proceeds from issuance of debt                             | 1,240,000     | 1,790,000     | -              | -             |
| Proceeds on refunding bonds                                | -             | -             | -              | 92,914        |
| Premium on bond issuance                                   | -             | -             | -              | -             |
| Payments to refunded bond<br>escrow agent                  | -             | -             | -              | -             |
| Transfers in                                               | 1,835,464     | 2,013,286     | 1,980,360      | 1,813,360     |
| Transfers out                                              | (1,215,448)   | (1,047,336)   | (950,535)      | (967,090)     |
| Total other financing sources (uses)                       | 1,860,016     | 2,755,950     | 1,029,825      | 939,184       |
| Net change in fund balances                                | \$ 264,183    | \$ 1,182,774  | \$ (1,739,624) | \$ 303,762    |
| Debt service as a percentage of<br>noncapital expenditures | 21.08%        | 18.11%        | 17.49%         | 16.56%        |

\* Prior to 2013 Parks was included in Community services

\* Prior to 2018 Animal services was included in Inspections

Table 4

| 2013          | 2014         | 2015          | 2016          | 2017          | 2018           |
|---------------|--------------|---------------|---------------|---------------|----------------|
| \$ 12,899,890 | \$13,444,020 | \$ 14,192,838 | \$ 14,877,738 | \$ 15,540,413 | \$ 16,287,689  |
| 248,764       | 329,948      | 627,876       | 740,192       | 929,188       | 951,542        |
| 643,420       | 657,267      | 663,358       | 674,978       | 838,362       | 860,401        |
| 606,759       | 667,138      | 693,266       | 656,746       | 542,873       | 525,876        |
| 16,172        | 7,587        | 11,883        | 84,200        | 214,428       | 475,921        |
| 519,857       | 494,346      | 512,677       | 487,081       | 496,969       | 520,798        |
| -             | 568,262      | 234,827       | 179,979       | 234,122       | 159,428        |
| 1,770,581     | 376,048      | 321,110       | 1,010,725     | 326,507       | 1,091,494      |
| 16,705,443    | 16,544,616   | 17,257,835    | 18,711,639    | 19,122,862    | 20,873,149     |
| 2,343,521     | 2,301,845    | 2,191,774     | 1,963,039     | 2,075,890     | 2,217,124      |
| 184,091       | 199,451      | 185,158       | 184,973       | 187,886       | 168,421        |
| 2,671,135     | 3,694,807    | 2,932,965     | 3,177,233     | 3,280,597     | 3,982,620      |
| 3,571,926     | 3,753,226    | 3,967,015     | 4,075,546     | 4,273,272     | 4,638,904      |
| 1,497,039     | 884,006      | 1,268,270     | 1,263,892     | 1,354,767     | 1,609,303      |
| 200,943       | 227,791      | 240,528       | 266,949       | 352,766       | 339,015        |
| 737,735       | 753,421      | 861,581       | 918,907       | 990,618       | 959,782        |
| 488,445       | 496,461      | 520,281       | 537,893       | 568,246       | 569,005        |
| 602,180       | 587,047      | 705,189       | 825,017       | 849,217       | 579,082        |
| -             | -            | -             | -             | -             | 398,633        |
| 508,511       | 533,557      | 493,996       | 399,692       | 471,007       | 456,219        |
| 64,779        | 35,860       | 19,363        | 50,197        | 46,520        | 567,978        |
| 5,343,768     | 2,327,457    | 3,750,868     | 2,570,956     | 6,349,590     | 5,761,665      |
| -             | -            | -             | -             | -             | -              |
| 1,700,000     | 2,214,750    | 2,056,785     | 2,539,654     | 2,667,570     | 2,555,536      |
| 679,214       | 910,722      | 824,995       | 854,529       | 763,613       | 1,012,169      |
| 183,823       | 44,188       | 132,294       | 203,483       | 144,905       | 5,200          |
| 20,777,110    | 18,964,589   | 20,151,062    | 19,831,960    | 24,376,464    | 25,820,656     |
| (4,071,667)   | (2,419,973)  | (2,893,227)   | (1,120,321)   | (5,253,602)   | (4,947,507)    |
| -             | 944,294      | -             | -             | -             | -              |
| 7,895,000     | -            | 8,000,000     | -             | 7,830,000     | -              |
| 1,180,000     | 2,130,000    | -             | 5,910,000     | -             | -              |
| 302,597       | -            | 130,716       | -             | 308,555       | -              |
| (1,221,742)   | (2,130,711)  | -             | (5,834,072)   | -             | -              |
| 4,011,199     | 2,827,420    | 3,713,702     | 1,726,230     | 1,697,052     | 1,705,322      |
| (3,101,370)   | (1,862,747)  | (3,149,582)   | (1,174,825)   | (1,106,522)   | (1,126,192)    |
| 9,065,684     | 1,908,256    | 8,694,836     | 627,333       | 8,729,085     | 579,130        |
| \$ 4,994,017  | \$ (511,717) | \$ 5,801,609  | \$ (492,988)  | \$ 3,475,483  | \$ (4,368,377) |
| 15.50%        | 20.02%       | 17.86%        | 20.02%        | 19.37%        | 19.07%         |

**City Of Saginaw, Texas**Property Tax Levies and Collections  
Last Ten Fiscal Years**Table 5**

| <b>Fiscal Year</b> | <b>Total Tax Levy</b> | <b>Current Tax Collections</b> | <b>% of Current Tax Collected</b> | <b>Delinquent Tax Collections</b> | <b>Total Tax Collections</b> | <b>% of Total Tax Collections to Tax Levy</b> | <b>Outstanding Delinquent Taxes</b> | <b>% of Delinquent Taxes to Tax Levy</b> |
|--------------------|-----------------------|--------------------------------|-----------------------------------|-----------------------------------|------------------------------|-----------------------------------------------|-------------------------------------|------------------------------------------|
| 2008/09            | 5,241,665             | 5,170,741                      | 98.6%                             | 64,003                            | 5,234,744                    | 99.9%                                         | 6,921                               | 0.1%                                     |
| 2009/10            | 5,444,770             | 5,390,942                      | 99.0%                             | 44,812                            | 5,435,754                    | 99.8%                                         | 9,016                               | 0.2%                                     |
| 2010/11            | 5,436,187             | 5,391,855                      | 99.2%                             | 37,900                            | 5,429,755                    | 99.9%                                         | 6,432                               | 0.1%                                     |
| 2011/12            | 5,724,960             | 5,691,320                      | 99.4%                             | 28,856                            | 5,720,176                    | 99.9%                                         | 4,783                               | 0.1%                                     |
| 2012/13            | 5,739,750             | 5,704,489                      | 99.4%                             | 29,507                            | 5,733,996                    | 99.9%                                         | 5,754                               | 0.1%                                     |
| 2013/14            | 6,223,951             | 6,184,458                      | 99.4%                             | 31,332                            | 6,215,790                    | 99.9%                                         | 8,161                               | 0.1%                                     |
| 2014/15            | 6,484,972             | 6,448,230                      | 99.4%                             | 30,373                            | 6,478,603                    | 99.9%                                         | 6,369                               | 0.1%                                     |
| 2015/16            | 7,175,560             | 7,141,585                      | 99.5%                             | 24,443                            | 7,166,028                    | 99.9%                                         | 9,532                               | 0.1%                                     |
| 2016/17            | 7,557,636             | 7,513,508                      | 99.4%                             | 27,024                            | 7,540,532                    | 99.8%                                         | 17,104                              | 0.2%                                     |
| 2017/18            | 8,075,537             | 8,027,316                      | 99.4%                             | -                                 | 8,027,316                    | 99.4%                                         | 48,220                              | 0.6%                                     |

# City of Saginaw, Texas

**Table 6**

Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

| Fiscal<br>Year | Real Property     |                              | Personal Property |                              | Total             |                              | Property<br>Tax Rate<br>Per \$100 |
|----------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|-----------------------------------|
|                | Assessed<br>Value | Estimated<br>Actual<br>Value | Assessed<br>Value | Estimated<br>Actual<br>Value | Assessed<br>Value | Estimated<br>Actual<br>Value |                                   |
| 2008/09        | 892,955,279       | 892,955,279                  | 235,076,728       | 235,076,728                  | 1,128,032,007     | 1,128,032,007                | 0.446                             |
| 2009/10        | 873,263,617       | 873,263,617                  | 264,608,841       | 264,608,841                  | 1,137,872,458     | 1,137,872,458                | 0.449                             |
| 2010/11        | 867,157,651       | 867,157,651                  | 245,208,785       | 245,208,785                  | 1,112,366,436     | 1,112,366,436                | 0.484                             |
| 2011/12        | 889,390,320       | 889,390,320                  | 303,309,705       | 303,309,705                  | 1,192,700,025     | 1,192,700,025                | 0.480                             |
| 2012/13        | 863,406,401       | 863,406,401                  | 300,718,127       | 300,718,127                  | 1,164,124,528     | 1,164,124,528                | 0.490                             |
| 2013/14        | 896,517,649       | 896,517,649                  | 322,802,502       | 322,802,502                  | 1,219,320,151     | 1,219,320,151                | 0.510                             |
| 2014/15        | 956,608,601       | 956,608,601                  | 319,120,061       | 319,120,061                  | 1,275,728,662     | 1,275,728,662                | 0.510                             |
| 2015/16*       | 962,111,241       | 962,111,241                  | 354,242,308       | 354,242,308                  | 1,316,353,549     | 1,316,353,549                | 0.544                             |
| 2016/17        | 1,061,912,257     | 1,061,912,257                | 379,440,615       | 379,440,615                  | 1,441,352,872     | 1,441,352,872                | 0.513                             |
| 2017/18        | 1,205,160,927     | 1,205,160,927                | 365,041,273       | 365,041,273                  | 1,570,202,200     | 1,570,202,200                | 0.495                             |

Note: Assessed values are established by a central appraisal district on the basis of 100% of its appraised value. 9/1 Certified Net Taxable Value

\* For 2015/2016 used February tax roll total. The September certified values did not include \$98,175,368 in pending value due to delays caused by a software change at the appraisal district. All other years are September certified values.

**City of Saginaw, Texas****Table 7**

Property Tax Rates – All Direct and Overlapping Governments  
 Per \$100 Assessed Value  
 Last Ten Fiscal Years

| <b>Fiscal<br/>Year</b> | <b>General<br/>Fund</b> | <b>Debt<br/>Service<br/>Fund</b> | <b>Total</b> | <b>School</b> | <b>County<br/>(1)</b> | <b>State</b> | <b>Total</b> |
|------------------------|-------------------------|----------------------------------|--------------|---------------|-----------------------|--------------|--------------|
| 2008/09                | 0.222150                | 0.223850                         | 0.446000     | 1.465800      | 0.629857              | 0.000000     | 2.541657     |
| 2009/10                | 0.263906                | 0.185209                         | 0.449115     | 1.465800      | 0.629567              | 0.000000     | 2.544482     |
| 2010/11                | 0.285615                | 0.198385                         | 0.484000     | 1.495800      | 0.629537              | 0.000000     | 2.609337     |
| 2011/12                | 0.287098                | 0.192902                         | 0.480000     | 1.530000      | 0.640867              | 0.000000     | 2.650867     |
| 2012/13                | 0.300075                | 0.189925                         | 0.490000     | 1.540000      | 0.640867              | 0.000000     | 2.670867     |
| 2013/14                | 0.289024                | 0.220976                         | 0.510000     | 1.540000      | 0.641397              | 0.000000     | 2.691397     |
| 2014/15                | 0.298511                | 0.211489                         | 0.510000     | 1.540000      | 0.641397              | 0.000000     | 2.691397     |
| 2015/16                | 0.291937                | 0.252063                         | 0.544000     | 1.540000      | 0.641397              | 0.000000     | 2.725397     |
| 2016/17                | 0.293308                | 0.219692                         | 0.513000     | 1.540000      | 0.626627              | 0.000000     | 2.679627     |
| 2017/18                | 0.284186                | 0.210814                         | 0.495000     | 1.540000      | 0.608489              | 0.000000     | 2.643489     |

Note(1) Column includes Tarrant County, Tarrant County College District and Tarrant County Hospital District

**City of Saginaw, Texas**  
Principal Taxpayers  
Current Year and Ten Years Ago

**Table 8**

| 2018                        |                       |                                     | 2009                        |                       |                                     |
|-----------------------------|-----------------------|-------------------------------------|-----------------------------|-----------------------|-------------------------------------|
| Taxpayer                    | Assessed<br>Valuation | % of Total<br>Assessed<br>Valuation | Taxpayer                    | Assessed<br>Valuation | % of Total<br>Assessed<br>Valuation |
| Miller Milling Company LLC  | \$ 42,818,803         | 2.73                                | Sem Materials LP            | \$ 27,671,939         | 2.48                                |
| Ventura Foods               | 38,450,636            | 2.45                                | Walmart                     | 23,760,963            | 2.13                                |
| Trinity Industries          | 30,663,640            | 1.95                                | Trinity Industries          | 22,706,694            | 2.03                                |
| CTI Holdings                | 23,650,658            | 1.51                                | Conagra Foods Flour Milling | 18,521,556            | 1.66                                |
| Walmart                     | 19,015,646            | 1.21                                | Norton Metal Products       | 15,811,430            | 1.42                                |
| BNSF Railway Company        | 15,398,384            | 0.98                                | Horizon Milling LLC         | 12,222,186            | 1.09                                |
| Trinity Tank Car Inc        | 14,505,393            | 0.92                                | Ventura Foods               | 10,908,533            | 0.98                                |
| Ardent Mills LLC            | 13,465,357            | 0.86                                | Txu Electric Delivery Co    | 10,649,250            | 0.95                                |
| Conagra Foods Inc           | 12,580,699            | 0.80                                | Universal Forest Products   | 10,239,606            | 0.92                                |
| Oncor Electric Delivery LLC | 12,445,890            | 0.79                                | DOS Projects LP             | 9,371,004             | 0.84                                |
|                             |                       | <u>14.20</u>                        |                             |                       | <u>14.50</u>                        |

Source: Information obtained from Tarrant Appraisal District

# City of Saginaw, Texas

## Ratio of Outstanding Debt by Type Last Ten Fiscal Years

**Table 9**

| Fiscal<br>Year | Governmental Activities |               |                   | Business-Type<br>Activities |             |                   | Total Primary Government |            | % of     |        |
|----------------|-------------------------|---------------|-------------------|-----------------------------|-------------|-------------------|--------------------------|------------|----------|--------|
|                | General                 | Certificates  | Capital<br>Leases | Water                       | Gen. Oblig. | Capital<br>Leases | Premiums/<br>Loss on     | Total      | Personal | Per    |
|                | Obligation              | of Obligation |                   | and Sewer                   | Refunding   |                   | Refundings               | All Debt   | Income   | Capita |
|                | Bonds                   | Bonds         |                   | Bonds                       | Bonds       |                   |                          |            | (a)      | (b)    |
| 2008/09        | 12,715,000              | 9,595,000     | 107,745           | 5,945,000                   | -           | 848,700           | (197,901)                | 29,013,544 | 5.62%    | 1,499  |
| 2009/10        | 11,870,000              | 10,865,000    | 19,223            | 5,510,000                   | -           | 901,489           | (307,127)                | 28,858,585 | 5.54%    | 1,480  |
| 2010/11        | 10,920,000              | 10,310,000    | -                 | 4,990,000                   | -           | 682,544           | (275,809)                | 26,626,735 | 5.01%    | 1,345  |
| 2011/12        | 10,925,000              | 8,665,000     | -                 | 4,455,000                   | -           | 463,036           | (116,320)                | 24,391,716 | 4.54%    | 1,220  |
| 2012/13        | 18,570,000              | 7,200,000     | -                 | 3,895,000                   | -           | 235,490           | 154,262                  | 30,054,752 | 5.56%    | 1,492  |
| 2013/14        | 17,010,000              | 6,830,000     | 704,544           | 2,915,000                   | 520,000     | -                 | 451,857                  | 28,431,401 | 5.20%    | 1,396  |
| 2014/15        | 23,515,000              | 6,440,000     | 532,760           | 2,490,000                   | 465,000     | -                 | 536,092                  | 33,978,852 | 5.85%    | 1,659  |
| 2015/16        | 25,310,000              | 2,440,000     | 358,106           | 380,000                     | 2,000,000   | -                 | 489,609                  | 30,977,715 | 5.44%    | 1,494  |
| 2016/17        | 30,980,000              | 2,110,000     | 180,535           | 150,000                     | 1,810,000   | -                 | 736,253                  | 35,966,788 | 6.10%    | 1,687  |
| 2017/18        | 28,765,000              | 1,950,000     | -                 | 100,000                     | 1,615,000   | -                 | 674,342                  | 33,104,342 | 4.79%    | 1,523  |

(a) See Schedule of Demographic Statistics on Table 14 for personal income data.

(b) See Schedule of Demographic Statistics on Table 14 for population data.

# City of Saginaw, Texas

**Table 10**

Ratio of General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita Last Ten Fiscal Years

| <b>Fiscal Year</b> | <b>Estimated Population</b> | <b>Assessed Value</b> | <b>Total General Bonded Debt</b> | <b>Less Amounts Available for Debt Service</b> | <b>Net General Bonded Debt</b> | <b>Bonded Debt to Assessed Value</b> | <b>Net Bonded Debt per Capita</b> |
|--------------------|-----------------------------|-----------------------|----------------------------------|------------------------------------------------|--------------------------------|--------------------------------------|-----------------------------------|
| 2008/09            | 19,350                      | 1,128,032,007         | 22,114,143                       | 852,265                                        | 21,261,878                     | 1.96%                                | 1,099                             |
| 2009/10            | 19,500                      | 1,137,872,458         | 22,558,160                       | 1,300,786                                      | 21,257,374                     | 1.98%                                | 1,090                             |
| 2010/11            | 19,801                      | 1,112,366,436         | 21,071,229                       | 1,348,022                                      | 19,723,207                     | 1.89%                                | 996                               |
| 2011/12            | 19,995                      | 1,192,700,025         | 19,348,314                       | 1,384,617                                      | 17,963,697                     | 1.62%                                | 898                               |
| 2012/13            | 20,140                      | 1,164,124,528         | 25,987,131                       | 1,828,513                                      | 24,158,618                     | 2.23%                                | 1,200                             |
| 2013/14            | 20,370                      | 1,219,320,151         | 24,269,375                       | 1,596,119                                      | 22,673,256                     | 1.99%                                | 1,113                             |
| 2014/15            | 20,480                      | 1,275,728,662         | 30,473,798                       | 1,416,987                                      | 29,056,811                     | 2.39%                                | 1,419                             |
| 2015/16            | 20,740                      | 1,316,353,549         | 28,227,503                       | 1,267,190                                      | 26,960,313                     | 2.14%                                | 1,300                             |
| 2016/17            | 21,320                      | 1,441,352,872         | 33,819,335                       | 1,120,206                                      | 32,699,129                     | 2.35%                                | 1,534                             |
| 2017/18            | 21,730                      | 1,570,202,200         | 31,387,612                       | 1,062,127                                      | 30,325,485                     | 2.00%                                | 1,396                             |

General Bonded Debt total includes Premiums and Deferred Loss on Refunding Bonds.

# City of Saginaw, Texas

Table 11

Computation of Direct and Overlapping Bonded Debt  
September 30, 2018

| Jurisdiction                                                                    | Net Debt<br>Outstanding | Percentage<br>Applicable<br>to City<br>of Saginaw | Amount<br>Applicable<br>to City<br>of Saginaw |
|---------------------------------------------------------------------------------|-------------------------|---------------------------------------------------|-----------------------------------------------|
| City of Saginaw                                                                 | \$ 31,387,612           | 100.00%                                           | \$ 31,387,612                                 |
| Subtotal: City of Saginaw direct debt                                           |                         |                                                   | 31,387,612                                    |
| Eagle Mountain-Saginaw<br>Independent School District                           | 573,099,397             | 19.80%                                            | 113,450,242                                   |
| Tarrant County                                                                  | 307,996,000             | 0.95%                                             | 2,937,782                                     |
| Tarrant County Hospital District                                                | 36,430,000              | 0.95%                                             | 347,483                                       |
| Tarrant County College District                                                 | 0                       | 0.95%                                             | -                                             |
| Subtotal: overlapping debt                                                      |                         |                                                   | 116,735,507                                   |
| Total direct and overlapping debt                                               |                         |                                                   | \$ 148,123,119                                |
| Ratio of direct and<br>overlapping funded debt to<br>taxable assessed valuation |                         |                                                   | 9.43%                                         |
| Per capita direct and<br>overlapping bonded debt                                |                         |                                                   | \$ 6,816.53                                   |

**Source:** Individual taxing entities and Tarrant Appraisal District

**Note:** Percentage of overlap based on net taxable value

**City of Saginaw, Texas**  
Schedule of Revenue Bond Coverage  
Last Ten Fiscal Years

**Table 12**

| <b>Year</b> | <b>Gross<br/>Revenue<br/>(1)</b> | <b>Direct<br/>Operating<br/>Expenses<br/>(2)</b> | <b>Net<br/>Revenue<br/>Available<br/>for Debt<br/>Service</b> | <b>Principal</b> | <b>Interest<br/>and<br/>Fiscal<br/>Charges</b> | <b>Total</b> | <b>Coverage<br/>Ratio</b> |
|-------------|----------------------------------|--------------------------------------------------|---------------------------------------------------------------|------------------|------------------------------------------------|--------------|---------------------------|
| 2008/09     | 6,791,480                        | 5,373,031                                        | 1,418,449                                                     | 430,000          | 302,633                                        | 732,633      | 1.94                      |
| 2009/10     | 7,132,599                        | 5,766,080                                        | 1,366,519                                                     | 538,253          | 210,412                                        | 748,665      | 1.83                      |
| 2010/11     | 8,150,310                        | 5,603,937                                        | 2,546,373                                                     | 520,000          | 216,832                                        | 736,832      | 3.46                      |
| 2011/12     | 8,590,876                        | 6,096,024                                        | 2,494,852                                                     | 535,000          | 209,429                                        | 744,429      | 3.35                      |
| 2012/13     | 8,679,364                        | 6,294,404                                        | 2,384,960                                                     | 560,000          | 195,146                                        | 755,146      | 3.16                      |
| 2013/14     | 9,344,552                        | 6,253,171                                        | 3,091,381                                                     | 980,000          | 143,113                                        | 1,123,113    | 2.75                      |
| 2014/15     | 9,637,603                        | 6,617,157                                        | 3,020,446                                                     | 480,000          | 128,904                                        | 608,904      | 4.96                      |
| 2015/16     | 9,538,475                        | 7,420,919                                        | 2,117,556                                                     | 510,000          | 106,371                                        | 616,371      | 3.44                      |
| 2016/17     | 9,961,902                        | 8,383,924                                        | 1,577,978                                                     | 420,000          | 70,984                                         | 490,984      | 3.21                      |
| 2017/18     | 11,342,975                       | 9,477,361                                        | 1,865,614                                                     | 245,000          | 55,563                                         | 300,563      | 6.21                      |

- Notes:
1. Operating revenues and nonoperating revenues of Enterprise Fund excluding contributed assets.
  2. Total operating expenses of Enterprise Fund exclusive of depreciation.

## City of Saginaw, Texas

Computation of Legal Debt Margin  
Year Ended September 30, 2018

## Table 13

Article XI, Section 5 of the State of Texas Constitution states in part:

“ . . . no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.”

As a home rule city, the City of Saginaw, Texas is not limited on the amount of debt it may issue. The City's Charter provides that general property taxes are limited to \$1.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation bonds.

The rate for fiscal year 2018 was established at \$.495 per \$100 of assessed valuation based on 100% of appraised value.

**City of Saginaw, Texas**  
Demographic Statistics  
Last Ten Fiscal Years

**Table 14**

| <b>Fiscal<br/>Year</b> | <b>Population</b> | <b>Personal<br/>Income</b> | <b>Per<br/>Capita<br/>Income<br/>(1)</b> | <b>School<br/>Enrollment<br/>(2)</b> | <b>Unemployment<br/>Rate<br/>(3)</b> |
|------------------------|-------------------|----------------------------|------------------------------------------|--------------------------------------|--------------------------------------|
| 2008/09                | 19,350            | 516,586,950                | 26,697                                   | 16,087                               | 8.30%                                |
| 2009/10                | 19,500            | 520,591,500                | 26,697                                   | 16,663                               | 8.40%                                |
| 2010/11                | 19,801            | 531,538,044                | 26,844                                   | 17,180                               | 8.30%                                |
| 2011/12                | 19,995            | 536,745,780                | 26,844                                   | 17,600                               | 7.80%                                |
| 2012/13                | 20,140            | 540,638,160                | 26,844                                   | 18,132                               | 6.00%                                |
| 2013/14                | 20,370            | 546,812,280                | 26,844                                   | 18,580                               | 5.00%                                |
| 2014/15                | 20,480            | 580,587,520                | 28,349                                   | 19,198                               | 4.00%                                |
| 2015/16                | 20,740            | 569,416,700                | 27,455                                   | 19,582                               | 4.10%                                |
| 2016/17                | 21,320            | 589,839,120                | 27,666                                   | 19,293                               | 3.40%                                |
| 2017/18                | 21,730            | 691,818,010                | 31,837                                   | 20,050                               | 3.20%                                |

Sources:

1. US Census American Community Survey
2. Eagle Mountain-Saginaw Independent School District  
Enrollment is for the district. Enrollment for schools within the City of Saginaw is 5,720.
3. Bureau of Labor Statistics

**City of Saginaw, Texas**  
Principal Employers  
Current Year and Ten Years Ago

**Table 15**

| 2018                            |                  |                                                    | 2009                       |                  |                                                    |
|---------------------------------|------------------|----------------------------------------------------|----------------------------|------------------|----------------------------------------------------|
| <u>Employer</u>                 | <u>Employees</u> | <u>Percentage of<br/>Total City<br/>Employment</u> | <u>Employer</u>            | <u>Employees</u> | <u>Percentage of<br/>Total City<br/>Employment</u> |
| Eagle Mountain-Saginaw ISD      | 2,541            | 30%                                                | Eagle Mountain-Saginaw ISD | 1,851            |                                                    |
| CTI Beanmaker&Chefco Foods      | 440              | 5%                                                 | Wal Mart                   | 463              |                                                    |
| Ventura Foods                   | 398              | 5%                                                 | Universal Forest Products  | 260              |                                                    |
| Walmart Supercenter #5316       | 393              | 5%                                                 | Durham Transportation      | 217              |                                                    |
| Trinity North Amer. Freight Car | 370              | 4%                                                 | Anchor Fabrication         | 197              |                                                    |
| Anchor Fabrication Corp.        | 320              | 4%                                                 | Ventura Foods              | 180              |                                                    |
| BANA Incorporated               | 247              | 3%                                                 | Bana Box Inc.              | 160              |                                                    |
| Texas Army National Guard       | 245              | 3%                                                 | Albertsons                 | 130              |                                                    |
| Ranger Fire Inc                 | 200              | 2%                                                 | J. Reynolds & Company      | 125              |                                                    |
| Russo Corporation               | 200              | 2%                                                 | Horizon Milling            | 95               |                                                    |

**Source:** City Economic Development Department.

**Note:** Percentage of Total City Employment not available for 2009

EMS ISD is for the district. Employment for schools within the City of Saginaw is 932.

# City of Saginaw, Texas

Table 16

Full-Time Equivalent City Government  
Employees by Function/Program  
Last Ten Fiscal Years

| Function/Program           | Full-time Equivalent Employees as of October 1 |              |              |              |              |              |              |              |              |              |
|----------------------------|------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                            | 2018                                           | 2017         | 2016         | 2015         | 2014         | 2013         | 2012         | 2011         | 2010         | 2009         |
| General government:        |                                                |              |              |              |              |              |              |              |              |              |
| Administration             | 7.5                                            | 8.0          | 8.0          | 8.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          |
| Municipal court            | 2.0                                            | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 3.0          | 3.0          | 3.0          |
| Information Technology (c) | 2.0                                            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Public Safety:             |                                                |              |              |              |              |              |              |              |              |              |
| Fire                       | 28.0                                           | 27.0         | 27.0         | 27.0         | 27.0         | 27.0         | 27.0         | 27.0         | 26.0         | 26.0         |
| Police                     | 50.0                                           | 46.5         | 45.5         | 44.5         | 44.5         | 44.5         | 44.5         | 43.5         | 43.5         | 49.5         |
| Public Works:              |                                                |              |              |              |              |              |              |              |              |              |
| Streets                    | 9.0                                            | 9.0          | 9.0          | 9.0          | 9.0          | 9.0          | 9.0          | 11.0         | 9.0          | 9.0          |
| Parks maintenance (a)      | 2.0                                            | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | -            | -            | -            |
| Building inspections       | 4.0                                            | 4.0          | 4.0          | 4.0          | 3.0          | 3.0          | 3.0          | 4.0          | 4.0          | 3.5          |
| Code enforcement (b)       | 2.0                                            | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | -            | -            | -            |
| Animal services            | 4.5                                            | 4.5          | 4.5          | 3.5          | 3.0          | 3.0          | 3.0          | 4.0          | 4.0          | 4.0          |
| City garage                | 2.0                                            | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Economic development       | 1.5                                            | -            | -            | -            | -            | -            | -            | -            | 0.5          | 1.0          |
| Community services         | 7.5                                            | 7.0          | 7.0          | 6.0          | 6.0          | 6.0          | 6.0          | 6.0          | 8.5          | 8.5          |
| Library                    | 8.0                                            | 8.0          | 8.0          | 8.0          | 8.0          | 9.0          | 9.0          | 9.0          | 9.0          | 8.5          |
| Water/wastewater           | 18.0                                           | 17.0         | 16.0         | 16.0         | 16.0         | 16.0         | 16.0         | 16.5         | 16.5         | 16.5         |
| Drainage                   | 2.0                                            | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.5          | 2.5          | 2.5          |
| <b>Total</b>               | <b>150.0</b>                                   | <b>141.0</b> | <b>139.0</b> | <b>136.0</b> | <b>133.5</b> | <b>134.5</b> | <b>134.5</b> | <b>135.5</b> | <b>135.5</b> | <b>141.0</b> |

Source: City Budgets/Human Resources

(a) Previously reported in Streets

(b) Previously reported in Bldg Inspections

## City of Saginaw, Texas

### Operating Indicators by Function/Program

Last Ten Fiscal Years

| <b>Function/Program</b>                     | <b>Fiscal Year</b> |             |             |
|---------------------------------------------|--------------------|-------------|-------------|
|                                             | <b>2018</b>        | <b>2017</b> | <b>2016</b> |
| Police:                                     |                    |             |             |
| Stations                                    | 1                  | 1           | 1           |
| Licensed Officers                           | 40                 | 39          | 38          |
| Patrol units on duty at any one time        | 4                  | 4           | 4           |
| Fire:                                       |                    |             |             |
| Stations                                    | 2                  | 2           | 2           |
| Firefighter/paramedics                      | 25                 | 24          | 24          |
| Library :                                   |                    |             |             |
| Number of libraries                         | 1                  | 1           | 1           |
| Volumes in collection                       | 59,220             | 59,029      | 58,302      |
| Average monthly circulation                 | 7,599              | 7,358       | 7,522       |
| Average monthly visitors                    | 6,250              | 6,653       | 6,690       |
| Public works:                               |                    |             |             |
| Streets (miles)                             | 86.6               | 85.4        | 83.4        |
| Streetlights*                               | 1,198              | 1,187       | 1,135       |
| Parks and recreation:                       |                    |             |             |
| Acreage                                     | 101                | 101         | 101         |
| Parks                                       | 7                  | 7           | 7           |
| Recreation Centers                          | 1                  | 1           | 1           |
| Senior/community Centers                    | 2                  | 2           | 2           |
| Water:                                      |                    |             |             |
| Number of water customers                   | 7,841              | 7,606       | 7,427       |
| Annual water consumption (1,000 gallons)    | 1,106,653          | 1,020,550   | 967,332     |
| Daily consumption (1,000 gallons)           | 3,032              | 2,796       | 2,643       |
| Water mains (miles)                         | 116.4              | 114.9       | 113.7       |
| Fire hydrants                               | 835                | 823         | 809         |
| Storage capacity (thousands of gallons)     | 4,250              | 4,250       | 4,250       |
| Wastewater:                                 |                    |             |             |
| Number of wastewater customers              | 7,700              | 7,477       | 7,307       |
| Wastewater treated annually (1,000 gallons) | 838,637            | 804,134     | 915,347     |
| Sanitary sewers (miles)                     | 85.0               | 83.9        | 83.1        |
| Storm sewers (miles)                        | 17.9               | 17.1        | 17.0        |

Sources: Various city departments.

Note: No capital asset indicators are available for the general government.

\* Number of Streetlights restated in 2015 based on street light audit

Table 17

| Fiscal Year |           |           |           |           |           |           |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 2015        | 2014      | 2013      | 2012      | 2011      | 2010      | 2009      |
| 1           | 1         | 1         | 1         | 1         | 1         | 1         |
| 38          | 38        | 38        | 38        | 38        | 39        | 39        |
| 4           | 4         | 4         | 4         | 4         | 4         | 4         |
| 2           | 2         | 2         | 2         | 2         | 2         | 2         |
| 24          | 24        | 24        | 24        | 24        | 24        | 24        |
| 1           | 1         | 1         | 1         | 1         | 1         | 1         |
| 58,138      | 59,816    | 56,420    | 55,838    | 54,830    | 53,358    | 50,308    |
| 8,280       | 10,895    | 11,590    | 9,877     | 12,200    | 11,500    | 12,555    |
| 5,934       | 11,338    | 15,485    | 13,749    | 12,967    | 10,356    | 10,356    |
| 82.8        | 81.7      | 79.2      | 79.2      | 78.5      | 78.5      | 78.5      |
| 1,131       | 1,120     | 1,084     | 1,084     | 1,074     | 1,058     | 1,058     |
| 100         | 100       | 100       | 100       | 100       | 100       | 100       |
| 7           | 7         | 7         | 7         | 7         | 7         | 7         |
| 1           | 1         | 1         | 1         | 1         | 1         | 1         |
| 2           | 2         | 2         | 2         | 2         | 2         | 2         |
| 7,227       | 7,133     | 7,042     | 6,964     | 6,935     | 6,812     | 6,805     |
| 1,008,306   | 1,083,712 | 1,032,241 | 1,109,997 | 1,174,505 | 1,047,830 | 1,047,830 |
| 2,763       | 2,969     | 2,828     | 3,041     | 3,218     | 2,871     | 2,871     |
| 113.3       | 112.2     | 109.5     | 109.5     | 108.6     | 107.8     | 107.8     |
| 803         | 795       | 766       | 766       | 751       | 741       | 741       |
| 4,250       | 4,250     | 4,250     | 4,250     | 4,250     | 4,250     | 4,250     |
| 7,107       | 7,013     | 6,930     | 6,859     | 6,830     | 6,722     | 6,722     |
| 825,789     | 739,594   | 750,644   | 858,778   | 785,139   | 773,199   | 773,199   |
| 82.8        | 81.8      | 79.8      | 79.8      | 79.5      | 79.2      | 79.2      |
| 16.8        | 16.7      | 15.9      | 15.9      | 15.0      | 14.9      | 14.9      |

## **City of Saginaw, Texas**

### Continuing Financial Disclosure Tables

The Continuing Financial Disclosure Tables portion of the Statistical section presents various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. The financial tables that follow are updated through September 30, 2018. The last debt issue was sold in fiscal year ending September 30, 2017. This information is also sent to the Municipal Securities Rule Making Board (the "MSRB") or filed with the United States Securities and Exchange Commission (the "SEC") as permitted by SEC Rule 15c2-12. The information is also available to the public on the MSRB's Internet Website [www.emma.msrb.org](http://www.emma.msrb.org).

**City of Saginaw, Texas**  
Continuing Financial Disclosure Tables  
General Obligation Tables

**ASSESSED VALUATION**

**TABLE GO-1**

|                                                                         |             |                        |
|-------------------------------------------------------------------------|-------------|------------------------|
| 2017 Actual Total Appraised Value of Taxable Property (100% of Actual)* |             | \$ 1,987,031,669       |
| Less Adjustments to Market Value:                                       |             |                        |
| Agriculture Productivity Value Loss                                     | 11,197,090  |                        |
| Abatement                                                               | 2,134,376   |                        |
| Disabled and Deceased Veterans' Exemptions                              | 9,770,666   |                        |
| Freeport Property                                                       | 48,758,513  |                        |
| Local, Option Over-65 / Disabled                                        | 54,649,123  |                        |
| Pollution Control                                                       | 349,304     |                        |
| Solar/Wind/Other                                                        | 1,052,726   |                        |
| Totally Exempt Property                                                 | 172,861,126 |                        |
| Cases before ARB and Incomplete Accounts                                | 116,056,545 |                        |
| Total Adjustments to Market Value:                                      |             | <u>416,829,469</u>     |
| 2017 Certified Net Taxable Assessed Valuation                           |             | <u>\$1,570,202,200</u> |

\*See "AD VALOREM TAX PROCEDURES" and "CITY APPLICATION OF THE TEXAS TAX CODE" in the Official Statement for a description of the Issuer's taxation procedures.

Source: Tarrant County Appraisal District - September certified values

**GENERAL OBLIGATION BONDED DEBT**

**TABLE GO-2**

(As of September 30, 2018)

**General Obligation Debt Principal Outstanding:**

|                                                                     |                      |
|---------------------------------------------------------------------|----------------------|
| Combination Tax and Revenue Certificates of Obligation, Series 2009 | \$ 700,000           |
| Combination Tax and Revenue Certificates of Obligation, Series 2010 | 1,250,000            |
| General Obligation Refunding Bonds, Series 2012                     | 1,500,000            |
| General Obligation Refunding and Improvement Bonds, Series 2013     | 6,935,000            |
| General Obligation Refunding Bonds, Series 2014                     | 1,610,000            |
| General Obligation Bonds, Series 2015                               | 6,770,000            |
| General Obligation Refunding Bonds, Series 2015                     | 1,340,000            |
| General Obligation Refunding Bonds, Series 2016                     | 4,630,000            |
| General Obligation Refunding Bonds, Series 2017                     | 7,595,000            |
| Total Gross General Obligation Debt Principal Outstanding:          | <u>\$ 32,330,000</u> |

**Less: Self-Supporting General Obligation Debt Principal**

|                                                 |                     |
|-------------------------------------------------|---------------------|
| General Obligation Refunding Bonds, Series 2014 | \$ 275,000          |
| General Obligation Refunding Bonds, Series 2015 | 1,340,000           |
| Total Self-Supporting General Obligation Debt   | <u>\$ 1,615,000</u> |

**Total Net General Obligation Debt Principal Outstanding:**

\$ 30,715,000

General Obligation Interest and Sinking Fund Balance as of September 30, 2018 \$ 1,115,474

Ratio of Gross General Obligation Debt Principal to 2017 Net Assessed Valuation 2.06%

Ratio of Net General Obligation Debt Principal to 2017 Net Assessed Valuation 1.96%

2017 Net Taxable Assessed Value \$ 1,570,202,200

Population: 1980 - 5,736; 1990 - 8,551; 2000 - 12,374; Current (Estimate) - 21,730

Per Capita 2017 Net Taxable Assessed Valuation - \$ 72,260

Per Capita Gross General Obligation Debt Principal - \$ 1,488

Per Capita Net General Obligation Debt Principal - \$ 1,413

## City of Saginaw, Texas

### Continuing Financial Disclosure Tables

### General Obligation Tables

#### OTHER OBLIGATIONS

#### TABLE GO-3

##### Capital Lease Obligations

The City has no capital lease obligations at September 30, 2018.

#### FUND BALANCES

#### TABLE GO-4

*(As of September 30, 2018)*

|                                            |                      |
|--------------------------------------------|----------------------|
| General Operating Fund (Undesignated)      | \$ 9,050,392         |
| General Obligation Debt Service (I&S) Fund | 1,115,474            |
| Special Revenue Funds                      | 6,220,722            |
| Capital Projects Fund                      | 7,208,691            |
| Enterprise Fund (Undesignated)             | 3,831,848            |
| Revenue Bond Reserve                       | 153,490              |
| Revenue Bond Debt Service (I&S) Reserve    | 26,860               |
| General Fund Emergency Reserve             | 2,550,000            |
| Enterprise Fund Emergency Reserve          | 2,200,000            |
| Enterprise Fund (Designated)               | 2,377,590            |
| <b>Total</b>                               | <b>\$ 34,735,067</b> |

**City of Saginaw, Texas**  
Continuing Financial Disclosure Tables  
General Obligation Tables

**PRINCIPAL TAXPAYERS 2017-2018**

**TABLE GO-5**

| <u>Name</u>                 | <u>Type of Business</u> | <u>2017 Net Taxable<br/>Assessed Valuation</u> | <u>% of Total 2017<br/>Net Taxable<br/>Assessed Valuation</u> |
|-----------------------------|-------------------------|------------------------------------------------|---------------------------------------------------------------|
| Miller Milling Company LLC  | Food Processing Plant   | \$ 42,818,803                                  | 2.73%                                                         |
| Ventura Foods               | Food Processing Plant   | 38,450,636                                     | 2.45%                                                         |
| Trinity Industries          | Manufacturing           | 30,663,640                                     | 1.95%                                                         |
| CTI Holdings                | Food Processing Plant   | 23,650,658                                     | 1.51%                                                         |
| Walmart                     | Retail                  | 19,015,646                                     | 1.21%                                                         |
| BNSF Railway Company        | Transportation          | 15,398,384                                     | 0.98%                                                         |
| Trinity Tank Car Inc        | Manufacturing           | 14,505,393                                     | 0.92%                                                         |
| Ardent Mills LLC            | Food Processing Plant   | 13,465,357                                     | 0.86%                                                         |
| Conagra Foods Inc           | Food Processing Plant   | 12,580,699                                     | 0.80%                                                         |
| Oncor Electric Delivery LLC | Commercial Utility      | 12,445,890                                     | 0.79%                                                         |
|                             | <b>Total</b>            | <b>\$222,995,106</b>                           | <b>14.20%</b>                                                 |

2017 Net Taxable Assessed Valuation \$ 1,570,202,200  
on September 2017

Source: Tarrant County Appraisal District

**PROPERTY TAX RATES AND COLLECTIONS**

**TABLE GO-6**

| <u>Tax<br/>Year</u> | <u>Net Taxable<br/>Assessed<br/>Valuation</u> | <u>Tax<br/>Rate</u> | <u>Tax<br/>Levy</u> | <u>% Collections</u> |              | <u>Fiscal Year<br/>Ended</u> |
|---------------------|-----------------------------------------------|---------------------|---------------------|----------------------|--------------|------------------------------|
|                     |                                               |                     |                     | <u>Current</u>       | <u>Total</u> |                              |
| 2008                | 1,128,032,007                                 | 0.4460              | 5,241,665           | 98.65%               | 99.87%       | 9-30-09                      |
| 2009                | 1,137,872,458                                 | 0.4491              | 5,444,770           | 99.01%               | 99.83%       | 9-30-10                      |
| 2010                | 1,112,366,436                                 | 0.4840              | 5,436,187           | 99.18%               | 99.88%       | 9-30-11                      |
| 2011                | 1,192,700,025                                 | 0.4800              | 5,724,960           | 99.41%               | 99.92%       | 9-30-12                      |
| 2012                | 1,164,124,528                                 | 0.4900              | 5,739,750           | 99.39%               | 99.90%       | 9-30-13                      |
| 2013                | 1,219,320,151                                 | 0.5100              | 6,223,951           | 99.37%               | 99.87%       | 9-30-14                      |
| 2014                | 1,275,728,662                                 | 0.5100              | 6,484,972           | 99.43%               | 99.90%       | 9-30-15                      |
| 2015                | 1,316,353,549                                 | 0.5440              | 7,175,560           | 99.53%               | 99.87%       | 9-30-16                      |
| 2016                | 1,441,352,872                                 | 0.5130              | 7,557,636           | 99.42%               | 99.77%       | 9-30-17                      |
| 2017                | 1,570,202,200                                 | 0.4950              | 8,075,537           | 99.40%               | 99.40%       | 9-30-18                      |

Source: Tarrant County Appraisal District, and the City's Comprehensive Annual Financial Reports.

**TAX RATE DISTRIBUTION**

**TABLE GO-7**

|            | <u>2017-18</u>  | <u>2016-17</u>  | <u>2015-16</u>  | <u>2014-15</u>  | <u>2013-14</u>  | <u>2012-13</u>  | <u>2011-12</u>  |
|------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| General    |                 |                 |                 |                 |                 |                 |                 |
| Fund       | \$0.2842        | \$0.2933        | \$0.2919        | \$0.2985        | \$0.2890        | \$0.3001        | \$0.2871        |
| I & S Fund | <u>\$0.2108</u> | <u>\$0.2197</u> | <u>\$0.2521</u> | <u>\$0.2115</u> | <u>\$0.2210</u> | <u>\$0.1899</u> | <u>\$0.1929</u> |
| TOTAL      | <u>\$0.4950</u> | <u>\$0.5130</u> | <u>\$0.5440</u> | <u>\$0.5100</u> | <u>\$0.5100</u> | <u>\$0.4900</u> | <u>\$0.4800</u> |

# City of Saginaw, Texas

## Continuing Financial Disclosure Tables

### General Obligation Tables

#### GENERAL FUND COMBINED STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES

TABLE GO-8

|                                                                            | Fiscal Year Ended September 30 |                     |                     |                     |                       |
|----------------------------------------------------------------------------|--------------------------------|---------------------|---------------------|---------------------|-----------------------|
|                                                                            | 2018                           | 2017                | 2016                | 2015                | 2014                  |
| <b>Revenues:</b>                                                           |                                |                     |                     |                     |                       |
| Taxes                                                                      | \$11,206,947                   | \$10,761,311        | \$10,124,958        | \$10,089,566        | \$ 9,355,084          |
| Licenses and Permits                                                       | 951,542                        | 929,188             | 740,192             | 627,876             | 329,948               |
| Charges for Services                                                       | 84,000                         | 84,000              | 83,000              | 80,000              | 80,000                |
| Fines and Fees                                                             | 505,110                        | 518,907             | 635,652             | 665,378             | 667,138               |
| Interest Income                                                            | 191,974                        | 84,195              | 32,068              | 5,183               | 3,380                 |
| Recreation Income                                                          | 520,798                        | 496,969             | 487,081             | 512,677             | 494,346               |
| Intergovernmental                                                          | 135,821                        | 156,018             | 178,257             | 173,618             | 167,380               |
| Miscellaneous Revenues                                                     | 601,504                        | 122,222             | 129,032             | 112,137             | 206,935               |
| Total Revenues                                                             | <u>\$14,197,696</u>            | <u>\$13,152,810</u> | <u>\$12,410,240</u> | <u>\$12,266,435</u> | <u>\$11,304,211</u>   |
| <b>Expenditures:</b>                                                       |                                |                     |                     |                     |                       |
| Current:                                                                   |                                |                     |                     |                     |                       |
| General Administrative Office                                              | \$ 1,774,678                   | \$ 1,647,854        | \$1,492,131         | \$ 1,632,392        | \$ 1,983,715          |
| Municipal Court                                                            | 168,421                        | 187,886             | 184,973             | 185,158             | 199,451               |
| Fire                                                                       | 3,982,620                      | 3,280,597           | 3,177,233           | 2,932,965           | 3,694,807             |
| Police                                                                     | 4,546,478                      | 4,144,841           | 4,002,172           | 3,864,955           | 3,667,944             |
| Public Works                                                               | 1,609,303                      | 1,354,767           | 1,263,892           | 1,268,270           | 884,006               |
| Parks                                                                      | 339,015                        | 352,766             | 266,949             | 240,528             | 227,791               |
| Community services                                                         | 959,782                        | 990,618             | 918,907             | 861,581             | 753,421               |
| Library                                                                    | 569,005                        | 568,246             | 537,893             | 520,281             | 496,461               |
| Inspection                                                                 | 579,082                        | 849,217             | 825,017             | 705,189             | 587,047               |
| Animal Services *                                                          | 398,633                        | -                   | -                   | -                   | -                     |
| Fleet Maintenance                                                          | 456,219                        | 471,007             | 399,692             | 493,996             | 533,557               |
| Economic Development                                                       | 567,978                        | 46,520              | 50,197              | 19,363              | 35,860                |
| Total Expenditures                                                         | <u>\$15,951,214</u>            | <u>\$13,894,319</u> | <u>\$13,119,056</u> | <u>\$12,724,678</u> | <u>\$13,064,060</u>   |
| Excess (Deficit) of Revenues<br>Over Expenditures                          | <u>\$ (1,753,518)</u>          | <u>\$ (741,509)</u> | <u>\$ (708,816)</u> | <u>\$ (458,243)</u> | <u>\$ (1,759,849)</u> |
| <b>Other Financing Sources (Uses):</b>                                     |                                |                     |                     |                     |                       |
| Lease Proceeds                                                             | \$ -                           | \$ -                | \$ -                | \$ -                | \$ 944,294            |
| Transfers In                                                               | 1,705,322                      | 1,697,052           | 1,632,566           | 1,582,674           | 1,501,850             |
| Transfers Out                                                              | -                              | -                   | (24,423)            | (1,007,763)         | (593,636)             |
| Total Other Financing Sources (Uses)                                       | <u>\$ 1,705,322</u>            | <u>\$ 1,697,052</u> | <u>\$ 1,608,143</u> | <u>\$ 574,911</u>   | <u>\$ 1,852,508</u>   |
| Excess (Deficit) of Revenues/Other<br>Sources Over Expenditures/Other Uses | (48,196)                       | 955,543             | 899,327             | 116,668             | 92,659                |
| Fund Balance - Beginning of Year                                           | 11,648,588                     | 10,693,045          | 9,793,718           | 9,677,050           | 9,584,391             |
| Fund Balance - September 30                                                | <u>\$11,600,392</u>            | <u>\$11,648,588</u> | <u>\$10,693,045</u> | <u>\$ 9,793,718</u> | <u>\$ 9,677,050</u>   |

Source: The Issuer's Comprehensive Annual Financial Reports

\* Prior to 2018 Animal Services was included in Inspections

**City of Saginaw, Texas**  
Continuing Financial Disclosure Tables  
Revenue Debt Tables

**REVENUE BOND DEBT PRINCIPAL DATA**

**TABLE REV-1**

(As of September 30, 2018)

**Revenue Bond Debt Principal Outstanding:**

|                                                                  |            |
|------------------------------------------------------------------|------------|
| Waterworks and Sewer System Revenue Refunding Bonds, Series 2010 | \$ 100,000 |
| Total Revenue Debt Principal Outstanding                         | \$ 100,000 |

**Plus: Waterworks and Sewer System General Obligation Debt Principal**

|                                                           |              |
|-----------------------------------------------------------|--------------|
| General Obligation Refunding Bonds, Series 2014           | \$ 275,000   |
| General Obligation Refunding Bonds, Series 2015           | 1,340,000    |
| Total Waterworks and Sewer System General Obligation Debt | \$ 1,615,000 |

**Total Revenue Debt Principal Outstanding**

**\$ 1,715,000**

**CONDENSED WATERWORKS AND WASTEWATER SYSTEM OPERATING STATEMENT**

**TABLE REV-2**

|                                                                                                                                                    | Fiscal Year Ending September 30 |              |              |              |              |
|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------|--------------|--------------|--------------|
|                                                                                                                                                    | 2018                            | 2017         | 2016         | 2015         | 2014         |
| Revenues <sup>(a)</sup>                                                                                                                            | \$ 10,951,857                   | \$ 9,485,704 | \$ 9,083,332 | \$ 9,268,305 | \$ 9,164,561 |
| Expenses                                                                                                                                           | 9,477,554                       | 8,383,924    | 7,420,919    | 6,617,157    | 6,253,171    |
| Net Revenue Available for Debt Service                                                                                                             | \$ 1,474,303                    | \$ 1,101,780 | \$ 1,662,413 | \$ 2,651,148 | \$ 2,911,390 |
| Annual Revenue Bond Debt Service Requirements                                                                                                      | \$ 54,500                       | \$ 241,400   | \$ 461,578   | \$ 529,885   | \$ 520,978   |
| Revenue Debt Service Coverage                                                                                                                      | 27.05 x                         | 4.56 x       | 3.60 x       | 5.00 x       | 5.59 x       |
| Annual Debt Service Requirements for all Bonds Paid from System Revenues                                                                           | \$ 285,372                      | \$ 471,041   | \$ 567,880   | \$ 599,343   | \$ 558,192   |
| Debt Service Coverage on all Bonds Paid from System Revenues                                                                                       | 5.17 x                          | 2.34 x       | 2.93 x       | 4.42 x       | 5.22 x       |
| Customer Count :                                                                                                                                   |                                 |              |              |              |              |
| Water                                                                                                                                              | 7,841                           | 7,606        | 7,427        | 7,227        | 7,133        |
| Wastewater                                                                                                                                         | 7,700                           | 7,477        | 7,307        | 7,107        | 7,013        |
| <sup>(a)</sup> Does not include Impact Fees of:                                                                                                    | \$ 391,118                      | \$ 476,198   | \$ 455,143   | \$ 369,298   | \$ 179,991   |
| Revenues include operating, interest income, and tap fees. Impact fees are not included in revenues and may be used for debt service, if required. |                                 |              |              |              |              |

**COVERAGE OF THE BONDS**

**TABLE REV-3**

(As of September 30, 2018)

|                                                                                                                |                      |
|----------------------------------------------------------------------------------------------------------------|----------------------|
| Fiscal Year 2018 Net Revenues Available for Debt Service                                                       | \$ 1,474,303         |
| <b>Following the Issuance of the Bonds:</b>                                                                    |                      |
| Maximum Revenue Debt Service Requirement Excluding Self-Supporting General Obligation Debt (2019) Coverage     | \$ 53,000<br>27.82 x |
| Maximum Debt Service Requirement Including Self-Supporting General Obligation Debt (2019) Coverage             | \$ 280,005<br>5.27 x |
| Average Annual Revenue Debt Service Requirement Excluding General Obligation Debt (2019-2020) Coverage         | \$ 52,250<br>28.22 x |
| Average Annual Debt Service Requirement Including Self-Supporting General Obligation Debt (2019-2027) Coverage | \$ 207,937<br>7.09 x |

# City of Saginaw, Texas

## Continuing Financial Disclosure Tables

### Revenue Debt Tables

#### SELF-SUPPORTING WATERWORKS AND WASTEWATER SYSTEM OBLIGATIONS

##### HISTORICALLY PAID FROM NET SYSTEM REVENUES

TABLE REV-4

(As of September 30, 2018)

|                                                 | <u>Principal<br/>Outstanding</u> | <u>Amount of Principal<br/>Self-Supporting</u> |
|-------------------------------------------------|----------------------------------|------------------------------------------------|
| General Obligation Refunding Bonds, Series 2014 | \$ 1,610,000                     | \$ 275,000                                     |
| General Obligation Refunding Bonds, Series 2015 | \$ 1,340,000                     | \$ 1,340,000                                   |
| Total                                           | <u>\$ 2,950,000</u>              | <u>\$ 1,615,000</u>                            |

| <u>Fiscal Year<br/>Ending<br/>Sept. 30</u> | <u>Self-Supporting<br/>General Obligation<br/>Debt Requirements</u> | <u>Waterworks and<br/>Wastewater System<br/>Debt Service</u> | <u>Total Debt Service<br/>Being Supported<br/>by Net System<br/>Revenues</u> |
|--------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------|
| 2019                                       | \$ 227,005                                                          | \$ 53,000                                                    | \$ 280,005                                                                   |
| 2020                                       | 228,137                                                             | 51,500                                                       | 279,637                                                                      |
| 2021                                       | 234,171                                                             | -                                                            | 234,171                                                                      |
| 2022                                       | 240,006                                                             | -                                                            | 240,006                                                                      |
| 2023                                       | 165,642                                                             | -                                                            | 165,642                                                                      |
| 2024                                       | 167,672                                                             | -                                                            | 167,672                                                                      |
| 2025                                       | 169,603                                                             | -                                                            | 169,603                                                                      |
| 2026                                       | 166,435                                                             | -                                                            | 166,435                                                                      |
| 2027                                       | 168,267                                                             | -                                                            | 168,267                                                                      |
|                                            | <u>\$ 1,766,938</u>                                                 | <u>\$ 104,500</u>                                            | <u>\$ 1,871,438</u>                                                          |

#### REVENUE BONDS AUTHORIZED BUT UNISSUED

TABLE REV-5

| <u>Date<br/>Authorized</u> | <u>Purpose</u>          | <u>Amount<br/>Authorized</u> | <u>Issued<br/>To Date</u> | <u>Unissued</u> |
|----------------------------|-------------------------|------------------------------|---------------------------|-----------------|
| 06-30-51                   | Wastewater Improvements | \$ 100,000                   | \$ 20,000                 | \$ 80,000       |

Note: The City has no plans to issue these bonds.

# City of Saginaw, Texas

## Continuing Financial Disclosure Tables Revenue Debt Tables

### WATER RATES

TABLE REV-6

(Based on Monthly Billing)

| Rates<br>Effective<br>October 1, 2017   |                   |
|-----------------------------------------|-------------------|
| <u>Residential</u>                      |                   |
| First 2,000 Gallons                     | \$15.38 (minimum) |
| 3,000 to 10,000 Gallons                 | 4.77 /M Gallons   |
| Over 10,000 Gallons                     | 5.07 /M Gallons   |
| <u>Multi-Family (Per Dwelling Unit)</u> |                   |
| First 2,000 Gallons                     | \$15.38 (minimum) |
| 3,000 to 8,000 Gallons                  | 5.07 /M Gallons   |
| Over 8,000 Gallons                      | 6.13 /M Gallons   |
| <u>Commercial / Industrial</u>          |                   |
| First 2,000 Gallons                     | \$15.38 (minimum) |
| 3,000 to 10,000 Gallons                 | 5.07 /M Gallons   |
| Over 10,000 Gallons                     | 6.13 /M Gallons   |

### PRINCIPAL WATER CUSTOMERS 2017-2018

TABLE REV-7

(As of September 30, 2018)

| <u>Name of Customer</u>         | <u>Average Monthly<br/>Consumption (Gals.)</u> | <u>Average<br/>Monthly Bill</u> |
|---------------------------------|------------------------------------------------|---------------------------------|
| CTI Foods                       | 9,405,500                                      | \$ 54,919                       |
| DOS Project                     | 3,262,417                                      | 19,050                          |
| Ventura Foods                   | 3,033,667                                      | 18,385                          |
| Eagle Mnt/Saginaw ISD           | 1,099,583                                      | 6,471                           |
| Williamsburg Village Apartments | 875,833                                        | 5,802                           |
| Blueknight Energy Partners      | 566,417                                        | 3,318                           |
| DR Horton Homes                 | 562,583                                        | 3,987                           |
| Camelot Square Apartments       | 539,083                                        | 3,785                           |
| Saginaw Crossing Apartments     | 454,333                                        | 3,080                           |
| Ardent Mills, LLC               | 386,083                                        | 2,353                           |
| <b>Total</b>                    | <u>20,185,500</u>                              | <u>\$ 121,150</u>               |

**City of Saginaw, Texas**  
Continuing Financial Disclosure Tables  
Revenue Debt Tables

**WASTEWATER RATES**

**TABLE REV-8**

*(Based on Monthly Billing)*

| Rates<br>Effective<br>October 1, 2012          |                   |
|------------------------------------------------|-------------------|
| <u>Residential</u>                             |                   |
| First 2,000 Gallons                            | \$16.07 (minimum) |
| Next 18,000 Gallons                            | 2.53 /M Gallons   |
| <u>Multi-Family (Per Dwelling Unit)</u>        |                   |
| First 2,000 Gallons                            | \$16.07 (minimum) |
| Over 2,000 Gallons                             | 4.39 /M Gallons   |
| <u>Commercial / Industrial (Non-Monitored)</u> |                   |
| First 2,000 Gallons                            | \$17.65 (minimum) |
| Over 2,000 Gallons                             | 4.39 /M Gallons   |
| <u>Commercial / Industrial (Monitored)</u>     |                   |
| First 2,000 Gallons                            | Based on Formula  |
| Over 2,000 Gallons                             | 4.39 /M Gallons   |

**PRINCIPAL WASTEWATER CUSTOMERS 2017-2018**

**TABLE REV-9**

*(As of September 30, 2018)*

| <u>Name of Customer</u>         | <u>Average Monthly Bill</u> |
|---------------------------------|-----------------------------|
| Williamsburg Village Apartments | \$ 4,977.11                 |
| Camelot Square Apartments       | 3,423.84                    |
| Saginaw Crossing Apartments     | 2,723.52                    |
| DR Horton Homes                 | 2,258.44                    |
| Eagle Mnt/Saginaw ISD           | 2,242.45                    |
| Tiger Spa Car Wash              | 1,318.99                    |
| Argos - Southern Star Concrete  | 1,290.38                    |
| Qualwash, Inc                   | 1,287.09                    |
| American Homes 4 Rent           | 1,138.35                    |
| Zip's Car Wash                  | 1,087.98                    |
| <b>Total</b>                    | <b>\$ 21,748.15</b>         |

**WASTEWATER SYSTEM PRODUCTION**

**TABLE REV-10**

Volumes, average daily and peak daily flow for the Wastewater System for the past ten years are shown below.

| <u>Fiscal Year</u> | <u>Annual Sewage Flow<br/>(000s Gallons)</u> | <u>Average Daily Flow<br/>(000s GPD)</u> | <u>Peak Daily Flow and Date<br/>(MGD)</u> |
|--------------------|----------------------------------------------|------------------------------------------|-------------------------------------------|
| 2009               | 773,199                                      | 2,118                                    | 5.3 06-11-09                              |
| 2010               | 968,278                                      | 2,653                                    | 6.7 11-07-09                              |
| 2011               | 785,139                                      | 2,178                                    | 6.5 04-15-11                              |
| 2012               | 858,778                                      | 2,353                                    | 8.2 03-20-12                              |
| 2013               | 750,644                                      | 2,057                                    | 6.6 09-25-13                              |
| 2014               | 739,594                                      | 2,026                                    | 4.0 12-20-13                              |
| 2015               | 825,789                                      | 2,262                                    | 6.3 05-29-15                              |
| 2016               | 915,347                                      | 2,508                                    | 6.2 12-28-15                              |
| 2017               | 804,134                                      | 2,203                                    | 6.3 09-14-17                              |
| 2018               | 838,637                                      | 2,298                                    | 4.7 03-01-18                              |



# City of Saginaw

**Meeting Date:** 2/5/2019

**Staff Contact:** Janice England, City Secretary

**Agenda Items:** (6)

**E-mail:** [jengland@saginawtx.org](mailto:jengland@saginawtx.org)

**Phone:** 817-230-0327

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**SUBJECT:**

Consideration and Action regarding Resolution No. 2019-02, Calling a General Election to be held on May 4, 2019 for the Offices of Council Place 1, Council Place 3, and Council Place 5

---

**BACKGROUND/DISCUSSION:**

Resolution No. 2019-02 calls the General Election to be held on Saturday, May 4, 2019. The offices on the ballot will be Council Place 1, Council Place 3, and Council Place 5. All have three year terms.

**FINANCIAL IMPACT:**

None at this time. The purpose of this item is only to call the election.

**RECOMMENDATION:**

Staff recommends approval of Resolution No. 2019-02 as presented.

**ATTACHMENTS:**

Description

Res 2019-02 Call Gen Election

## RESOLUTION NO. 2019-02

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS, CALLING FOR A GENERAL ELECTION TO ELECT THE OFFICES OF CITY COUNCIL PLACE 1, CITY COUNCIL PLACE 3, AND CITY COUNCIL PLACE 5 TO BE HELD ON MAY 4, 2019; APPROVING A JOINT ELECTION WITH TARRANT COUNTY; AND ESTABLISHING PROCEDURES FOR THAT ELECTION; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Saginaw, Texas, (the "City") is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

**WHEREAS**, the regular election for City Council members of the City of Saginaw is required to be held on May 4, 2019, at which time the voters will elect persons to fill the offices of City Council Place 1, City Council Place 3, and City Council Place 5;

**WHEREAS**, the election will be held as a joint election, conducted under the authority of Chapter 271 of the Texas Election Code ("Code"); and

**WHEREAS**, by this Resolution, it is the intention of the City Council to designate a polling place for the election, to appoint the necessary election officers to establish and set forth procedures for conducting the election, and authorize the Mayor to execute a contract with Tarrant County for conducting the election.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS, THAT:**

**Section 1. General Election Called.** An election is hereby called to elect the offices of City Council Place 1, City Council Place 3, and City Council Place 5 to serve from May of 2019 until May of 2022 or until their successors are duly elected and qualified. The election shall be held on May 4, 2019 between the hours of 7:00 a.m. and 7:00 p.m. at the location(s) designated in the Joint Election Agreement.

**Section 2. Joint Election Agreement Approved.** The Mayor is authorized to execute the Joint Election Agreement for Tarrant County and the City of Saginaw (the "Agreement"). In the event of conflict between this resolution and the Agreement, the Agreement shall control.

**Section 3. Application for Place on Ballot.** Qualified persons may file as candidates by filing applications in the office of the City Secretary from 7:30 a.m. to 5:30 p.m., Monday through Thursday, and 7:30 a.m. to 11:30 a.m., Friday, from January 16, 2019 through February 15, 2019.

**Section 4. Early Voting.**

**a. Early voting by personal appearance.** Early voting by personal appearance shall commence April 22, 2019 and shall continue daily, until April 30, 2019. Specific days, times and locations shall be designated by the Elections Administrator and included in the contract and shall be in compliance with state law. On at least two weekdays during the early voting period, the location for early voting shall be open for at least twelve (12) hours as mandated by state law.

**b. Early voting by mail.** Heider Garcia, the Tarrant County Election Administrator ("Elections Administrator") or his successor is hereby designated as Early Voting Clerk for the general election. Applications for early voting by mail may be delivered to the Elections Administrator or his successor at the following address: Early Voting Clerk, P.O. Box 961011, Fort Worth, Texas 76161-0011, not later than close of business on April 23, 2019. Early voting by mail ballots shall be mailed to the Elections Administrator or his successor at the same address.

**c. Early Voting Ballot Board.** Early voting, both by personal appearance and by mail, shall be canvassed by the Early Voting Ballot Board established by Tarrant County under the terms of the Agreement.

**d. Recommended Branch Early Voting Polling Places.** The Council finds that the following locations can most adequately and conveniently serve the voters in this election, and that these early voting locations will facilitate the orderly conduct of the election:

1. Eagle Mountain-Saginaw ISD Administration Building 6-Training Room,  
1200 Old Decatur Road, Saginaw, Texas 76179.
2. Tarrant County Elections Center, 2700 Premier Street, Fort Worth, Texas, 76111.

**Section 5. Appointment of Election Judge and Alternate Election Judge.** The Presiding Election Judge and Alternate Presiding Judge shall be appointed by Tarrant County as authorized by Chapter 271 of the Code.

**Section 6. Method of Voting.** Tarrant County's eSlate electronic voting system shall be used for early voting by personal appearance. On Election Day, voters shall have a choice between voting on the eSlate electronic voting system or by a paper ballot that is scanned at the polling place using Tarrant County's eScan voting system. Provisional ballots cast on Election Day will be cast only on the eSlate electronic voting system to prevent the possibility of paper provisional ballots from being immediately counted via the eScan ballot scanner. All expenditures necessary for the conduct of the election, the purchase of materials therefore, and the employment of all election officials are hereby authorized, and shall be conducted in accordance with the Code.

**Section 7. Governing Law and Qualified Voters.** The election shall be held in accordance with the Constitution of the State of Texas and the Code, and all resident qualified voters of the City shall be eligible to vote at the election.

**Section 8. Publication and Posting of Notice of Election.** Notice of the election shall be given as required by Chapter 4 of the Code.

**Section 9. Necessary Actions.** The Mayor and the City Secretary of the City, in consultation with the City Attorney, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code in carrying out and conducting the election, whether or not expressly authorized herein.

**Section 10. Effective Date.** This resolution shall be effective upon its adoption.

ADOPTED AND APPROVED this 5th day of February, 2019.

APPROVED:

\_\_\_\_\_  
Todd Flippo, Mayor

ATTEST:

\_\_\_\_\_  
Janice England, City Secretary

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Bryn Meredith, City Attorney



# City of Saginaw

**Meeting Date:** 2/5/2019

**Staff Contact:** Janice England, City Secretary

**Agenda Items:** (7)

**E-mail:** [jengland@saginawtx.org](mailto:jengland@saginawtx.org)

**Phone:** 817-230-0327

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**SUBJECT:**

Consideration and Action regarding Ordinance No. 2019-01, Calling a Special Election to be held on May 4, 2019 to determine whether the Voters of the City of Saginaw desire to continue a Sales and Use Tax for Street Maintenance in the City

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**BACKGROUND/DISCUSSION:**

In 2001 the Texas Legislature passed House Bill 445 allowing cities, with voter approval, to dedicate a portion of their local sales tax rate to street maintenance and repairs. The sales tax may be used only to maintain and repair existing municipal streets. Saginaw voters approved the Street Maintenance Sales Tax in May 2007 (1/8 cent). The tax expires four years after it takes effect unless voters reauthorize it. It was reauthorized by voters in 2011 and 2015.

Ordinance No. 2019-01 calls the Special Election to be held on May 4, 2019 for voters to consider the reauthorization of the Sales and Use Tax for Street Maintenance.

Note: The total sales tax in Saginaw is 8.25%. The State collects 6.25% and the City collects 2%. Of the City's 2%, one (1) cent goes into the City's General Fund, 1/8 cent goes to the Street Maintenance Fund, 3/8 cent is dedicated to the Crime Control and Prevention District, and 1/2 cent is dedicated to the reduction of property taxes.

**FINANCIAL IMPACT:**

None at this time. The purpose of this item is only to call the election.

**RECOMMENDATION:**

Staff recommends approval of Ordinance No. 2019-01 as presented.

**ATTACHMENTS:**

Description

Ord 2019-01 Call Spec Election

**ORDINANCE NO. 2019-01**

**AN ORDINANCE OF THE CITY OF SAGINAW, TEXAS ORDERING A SPECIAL ELECTION TO BE HELD ON MAY 4, 2019, TO DETERMINE WHETHER THE VOTERS OF THE CITY OF SAGINAW DESIRE TO CONTINUE A SALES AND USE TAX FOR STREET MAINTENANCE IN THE CITY; APPROVING A JOINT ELECTION AGREEMENT AND CONTRACT WITH TARRANT COUNTY; DESIGNATING A POLLING PLACE; APPOINTING AN ELECTION JUDGE AND AN ALTERNATE JUDGE; PROVIDING FOR NOTICE; PROVIDING FOR EARLY VOTING; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Saginaw is a home rule city acting under its charter adopted by the electorate Pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

**WHEREAS**, pursuant to the Texas Tax Code, V.T.C.A., Chapter 327.001 et. Seq, (the "Act"), the City of Saginaw adopted a one-eighth of one percent (1/8%) sales and use tax to provide for street maintenance; and

**WHEREAS**, the Act provides that the sales and use tax for street maintenance expires after four (4) years unless it is reauthorized at an election; and

**WHEREAS**, the Act provides that the City Council may call an election to reauthorize a previously adopted sales and use tax to provide for street maintenance by adopting an ordinance; and

**WHEREAS**, the Act provides that an election to reauthorize the sales and use tax shall be held in accordance with Chapter 321 of the Tax Code; and

**WHEREAS**, Section 321.403 of the Tax Code states that such an election must be held on the first succeeding uniform date for which sufficient time elapses for the holding of an election; and

**WHEREAS**, Section 41.001 of the Texas Election Code (the "Code") specifies that the first Saturday in May shall be a uniform election date;

**WHEREAS**, all of the City of Saginaw and its voting precincts are located within Tarrant County only; and

**WHEREAS**, by this Ordinance, it is the intention of the City Council to adopt all requirements of an Election Order and Notice of Election in accordance with state law, and authorize a contract with Tarrant County for joint election services.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS:**

**SECTION 1.  
ORDER**

A special election shall be held on Saturday, May 4, 2019, to submit to the voters a proposition to determine whether to reauthorize the one-eighth (1/8) of one percent (1%) sales and use tax for street maintenance purposes.

**SECTION 2.  
BALLOT**

The official ballots for said election shall be prepared in accordance with the Texas Election Code so as to permit the electors to vote "FOR" or "AGAINST" the proposition, with the ballots to contain such provisions, markings and language as required by law, and with such proposition to be expressed substantially as follows:

**PROPOSED**

|                |       |                                                                                                                                                                                                                                                                                                                                                           |
|----------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>FOR</b>     | (   ) | <b>THE REAUTHORIZATION OF THE LOCAL SALES AND USE TAX<br/>IN THE CITY OF SAGINAW AT THE RATE OF ONE-EIGHTH OF<br/>ONE PERCENT TO CONTINUE PROVIDING REVENUE FOR<br/>MAINTENANCE AND REPAIR OF MUNICIPAL STREETS. THE<br/>TAX EXPIRES ON THE FOURTH ANNIVERSARY OF THE DATE OF<br/>THIS ELECTION UNLESS THE IMPOSITION OF THE TAX IS<br/>REAUTHORIZED.</b> |
| <b>AGAINST</b> | (   ) |                                                                                                                                                                                                                                                                                                                                                           |

**SECTION 3.**

**JOINT ELECTION AGREEMENT APPROVED:** The Mayor is authorized to execute the Joint Election Agreement between Tarrant County and Saginaw. In the event of a conflict between this Ordinance and the Contract, the Contract shall control.

**SECTION 4.**

**ELECTION DAY POLLING PLACE:** The Election Day polling place for the special election shall be at the location(s) designated in the Joint Election Agreement between the hours of 7:00 a.m. and 7:00 p.m.

**SECTION 5.**

**APPOINTMENT OF ELECTION JUDGE AND ALTERNATE ELECTION JUDGE:** The Presiding Election Judge and Alternate Presiding Election Judge shall be appointed by Tarrant County as indicated in the Contract and authorized by Chapter 271 of the Code.

**SECTION 6.**

**PUBLICATION AND POSTING OF NOTICE OF ELECTION:** Notice of the election shall be published at least once in the newspaper in accordance with the provisions of the Code and City Charter.

## **SECTION 7.**

### **EARLY VOTING**

- a. Early voting by personal appearance.** Heider Garcia, Tarrant County Election Administrator (“Elections Administrator”), or his successor is hereby designated as the Early Voting Clerk for the election, as so indicated in the Contract. Early voting by personal appearance shall commence April 22, 2019 and shall continue until April 30, 2019. Specific days, times and locations shall be designated by the Elections Administrator and included in the Contract and shall be in compliance with state law. On at least two weekdays during the early voting period, the location for early voting shall be open for at least twelve (12) hours as mandated by state law.
- b. Early voting by mail.** The Elections Administrator shall be responsible for the Early voting applications and ballots. Applications for early voting by mail may be delivered to Heider Garcia, Tarrant County Elections Administrator, P.O. Box 961011, Fort Worth, Texas 76111, not later than April 23, 2019. Early voting by mail ballots shall be mailed to the Elections Administrator at the same address. The City Secretary is directed to forward applications and ballots she may receive to the Elections Administrator as provided in the Contract.
- c. Early Voting Ballot Board.** Early voting, both by personal appearance and by mail shall be canvassed by the Early Voting Ballot Board which is hereby created. According to the Contract, Tarrant County shall appoint an Early Voting Ballot Board (EVBB) to process early voting results from the election.

## **SECTION 8.**

**METHOD OF VOTING:** Early Voting by personal appearance shall be conducted exclusively on Tarrant County’s eSlate electronic voting system. On Election Day, voters shall have a choice between voting on the eSlate electronic voting system or by a paper ballot that is scanned at the polling place using Tarrant County’s eScan voting system. All expenditures necessary for the conduct of the election, the purchase of materials therefore, and the employment of all election officials are hereby authorized, and shall be conducted in accordance with the Contract and the Code.

## **SECTION 9.**

**NOTICES:** This Ordinance shall serve as the Order of Election (as required by Section 3.001 of the Code) and as the Notice of Election (as required by Section 4.001 of the Code). Notice shall be published in the newspaper in accordance with state law.

## **SECTION 10.**

**NECESSARY ACTIONS:** The Mayor or the City Secretary of the City, in consultation with the City Attorney as needed, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code and the Contract in carrying out and conducting the election, whether or not expressly authorized herein.

**SECTION 11.**

This ordinance shall be in full force and effective immediately after its passage.

**PASSED AND APPROVED THIS 5<sup>TH</sup> DAY OF FEBRUARY, 2019.**

APPROVED:

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Todd Flippo, Mayor

ATTEST:

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Janice England, City Secretary

APPROVED AS TO FORM AND LEGALITY:

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Bryn Meredith, City Attorney



# City of Saginaw

**Meeting Date:** 2/5/2019

**Staff Contact:** Gabe Reaume, City Manager

**Agenda Items:** (8)

**E-mail:** [greume@saginawtx.org](mailto:greume@saginawtx.org)

**Phone:** 817-230-0324

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**SUBJECT:**

Consideration and Action regarding Ordinance No. 2019-02, Calling a Special Election to be held on May 4, 2019 for the purposes of submitting to the voters multiple propositions to amend the Saginaw Home Rule Charter

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**BACKGROUND/DISCUSSION:**

In April 2018, the City Council appointed a Charter Review Commission to review the City Charter and make recommendations for any changes to the City Council. The Commission held multiple meetings and completed their review. Their recommendations were presented at the City Council Meeting on December 4, 2018 and discussed in detail at the January 2, 2019 City Council Meeting. Ordinance No. 2019-02 calls the Special Election on May 4, 2019 for voters to consider the proposed amendments.

**FINANCIAL IMPACT:**

None at this time. The purpose of this item is only to call the election.

**RECOMMENDATION:**

Staff recommends approval of Ordinance No. 2019-02 as presented.

**ATTACHMENTS:**

Description

Ord 2019-02 Calling Charter Amendment Election

List of Propositions

Redlined Charter

## **ORDINANCE NO. 2019-02**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS, CALLING FOR A SPECIAL ELECTION FOR THE PURPOSES OF SUBMITTING TO THE VOTERS PROPOSITIONS TO AMEND THE SAGINAW HOME RULE CHARTER TO BE HELD ON MAY 4, 2019; APPROVING A JOINT ELECTION WITH TARRANT COUNTY; AND ESTABLISHING PROCEDURES FOR THAT ELECTION; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Saginaw, Texas, (the “City”) is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

**WHEREAS**, it is the intention of the City Council to call a special election to submit proposed amendments to the City Charter to the voters in accordance with Section 9.004 of the Texas Local Government Code; and

**WHEREAS**, an election to submit to the voters proposed amendments to the city charter is required by law to be held on the uniform election date that occurs 30 days after the election is ordered and Section 3.005 of the Texas Election Code requires that a special election be ordered prior to February 15, 2019; and

**WHEREAS**, Section 41.001 of the Texas Election Code specifies that the May 4, 2019 is a uniform election date; and

**WHEREAS**, the election will be held as a joint election, conducted under the authority of Chapter 271 of the Texas Election Code (“Code”); and

**WHEREAS**, by this Resolution, it is the intention of the City Council to designate a polling place for the election, to appoint the necessary election officers to establish and set forth procedures for conducting the election, and authorize the Mayor to execute a contract with Tarrant County for conducting the election.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS, THAT:**

**Section 1. Special Election Called.** The City Council does hereby, on its own motion, order a special election to submit to the voters of the City of Saginaw proposed amendments to the City Charter. The proposed amendments to the City Charter are set forth in Exhibit "A," attached to this ordinance and incorporated herein for all purposes and are hereby approved by the City Council for submission to the voters. The election shall be conducted according to the laws of the State of Texas, and shall be held on Saturday, May 4, 2019 from 7:00 a.m. to 7:00 p.m.

**Section 2. Joint Election Agreement Approved.** The Mayor is authorized to execute the Joint Election Agreement for Tarrant County and the City of Saginaw (the "Agreement"). In the event of conflict between this resolution and the Agreement, the Agreement shall control.

**Section 3. Ballots.** The official ballots for said election shall be prepared in accordance with the Texas Election Code so as to permit the electors to vote "YES" or "NO" on each proposition, with the ballots to contain such provisions, markings and language as required by law, and with the propositions to be expressed substantially as set forth as follows:

**PROPOSITION A – Boundary**

Shall the Saginaw Home Rule Charter be amended to clarify procedures for boundary adjustments by revising Section 2.01?

### **PROPOSITION B – Corporate Powers**

Shall the Saginaw Home Rule Charter be amended to enumerate, without limitation, the corporate powers of the city by revising Section 4.01 to specify powers instead of providing a general statement of powers, and by revising Section 11.01 to provide that city control over streets is inalienable?

### **PROPOSITION C – Compensation for Council Members**

Shall the Saginaw Home Rule Charter be amended to provide that a council member shall be paid a minimum of \$25.00 for each council meeting, provided that the amount annually paid to the entire council in the aggregate shall not exceed the annual compensation of the lowest paid permanent, fulltime city employee, by revising Section 5.01?

### **PROPOSITION D – Council Vacancies**

Shall the Saginaw Home Rule Charter be amended to permit a vacancy on the council to be filled by city council appointment or by special election in the event there is less than twelve (12) months remaining in the unexpired term, by revising Section 5.09?

### **PROPOSITION E – City Council Meetings, Quorum and Duties**

Shall the Saginaw Home Rule Charter be amended to allow the council to establish additional regular meetings by revising Section 5.10; to transfer responsibilities over city departments to the city manager by deleting Section 6.03(2) and Section 7.01 and adding Section 6.05(10); to provide for a quorum and procedures for filling vacancies in the event there are more than three vacancies on the council by adding Section 5.11; to change “inquiry” to “conduct investigations” in Section 6.03(5); and to provide that the city council shall appoint the city secretary by amending 6.06, and to provide that the mayor pro tem shall be appointed by the city council by revising Section 6.02?

### **PROPOSITION F – Municipal Court**

Shall the Saginaw Home Rule Charter be amended to eliminate the authority of the mayor to act as magistrate, to require that the judge be a licensed attorney as required by state law, to provide a procedure for removal of the judge, and to make non-substantive grammatical changes by revising Section 6.08?

### **PROPOSITION G – Utilities**

Shall the Saginaw Home Rule Charter be revised to clarify and expand the cities authority to operate city owned utilities and regulate utility franchises to include limiting a franchise term to twenty (20) years, providing procedures to grant franchises, providing terms to be included in a utility franchise, providing for regulation of utilities, and requiring annual reports by adding new Sections 8.01, 8.02, 8.03, 8.04, 8.05, 8.06, 8.07, 8.08 and 8.09 and deleting current Sections 8.01, 8.02, and 9.05, and revising Section 16.09?

### **PROPOSITION H – Competitive Bidding**

Shall the Saginaw Home Rule Charter be amended to revise Section 9.04 to provide that all purchases must be made in compliance with state bidding requirements?

### **PROPOSITION I – Acquisition of Property**

Shall the Saginaw Home Rule Charter be amended to delete archaic rules for the acquisition of utilities by deleting Sections 10.01(3), 10.01(4), 10.01(5) and 10.01(6), while retaining Sections 10.01(1) and 10.01(2), and updating references to state law?

### **PROPOSITION J – Budget**

Shall the Saginaw Home Rule Charter be amended to provide that procedures for the adoption of the budget shall be in accordance with state law by revising Sections 12.02 and 12.03, and to require that the annual audit be made available for public inspection no later than 180 days after the close of the fiscal year by revising Section 12.06?

### **PROPOSITION K – Planning and Zoning Commission**

Shall the Saginaw Home Rule Charter be amended to require that members of the planning and zoning commission have resided in the city limits for at least one (1) year, and that the commission shall meet as needed, by revising Section 14.01; and by revising Section 14.04 to comply with state law procedures for adopting a comprehensive plan and zoning?

### **PROPOSITION L – Building Regulation**

Shall the Saginaw Home Rule Charter be amended to revise Section 14.05 to provide that building regulations be adopted by ordinance and clarifying authority to enact such regulations?

### **PROPOSITION M – Recall, Initiative and Referendum**

Shall the Saginaw Home Rule Charter be amended to require that petitions for initiative, referendum and recall, and comply with state law, and to provide that the minimum number of signatures on a petition for initiative, referendum and recall be 500, by revising Section 15.02 & 16.02.

### **PROPOSITION N – Initiative and Referendum**

Shall the Saginaw Home Rule Charter be amended to provide that ordinances levying taxes, authorizing debt, relating to personnel matters, or relating to any matter a court has determined inappropriate for initiative or referendum shall not be subject to initiative or referendum; or by revising Section 16.02?

### **PROPOSITION O – Ethics**

Shall the Saginaw Home Rule Charter be amended to provide for a definition of “substantial interest” with regard to an officer or employee interest in contracts with the city, and to provide that the purchase of goods or services from a council member must

be in compliance with state law by revising Section 17.13?

**PROPOSITION P – Political Activities**

Shall the Saginaw Home Rule Charter be amended to delete Section 17.15 regarding political activity of employees as it is partially contrary to state law?

**PROPOSITION Q – Non-Substantive**

Shall the Saginaw Home Rule Charter be revised to make non-substantive changes including deleting redundancy, making grammatical changes, and compliance with state law, by revising Sections 5.02, 5.07, 5.08, 6.03(5), 6.05, 6.07, 10.01(B), 13.01, 15.04, 15.07, 17.07, 17.19 and 19.01, deleting Section 13.03, and renumbering throughout?

**Section 4. Early Voting.**

**a. Early voting by personal appearance.** Early voting by personal appearance shall commence April 22, 2019 and shall continue daily, until April 30, 2019. Specific days, times and locations shall be designated by the Elections Administrator and included in the contract and shall be in compliance with state law. On at least two weekdays during the early voting period, the location for early voting shall be open for at least twelve (12) hours as mandated by state law.

**b. Early voting by mail.** Heider Garcia, the Tarrant County Election Administrator (“Elections Administrator”) or his successor is hereby designated as Early Voting Clerk for the general election. Applications for early voting by mail may be delivered to the Elections Administrator or his successor at the following address: Early Voting Clerk, P.O. Box 961011, Fort Worth, Texas 76161-0011, not later than close of business on April 23, 2019. Early voting by mail ballots shall be mailed to the Elections Administrator or his successor at the same address.

**c. Early Voting Ballot Board.** Early voting, both by personal appearance

and by mail, shall be canvassed by the Early Voting Ballot Board established by Tarrant County under the terms of the Agreement.

**d. Recommended Branch Early Voting Polling Places.** The Council finds that the following locations can most adequately and conveniently serve the voters in this election, and that these early voting locations will facilitate the orderly conduct of the election:

1. Eagle Mountain-Saginaw ISD Administration Building 6-Training Room,  
1200 Old Decatur Road, Saginaw, Texas 76179.
2. Tarrant County Elections Center, 2700 Premier Street, Fort Worth, Texas,  
76111.

**Section 5. Appointment of Election Judge and Alternate Election Judge.** The Presiding Election Judge and Alternate Presiding Judge shall be appointed by Tarrant County as authorized by Chapter 271 of the Code.

**Section 6. Method of Voting.** Tarrant County's eSlate electronic voting system shall be used for early voting by personal appearance. On Election Day, voters shall have a choice between voting on the eSlate electronic voting system or by a paper ballot that is scanned at the polling place using Tarrant County's eScan voting system. Provisional ballots cast on Election Day will be cast only on the eSlate electronic voting system to prevent the possibility of paper provisional ballots from being immediately counted via the eScan ballot scanner. All expenditures necessary for the conduct of the election, the purchase of materials therefore, and the employment of all election officials are hereby authorized, and shall be conducted in accordance with the Code.

**Section 7. Governing Law and Qualified Voters.** The election shall be held in accordance with the Constitution of the State of Texas and the Code, and all resident

qualified voters of the City shall be eligible to vote at the election.

**Section 8. Publication and Posting of Notice of Election.** Notice of the election shall be given as required by Chapter 4 of the Code, and additionally, a substantial copy of the proposed amendments shall be published on the same day twice in each of two successful weeks, with the first publication occurring before the 14<sup>th</sup> day of the election in conformance with Section 9.004(c) of the Texas Local Government Code.

**Section 9. Necessary Actions.** The Mayor and the City Secretary of the City, in consultation with the City Attorney, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code in carrying out and conducting the election, whether or not expressly authorized herein.

**Section 10. Effective Date.** This resolution shall be effective upon its adoption.

ADOPTED AND APPROVED this 5th day of February, 2019.

APPROVED:

\_\_\_\_\_  
Todd Flippo, Mayor

ATTEST:

\_\_\_\_\_  
Janice England, City Secretary

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Bryn Meredith, City Attorney

## **CHARTER PROPOSITIONS**

### **PROPOSITION A – Boundary**

Shall the Saginaw Home Rule Charter be amended to clarify procedures for boundary adjustments by revising Section 2.01?

### **PROPOSITION B – Corporate Powers**

Shall the Saginaw Home Rule Charter be amended to enumerate, without limitation, the corporate powers of the city by revising Section 4.01 to specify powers instead of providing a general statement of powers, and by revising Section 11.01 to provide that city control over streets is inalienable?

### **PROPOSITION C – Compensation for Council Members**

Shall the Saginaw Home Rule Charter be amended to provide that a council member shall be paid a minimum of \$25.00 for each council meeting, provided that the amount annually paid to the entire council in the aggregate shall not exceed the annual compensation of the lowest paid permanent, fulltime city employee, by revising Section 5.01?

### **PROPOSITION D – Council Vacancies**

Shall the Saginaw Home Rule Charter be amended to permit a vacancy on the council to be filled by city council appointment or by special election in the event there is less than twelve (12) months remaining in the unexpired term, by revising Section 5.09?

### **PROPOSITION E – City Council Meetings, Quorum and Duties**

Shall the Saginaw Home Rule Charter be amended to allow the council to establish additional regular meetings by revising Section 5.10; to transfer responsibilities over city departments to the city manager by deleting Section 6.03(2) and Section 7.01 and adding Section 6.05(10); to provide for a quorum and procedures for filling vacancies in the event there are more than three vacancies on the council by adding Section 5.11; to change “inquiry” to “conduct investigations” in Section 6.03(5); and to provide that the city council shall appoint the city secretary by amending 6.06, and to provide that the mayor pro tem shall be appointed by the city council by revising Section 6.02?

### **PROPOSITION F – Municipal Court**

Shall the Saginaw Home Rule Charter be amended to eliminate the authority of the mayor to act as magistrate, to require that the judge be a licensed attorney as required by state law, to provide a procedure for removal of the judge, and to make non-substantive grammatical changes by revising Section 6.08?

## **PROPOSITION G – Utilities**

Shall the Saginaw Home Rule Charter be revised to clarify and expand the cities authority to operate city owned utilities and regulate utility franchises to include limiting a franchise term to twenty (20) years, providing procedures to grant franchises, providing terms to be included in a utility franchise, providing for regulation of utilities, and requiring annual reports by adding new Sections 8.01, 8.02, 8.03, 8.04, 8.05, 8.06, 8.07, 8.08 and 8.09 and deleting current Sections 8.01, 8.02, and 9.05, and revising Section 16.09?

## **PROPOSITION H – Competitive Bidding**

Shall the Saginaw Home Rule Charter be amended to revise Section 9.04 to provide that all purchases must be made in compliance with state bidding requirements?

## **PROPOSITION I – Acquisition of Property**

Shall the Saginaw Home Rule Charter be amended to delete archaic rules for the acquisition of utilities by deleting Sections 10.01(3), 10.01(4), 10.01(5) and 10.01(6), while retaining Sections 10.01(1) and 10.01(2), and updating references to state law?

## **PROPOSITION J – Budget**

Shall the Saginaw Home Rule Charter be amended to provide that procedures for the adoption of the budget shall be in accordance with state law by revising Sections 12.02 and 12.03, and to require that the annual audit be made available for public inspection no later than 180 days after the close of the fiscal year by revising Section 12.06?

## **PROPOSITION K – Planning and Zoning Commission**

Shall the Saginaw Home Rule Charter be amended to require that members of the planning and zoning commission have resided in the city limits for at least one (1) year, and that the commission shall meet as needed, by revising Section 14.01; and by revising Section 14.04 to comply with state law procedures for adopting a comprehensive plan and zoning?

## **PROPOSITION L – Building Regulation**

Shall the Saginaw Home Rule Charter be amended to revise Section 14.05 to provide that building regulations be adopted by ordinance and clarifying authority to enact such regulations?

## **PROPOSITION M – Recall, Initiative and Referendum**

Shall the Saginaw Home Rule Charter be amended to require that petitions for initiative, referendum and recall, and comply with state law, and to provide that the minimum number of signatures on a petition for initiative, referendum and recall be 500, by revising

Section 15.02 & 16.02.

**PROPOSITION N – Initiative and Referendum**

Shall the Saginaw Home Rule Charter be amended to provide that ordinances levying taxes, authorizing debt, relating to personnel matters, or relating to any matter a court has determined inappropriate for initiative or referendum shall not be subject to initiative or referendum; or by revising Section 16.02?

**PROPOSITION O – Ethics**

Shall the Saginaw Home Rule Charter be amended to provide for a definition of “substantial interest” with regard to an officer or employee interest in contracts with the city, and to provide that the purchase of goods or services from a council member must be in compliance with state law by revising Section 17.13?

**PROPOSITION P – Political Activities**

Shall the Saginaw Home Rule Charter be amended to delete Section 17.15 regarding political activity of employees as it is partially contrary to state law?

**PROPOSITION Q – Non-Substantive**

Shall the Saginaw Home Rule Charter be revised to make non-substantive changes including deleting redundancy, making grammatical changes, and compliance with state law, by revising Sections 5.02, 5.07, 5.08, 6.03(5), 6.05, 6.07, 10.01(B), 13.01, 15.04, 15.07, 17.07, 17.19 and 19.01, deleting Section 13.03, and renumbering throughout?

# 2019 CHARTER

## ARTICLE I CORPORATE NAME

### Sec. 1.01. - Corporate name.

All the citizens of the City of Saginaw, Tarrant County, Texas, as the boundaries and limits of said city are herein established, shall be a municipality, incorporated under and to be known by the name and style of the City of "Saginaw" with such powers, rights and duties as are herein provided.

## ARTICLE II BOUNDARIES

### Sec. 2.01. - Boundaries.

The City Council may by ordinance, resolution or agreement with adjoining cities fix the boundaries in compliance with state law. The City Council may exchange territory with other cities and towns and disannex territory and annex territory. Residents of annexed territory shall be entitled to all rights and privileges of citizens who reside in the City, and shall be bound by the acts, ordinances, resolutions, and regulations of the City. The boundaries and limits of the City of Saginaw, until changed in the manner herein provided, shall be the same as have heretofore been established and as exist on the date of the adoption of this charter.

## ARTICLE III FORM OF GOVERNMENT

### Sec. 3.01. - Form of government.

The municipal government provided by this charter shall be known as the "council-manager government" pursuant to its provisions and subject only to the limitations imposed by the state constitution and statutes, all powers of the city shall be exercised in the manner prescribed by this charter, or if the manner be not prescribed then in such manner as may be prescribed by ordinance.

## ARTICLE IV GENERAL POWERS

### Sec. 4.01. - Enumerated powers.

~~The enumeration of particular powers by this charter shall not be held or deemed to be exclusive, but, in addition to the powers enumerated therein or implied thereby, or appropriate to the exercise of such powers, it is intended that the city shall have, and may exercise, all powers of local self-government, and all powers enumerated in chapter 13, title 28, article 1175, of the Texas Revised Statutes as amended, or any other powers which, under the constitution and laws of the State of Texas, it would be competent for this charter specifically~~

~~to enumerate. All powers of the city, whether expressed or implied, shall be exercised in the manner prescribed herein, or when not prescribed herein, then in the manner provided by the laws of Texas relating to cities and towns. The city shall have the power to cooperate with the federal government and its agencies and with the state government and its agencies, and with any political subdivision, or agency thereof.~~**A. Powers of the city.** The city shall have the powers granted to municipal corporations by the constitution and laws of the State of Texas, including the implied powers necessary to execute the powers granted. The specific mention of a particular power shall not be construed as limiting in any way the general powers granted herein. These powers include, but are not limited to:

(1) the acquisition of property inside or outside the city for any municipal purpose;

(2) the sale, lease, management, and control of city property as the best interests of the city require;

(3) the establishment and use of a corporate seal;

(4) the right to sue and be sued in the courts (provided this right is not a waiver of sovereign immunity, and shall never be so construed);

(5) the right to enter into contracts;

(6) the right to cooperate with state, federal, and other local governments to accomplish any lawful purpose in the best interest of the city and its inhabitants; and

(7) the adoption of ordinances for maintaining and promoting the peace and welfare of the city and for executing the functions of government.

**B. Eminent domain.** The city has the power of eminent domain to take private and public property, in or outside the city, for any public purpose, when necessary or desirable to carry out the powers conferred upon the city by this Charter or state law. This power of eminent domain includes the right of the city to take full title or an easement in land.

**C. Zoning and appeals.**

(1) Zoning. The city council has the authority to zone the city and to pass necessary ordinances and regulations to implement zoning in accordance with state law, or ordinance of the city.

(2) Board of adjustment. The city council shall create a board of adjustment as provided by state law which shall hear appeals from administrative decisions concerning the zoning ordinance, decide applications for variances, and perform other functions assigned by ordinance.

**D. Establishment and maintenance of streets and other public places.** The city has the inalienable power to establish, lay out, open, close, abandon, maintain, improve, regulate, and supervise the streets, bridges, alleys, sidewalks, parks, squares, and other public places of the city.

**E. Authority over use of streets.** The city has inalienable and exclusive authority and jurisdiction over the uses in, upon, over, and under the streets, alleys, and other rights-of-way of the city. This exclusive authority includes, but is not limited to, the right to regulate, locate, relocate, remove, or prohibit the location of, all utility pipes, lines, wires, or other property.

**F. Garbage disposal.** The city has the authority to provide a solid waste system for the city. The city council may by ordinance adopt regulations for the handling of all garbage, trash, and rubbish in the city and fix charges for its removal. Any contract or license permitting or authorizing garbage or solid waste removal service within the city shall be subject to the provisions of Article VIII of this charter.

**G. Sanitary sewer system.** The city has the authority to provide a sanitary sewer system and to require property owners to connect their premises to the sewer system. The city council may by ordinance provide penalties for failure to make sanitary sewer connections, adopt regulations for the protection of the sewer system, and fix charges for sanitary sewer service.

**H. Water system.** The city has the authority to provide for a water system and its management. The city council may by ordinance prescribe charges and regulations, for water connections, turn-on, cut-off, consumption, use, and waste, and prescribe penalties for violation of these regulations.

**I. Public library.** The city has the authority to establish and maintain a public library free to residents within the city and to cooperate with any person or other entity, under terms the city council may prescribe, for the establishment or maintenance of the public library.

**J. Public parks.** The city has authority to provide and control city parks. Pursuant to this authority, the city may install improvements in the parks, including, but not limited to, landscaping, amusements, recreational facilities, buildings, playgrounds, walkways, and driveways.

**K. Cemeteries.** The city has the authority to:

(1) regulate burial grounds, cemeteries, and crematories owned by any person, firm, or corporation;

(2) condemn and close a burial ground, cemetery, or crematory when the public interest or public health demands it; and

(3) purchase, establish, own, regulate and maintain one or more cemeteries.

## **ARTICLE V CITY COUNCIL**

### **Sec. 5.01. - City officials.**

The municipal government of the city shall consist of a city council composed of a mayor and six councilmembers. Said mayor and council shall be elected from the city at large. The city councilmembers and mayor each shall be allowed, a minimum for coincidental expenses, the sum of \$25.00 dollars per meeting, provided that the total salary paid during any year to the

entire (7 member) city council in the aggregate shall not exceed the annual compensation of the lowest paid permanent full-time city employee; and such designated actual expenses supported in writing.

**Sec. 5.02. - Qualifications.**

Each of the six councilmembers and mayor shall on the date of the election, be at least 21 years of age, a citizen of the United States of America and a registered, qualified voter of the ~~City of Saginaw~~~~State of Texas~~ shall reside and shall have resided for at least one year preceding the election date at which he is a candidate, within the corporate limits of Saginaw; and shall not be in arrears in the payment of any taxes due the city; meeting all other qualifications prescribed by article 1.05 of the Texas Election Code and any amendment thereof. A member of the council ceasing to possess any of the qualifications specified in this section, or any other sections of this charter, or convicted of a felony while in office, shall immediately forfeit his office.

**Sec. 5.03. - Date of election; candidates to run for places; places designated; terms of office.**

The regular municipal elections of the City of Saginaw shall be held every year for the election of mayor and councilpersons on the first Saturday of May, and the same shall be conducted and the results canvassed and announced by the election authorities prescribed by the Election Code of the State of Texas, and said code shall control in all municipal elections except as otherwise herein provided.

The mayor and councilmember place 2 will be elected in 1988 for three year terms. Councilmembers place 4 and place 6 will be elected in 1988 for two year terms until 1990. Thereafter, places 4 and 6 will be three year terms. Three councilmembers, places 1, 3, and 5 will be elected for three year terms in 1989. Terms of office for mayor and council after 1993 will be three year terms.

**Sec. 5.04. - Hours of election.**

The polls shall be open at each election from 7:00 a.m. until 7:00 p.m.

**Sec. 5.05. - Official ballot.**

The official ballot shall be drawn up by the city secretary and approved by the city attorney and will contain the names of all qualified candidates for office, except those who may have been withdrawn, deceased or become ineligible. Names will be placed on the ballot without party designation and position on the ballot will be determined by a drawing held by the city secretary. Filing within time limits shall be as prescribed by state law.

**Sec. 5.06. - Qualified voters.**

A registered voter must live within the city limits for 30 days in order to be eligible to vote.

#### **Sec. 5.07. - Election judges and other election officials.**

The election judges, and other election officials for conducting all city elections, shall be appointed as permitted by law~~by the city council~~. The election judges shall conduct the elections, determine, record, and report the results as provided by the election laws of Texas.

#### **Sec. 5.08. - Judge of election.**

The city council shall be the judge of the election and qualification of its own members and of the mayor, subject to the courts in the case of contest. In accordance with state law, ~~t~~The city council shall, as soon as practical after the election, ~~not to exceed ten days, after each regular or special election,~~ canvass the returns and declare the results of such election. The council and council candidates receiving the majority number of votes for an office shall be declared elected. If such election results in a candidate not receiving a majority of the votes, cast, it shall be the duty of the council to order a second election for the office or offices in which candidates did not receive a majority of votes. ~~The Said~~ election shall be held in accordance with state law~~not later than 30 days from the date on which the city council canvassed the returns and declared the results~~. In said section election, only the two candidates receiving the most votes in the first elections shall be eligible to run. In the event one of the candidates of the second election withdraws or dies, a second election shall not be held for that office, and the other candidate for such office shall be declared elected, and shall be seated.

#### **Sec. 5.09. - Vacancies.**

In case of a vacancy from any cause in the office of mayor or councilmember, the city council shall order a special election to fill such vacancy to be held in accordance with rules set forth in the Texas Constitution for three year terms. In the event a vacancy occurs on the council for an unexpired term of 12 months or less, the council may call a special election to fill the vacancy, or by a majority vote of the remaining council, appoint a replacement to fill the vacancy, on the next election date, as authorized by the Texas Election Code, provided, however, in the case of only one vacancy when there remains 120 days or less until the expiration of the office to be filled, the council will not call an election to fill the unexpired term of the vacancy.

#### **Sec. 5.10. - City council meetings.**

The city council shall meet a minimum of one time per month. The council may by ordinance establish additional regular meetings, and hold as many special meetings as necessary.~~The city council shall meet a minimum of one time per month and more as needed.~~

#### **Sec. 5.11. – The council in the event the council membership falls below a quorum.**

A quorum of the council shall be four (4) members. In the event there are more than three (3) vacancies due to death or disability, the remaining members shall constitute a quorum, and shall proceed to fill the vacancies as required by state law and permitted by this charter. In the event there are six (6) or more vacancies, the county judge is authorized and directed to appoint qualified person(s) if there is less than twelve (12) months remaining on any unexpired term or to call an election to fill the vacancies as permitted by this charter and required by the Texas Constitution.

## ARTICLE VI POWERS AND DUTIES OF OFFICERS

### **Sec. 6.01. - Powers of the council.**

All powers and authority which are expressly or explicitly conferred on or possessed by the city shall be vested in and exercised by the city council, provided however, that the council shall have no power to exercise those powers which are expressly conferred upon other city officers by this charter.

### **Sec. 6.02. - Duties of mayor; mayor pro-tem.**

The Mayor of the City of Saginaw shall preside over the meetings of the city council and perform such other duties consistent with the office as may be imposed upon him by this charter and the ordinances and resolutions passed pursuant hereof. He may participate in the discussion of all matters coming before the council and shall be entitled to vote in all cases, but shall have no veto power. He shall sign all contracts and conveyances made or entered into by the city and all bonds issued under the provisions of this charter, and shall be the chief executive officer of the city. He shall be recognized as the official head of the city by the court for the purpose of serving civil process, by the governor for the purpose of enforcing military law, and on all ceremonial purposes. In time of danger or emergency, the mayor may, with the consent of the council, take command of the police and other departments and govern the city by proclamation and maintain order and enforce all laws.

The mayor pro-tem shall be elected from among the members of the city council~~six councilmembers~~; shall be elected each year at the first regular meeting following the general city election, and shall, in the absence or disability of the mayor, perform all the mayor's duties.

### **Sec. 6.03. - Powers and duties of city council.**

The powers and duties herein conferred upon the city council shall include, but shall not be limited to the following:

(1) To appoint and remove the city manager.

~~(2) To establish other administrative departments and distribute the work of divisions and to abolish or consolidate said departments and divisions.~~

(23) To adopt the budget of the city.

(34) To authorize the issuance of bonds by a bond ordinance.

(45) ~~As a whole to~~ conduct investigations inquire into the conduct of any office, department, or agency of the city and make investigation as to municipal affairs.

(56) To appoint the necessary commissions and boards to assist the council in the performance of its duties and responsibilities. Such powers subject to the restrictions of the charter and the laws of the State of Texas.

(~~67~~) To adopt plats.

(~~78~~) To adopt and modify the official map of the city.

(~~89~~) To regulate, license, and fix the charges or fares made by any person owning, obtaining or controlling any vehicle of any character used for carrying of passengers for hire on the public streets and alleys of the city.

(~~910~~) To provide for the establishment and designations of fire limits and to prescribe the kind and character of buildings or structures or improvements to be erected therein, and provide for the condemnation of dangerous structures or buildings or dilapidated buildings calculated to increase the fire hazard, and the manner of their removal or destruction.

(~~101~~) To fix the salaries and compensation for the non-elective city officers and employees.

(~~112~~) To provide for sanitary sewer and water system.

(~~123~~) May regulate burial grounds, cemeteries, and crematories and condemn and close any such burial grounds, cemeteries, and crematories in the thickly settled portions of the city when public interest or public health may demand, and may regulate interment of the deceased.

#### **Sec. 6.04. - Appointment or removal by city council.**

Neither the council nor any of its members shall direct or request the appointment of any person to, or his removal from, office by the city manager or by any of his subordinates, or in any manner take part in the appointment or removal of officers and employees in the administrative service of the city. Except for the purpose of inquiry, the council and its members shall deal with the administrative service solely through the city manager and neither the council nor any member thereof shall give orders to any subordinates of the city manager, either publicly or privately. Any councilmember violating the provisions of this section shall be guilty of a class C misdemeanor and fined not in excess of \$200.00, and if so convicted, shall cease to be a councilmember. Whether convicted of a class C misdemeanor or not, a councilmember, found to be guilty of violating the provisions of this section, by a 5/6 vote of the remainder of the council shall cease to be a councilmember.

#### **Sec. 6.05. - City manager.**

**A. 1.—Appointment and qualifications.** The council shall appoint a city manager who shall be the chief administrative officer of the city and shall be responsible to the council for the administration of all the affairs of the city. He shall be chosen by the council solely on the basis of his executive and administrative training, education, experience, ability, and character, and need not, when appointed, be a resident of the city. No member of the city council shall, during the time for which he is elected and for two years thereafter, be appointed city manager.

**B. 2.—Term, salary and removal.** The city manager shall be appointed or may be removed at the will and pleasure of the council by affirmative vote of four members of the council. The

action of the council in suspending or removing the city manager shall be final; it being the intent of this charter to vest all authority and fix all responsibility of such suspension or removal in the council. In case of absence or disability of the city manager, the council may designate some qualified person other than an elected officer of the city to perform the duties of the office during such absence or disability. The city manager shall receive such compensation as may be fixed by the council.

**C. 3. Powers and duties of the city manager.** The powers herein conferred upon the city manager shall include but shall not be limited to the following:

~~(1)a.~~ Appoint and remove and officer or employee of the city except those officers and employees whose appointment or election is otherwise provided for by law or this charter.

~~(2)b.~~ Direct and supervise the administration of all departments, offices and agencies of the city, except as otherwise provided by law or this charter.

~~(3)c.~~ See that all state laws and city ordinances are effectively enforced.

~~(4)d.~~ Prepare and submit the annual budget and a five year capital improvement program to the council as prescribed in article XII of the charter.

~~(5)e.~~ Submit to the council monthly a report on the finances and administrative activities of the city and a complete report at the end of each fiscal year.

~~(6)f.~~ Provide each department head with a financial report of his department monthly.

~~(7)g.~~ Attend all meetings of the council except when excused by the council.

~~(8)h.~~ Provide for the dissemination of personnel rules, regulations, and benefits as approved by the city council.

~~(9)i.~~ Perform such other duties as may be prescribed by this charter or required of him by the council, not inconsistent with provisions of this charter.

(10) To establish other administrative departments and distribute the work of divisions and to abolish or consolidate said departments and divisions, provided funding is available in the approved budget.

#### **Sec. 6.06. - Appointment and removal of city secretary.**

The city council ~~mayor~~ shall appoint the city secretary and such assistant city secretaries as deemed advisable with the approval of the council. The mayor may remove such employees with approval of 4/7 vote of the council. The city secretary, or an assistant city secretary, shall give notice of council meetings, shall keep the minutes of the proceedings of such meetings, shall authenticate by his signature and record in full, in a book kept and indexed for that purpose, all ordinances and resolutions, and shall perform such other duties as the city council shall assign to him and those elsewhere provided for in this charter, and shall keep and affix the city seal to all official documents.

#### **Sec. 6.07. - Appointment and removal of city attorney.**

The city council shall appoint or remove the city attorney by (4/7) vote of the council. The city attorney shall be a competent attorney, duly licensed and admitted to the practice of law by the State of Texas. The city attorney shall be legal advisor of and attorney for all officers of the city, in their official capacity, and shall represent the city in all litigation and legal proceedings. The city attorney shall approve the legality of every ordinance before it is acted upon by the council.

#### **Sec. 6.08. - Municipal court.**

**A.** There shall be a court known as the Municipal Court of the City of Saginaw, with such jurisdiction, powers, and duties as are given and prescribed by the laws of the State of Texas.

**B.** The city council shall be empowered to create an additional municipal court if found necessary for orderly administration of justice.

~~The mayor of the city is empowered and authorized to administer oaths. He shall also have the power and authority of any magistrate in arraignments and issuing warnings to arrested persons.~~

**D. (1) — Judge of the municipal court.** The municipal court shall be presided over by a ~~magistrate who shall be known as the municipal judge and shall be competent and duly appointed as set out by the Code of Criminal Procedure of the State of Texas applicable to municipal courts.~~ municipal court judge who shall be a licensed attorney in the State of Texas with at least five (5) years of experience. ~~He shall be appointed by the mayor and council. The judge shall be appointed by ordinance approved by a majority of the council. The judge~~ He ~~can be removed by 4/7 vote of the council after notice and public hearing, if requested by the judge. In the event the municipal judge is unable to act for any reason or in the event of a vacancy, the mayor may appoint one or more qualified persons to act as substitute or temporary municipal judge.~~

**E. (2) — Clerk of the municipal court.** There shall be a clerk of the municipal court who shall be employed by the city manager. He can be removed by the city manager. The clerk shall have power to administer oaths and affidavits, make certificates, affix the seal of the court thereto, and otherwise perform any and all acts necessary in issuing process of such court and conducting the business thereof. There shall be such deputy clerks of the municipal court as may be authorized and employed by the city manager, who shall have authority to act for and on behalf of the clerk of the municipal court.

**F. (3) — Procedure in the municipal court.** All complaints, prosecutions, the service of process, commitment of those convicted of offenses, the collection and payment of fines, the attendant and service of witnesses and juries, punishment for contempt, bail or taking of bonds shall be governed by state law ~~the Code of Criminal Procedure of the State of Texas applicable to municipal courts.~~

## ARTICLE VII

### **RESERVED DEPARTMENTS**

#### **Sec. 7.01. – General.**

~~The city council may create or establish, abolish or consolidate, as many departments or offices as it may deem necessary for the best interest of the city. It may divide the administration of such departments or offices as it may deem advisable.~~

## ARTICLE VIII PUBLIC UTILITIES

#### **Sec. 8.01. – Municipal utilities ~~City ownership and operation thereof.~~**

##### **A. City owned utilities.** The city has the following powers:

(1) to buy, construct, lease, maintain, operate, contract for services and regulate public utilities;

(2) to manufacture, distribute, and sell the output of utility operations; and

(3) other powers regarding utility services granted under the constitution and laws of the state.

**B. Service outside city limits.** The city may extend utility lines and sell utilities service outside the city limits, in accordance with state law.

#### **Sec. 8.02. - Power to grant franchise; term.**

The city council has the power, by ordinance, to grant, renew, extend, and amend franchises of public utilities operating within the city. A franchise shall not be granted for an indeterminate period nor for a term of more than 20 years from the date of the grant, renewal, or extension.

#### **Sec. 8.03. - Grant not to be exclusive, except for solid waste service franchise.**

The grant of a franchise to construct, maintain, or operate a public utility and the renewal or extension of the grant shall not be exclusive, aside from a solid waste franchise.

#### **Sec. 8.04. - Ordinance granting franchise.**

An ordinance granting, renewing, extending, or amending a public utility franchise must be approved at two separate regular meetings of the city council, and shall not be finally passed until 30 days after the first approval. The full text of the ordinance must be published once between the first and second approval in a newspaper of general circulation in the city. The expense of the publication shall be paid by the prospective franchise holder. A franchise becomes effective after publication and second approval.

#### **Sec. 8.05. - Transfer of franchise.**

A public utility franchise may not be transferred without approval by ordinance of the city council. This restriction on transfer does not prevent the franchise holder from pledging the franchise as security for a valid debt or mortgage.

#### **Sec. 8.06. - Franchise value not allowed.**

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A franchise holder shall not assign a value to the franchise granted by the city for use in calculating reasonable rates and charges for utility service within the city nor for determining just compensation to be paid by the city for public utility property which it may acquire by condemnation or otherwise.

#### **Sec. 8.07. - Regulation.**

**A. Right of the city.** Whether or not it is stated in the franchise ordinance, a grant, renewal, extension, or amendment of a public utility franchise is subject to the right of the city council:

(1) to terminate the franchise by ordinance at any time for the failure of the franchise holder to comply with the terms of the franchise, this power to be exercised only after notice and hearing and an opportunity to correct the default.

(2) to require expansion and extension of plant facilities that are necessary to provide adequate service to the public and to maintain plant and fixtures at the highest reasonable standard of efficiency.

(3) to establish reasonable standards of service and quality of products and prevent unjust discrimination in service or rates.

(4) to impose regulations that insure safe, efficient, and continuous service to the public.

(5) to examine and audit at any time during regular business hours the accounts and records of the utility which relate to the city's regulation.

(6) to prescribe the form of accounts kept by each utility; provided, that the utility is in compliance with this paragraph if it keeps its accounts in accordance with the uniform system of accounts prescribed for the utility by a federal or state agency with regulatory authority over the utility.

(7) to require the utility to compensate the city for use of the city's public rights-of-way and other public property as permitted by state or federal law.

**B. Repair of rights-of-way.** A franchise holder shall refill and repair openings or other damage to the public rights-of-way caused by the franchise holder. It shall replace the pavement and perform all other work necessary to complete restoration of streets, sidewalks, or grounds to a condition equally as good or better as when disturbed. The city council may adopt ordinances to implement the requirements of this paragraph.

### **Sec. 8.08. - Public service corporations to file annual reports.**

The city council may adopt an ordinance requiring all public utility corporations operating within the city to file a sworn annual report of the receipts from the operation of the utility for the current year, how expended, the amount expended on improvements, the rate of charges for services to the public, and any other facts or information that the city council determines is pertinent for its use in intelligently passing upon questions that may arise between the city and the public utility. The reports shall be filed with the city secretary, and preserved for the use of the city council. The city council shall review the reports annually to determine the propriety of the rates being charged.

### **Sec. 8.09. - Regulation of rates.**

#### **A. Authority of the city council.** The city council has authority:

- (1) after notice and hearing, to regulate by ordinance, the rates of every public utility operating in the city;
- (2) to employ expert advice and assistance in determining a rate and equitable profit to the public utility; and
- (3) space to require within the franchise grant, extension, or renewal, or as a condition of a hearing concerning rates and service, that the public utility seeking the rate or service change pay the cost of the expert advice and assistance as chosen by the city council.

#### **B. Ordinance regulating rates.** The city council shall not adopt an ordinance regulating utility rates as an emergency measure.

~~(A) — General. The city shall have power to build, construct, purchase, own, lease, maintain and operate, within or without the city limits, light and power systems, water systems, sewer systems or sanitary disposal equipment and appliances, natural gas systems, park and swimming pools, fertilizer plants, and any other public service or utility; power to mortgage and encumber such systems or systems in the manner provided in article 1111 to 1118, inclusive, of the 1925 Texas Revised Statutes, as amended, and any other laws of the State of Texas applicable thereto; and all the powers which the city might exercise in connection with such public utilities and public services under article 1175 of the 1925 Texas Revised Statutes, as amended thereto, now or hereafter in effect, as well as under any other general laws of the State of Texas pertinent or applicable thereto, including the power to demand and receive compensation for service furnished for private purposes, or otherwise, and with full and complete power and right of eminent domain proper and necessary to efficiently carry out said objects.~~

~~(B) — Power to contract for public utilities. The city is authorized to enter into contracts or leases with individuals, corporations partnerships, or other municipal corporations, for furnishing in whole or in part any public utility or portions of public utility systems that might be needed by the city or the citizens of the city. The consideration for such contracts or leases may in the discretion of the city council be paid by the city or prorated to the individual users of the utility covered by such contractor lease; or to permit individuals, corporations, partnerships~~

~~or other municipal corporations to furnish in whole or in part any public utility or portion of any public utility direct to the citizens of the city on such terms as the city may direct.~~

~~(C) — Right to purchase commodities or services essential to the city or its citizens. The city shall have the power to purchase electricity, gas, oil, or any other article, commodity or service essential to a proper conduct of all the affairs of the city, and of its inhabitants on such terms as the city council may deem proper, for sale and distribution to the inhabitants of the city or adjacent territory.~~

**~~Sec. 8.02. — Regulation of public utilities.~~**

~~(1) — The city council shall have the power by ordinance, after notice to the utility and hearing before the council, to fix and regulate charges, fares or rates of compensation to be charged by any person, firm or corporation enjoying a franchise in the city, or engaged in furnishing a public utility service in the city, including cable television and shall in determining, fixing and regulating such charges, fares or rates of compensation, base the same upon the fair value of the property of such person, firm or corporation devoted to furnishing service to such city or the inhabitants thereof. The city council may prescribe the character, quality and efficiency of service to be rendered, and shall have the power to regulate and require the extension of adequate lines or service of such public utility within such city by such person, firm or corporation, taking into consideration the cost to the utility, and from time to time may alter or change such rules, regulations, and compensation, provided that, in adopting such regulations and in fixing or changing such compensation, or determining the reasonableness thereof, no stock or bonds authorized or issued by any corporation enjoying such franchise shall be considered unless on proof that the same have been actually issued by the corporation for money paid and used for the development of the corporate property, labor done or property actually received in accordance with the laws and constitution of this state applicable thereto. In order to ascertain all facts necessary for a proper understanding of what is or should be a reasonable rate of regulation, the city council shall have full power to inspect the books of any such utility serving the inhabitants of the city and compel production of records and the attendance of witnesses for such purpose.~~

~~(2) — Any company, corporation or person engaged in furnishing to the inhabitants of the city any light, power, gas, telephone, transit, cable television, or other public utility services may be required at any time by ordinance or resolution of the city council to file with the city council written reports pertaining to operations and business within the city, and such report shall contain such data, facts and information as may be required by such ordinance or resolution, under the same standards and rules of the state public utility commission and other rules not inconsistent therewith.~~

~~(3) — In addition to the foregoing powers the city shall have all the powers and privileges provided for by article 1175 of the Texas Revised Statutes as amended, in regulating public utilities.~~

## ARTICLE IX CONTRACTS

### Sec. 9.01. - General.

All contracts that the city has at the time of the adoption of this charter shall remain in full force and effect. This provision shall include, but not be limited to, all bonded indebtedness, franchises, contracts for professional services, contracts for improvements, lease contracts, or any other agreement binding upon the City of Saginaw, Texas, immediately prior to the adoption of this charter.

### Sec. 9.02. - Personal services.

A. No contract shall ever be made which binds the city for personal services, except for professional or city manager services to be rendered for any stated period of time, but all appointive employees shall be subject to discharge after a hearing, and when discharged shall only be entitled to compensation up to and including the date of their discharge, any provision to the contrary in this charter notwithstanding.

B. Contracts for professional or city manager services shall be of a term of no longer than three years, and shall contain express language providing for termination without compensation beyond the date of occurrence of any of the following: conviction of a felony or other crime involving moral turpitude; violations of the provisions of the charter or of any ordinance, rule, or of special orders applicable to such person.

### Sec. 9.03. - Goods, materials, services or supplies.

The city or any agent of the city acting for it, shall not make any contract for goods, materials, services, or supplies for the current use of any department of the municipality for more than one year, except as in this charter provided, unless said contract and the cost thereof have been included in the annual budget of the city and unless an appropriation has been made therefore, and no contracts or purchases shall exceed the amount appropriated. This shall not preclude purchase of capital assets having a useful life over a period of years by lease-purchase or other time pay agreements extending for more than one year, not to exceed such useful life of the asset purchased. All contracts shall be made upon specifications and competitive bids except in those cases where such specifications and competitive bids are not required by state law or in contracts for professional services, and no contract shall be binding until it has been signed by a designated representative of the city. Whenever the cost of any contracts charged to any appropriation equals the amount of such appropriation, no person representing the city shall sign or make any additional contracts chargeable to such appropriation. Any contract for current expenditures exceeding the amount set up in the budget or the appropriation therefor shall be void.

### Sec. 9.04. - Competitive bidding.

All Purchases must be made in compliance with state bidding or purchasing requirements. After approval of specifications by the city council, advertisement shall be published in the official newspaper of the city at least once in each week for two consecutive weeks, inviting competitive bids for labor and/or material embraced in the proposed contract. All bids received

~~shall be sealed and delivered to the city secretary. At the time and place announced in said notice, the bids shall be opened and no award shall be made except to one of such bidders. The city council shall determine the most advantageous bid for the city, and shall award the contract to such bidder, but the city council shall always have the right to reject any and all bids, and in the event all bids are rejected, may call for new bids which shall be advertised in like manner as the original bids. Pending advertisement of such proposed contracts, the specifications shall be on file in the office of the city secretary subject to the inspection of all persons desiring to bid. No contract shall ever be authorized except by approval of the city council; provided, however, that contracts for less than \$25,000.00 may be awarded without advertisement and bid, as herein required, if in the opinion of the city council such advertisement and bid should be waived and provided further that in case of public calamity, where it becomes necessary to act at once to appropriate money to relieve the necessity of the citizens, or to preserve the property of the city, or in case of unforeseen damage to public property, machinery or equipment, this provision shall not apply.~~

**~~Sec. 9.05. – Franchises and special privileges.~~**

~~(1) — The right to control, easement, use and ownership and title to the streets, highways, public thoroughfares and property of the city, its avenues, parks, bridges and all other public places and property, are hereby declared to be inalienable except by ordinance duly passed by 4/7 affirmative votes of the city council, and no grant of any franchise or lease, or right to use the same, either on, through, along, across, under or over the same, by any private corporation, association or individual shall be granted by the city council for a longer period than 25 years unless submitted to the vote of the legally qualified voters of the city in the manner provided for in articles 1181 and 1182 of the Texas Revised Statutes as amended, the expense of such election to be borne by the applicant.~~

~~(2) — The city council may, of its own motion, submit all of such applications, to an election at which the people shall vote upon the proposition therein submitted, the expense of such election in all cases to be borne by the applicant.~~

~~(3) — No franchise shall ever be granted until it has been approved by 4/7 vote of the members elected to the city council, after having been read in full at two regular meetings of the city council, nor shall any such franchise, grant or privilege ever be made unless it provides for adequate compensation or consideration therefore to be paid to the city.~~

~~(4) — Every such franchise or grant shall make adequate provision, by way of forfeiture of the grant or otherwise, to secure the efficiency of public service at reasonable rate and to maintain the property devoted to the public service in good repair throughout the term of grant of said franchise.~~

~~(5) — No franchise grant, aside from a solid waste franchise, shall ever be exclusive.~~

~~(6) — The city council may prescribe the forms and methods of the keeping of accounts of any grantees under franchise, provided that the forms and methods of keeping such accounts have not already been prescribed by a state or federal law or agency.~~

## ARTICLE X OWNERSHIP OF REAL OR PERSONAL PROPERTY

### Sec. 10.01. - Acquisition of property.

A. ~~(1)~~—The city shall have the power and authority to acquire by purchase, gift, devise, deed condemnation, or otherwise, any character or property, within or without its municipal boundaries, including any charitable or trust funds.

B. ~~(2)~~—Specifically, but without limitation of the foregoing, the city shall have full power and authority to acquire through the exercise of eminent domain, or by purchase, or otherwise, and maintain and operate, any part or all of any water works system, sewerage system or other public utility used in serving citizens of the city. Such power and authority shall include that specified in ~~the state constitution and statutes~~article 1175, Texas Revised Statutes as amended, subdivisions 11, 13, 15, and any other subdivisions thereof, as now existing or as hereafter amended, and any common law or other statutory law applicable thereto, and such power and authority shall not be limited by any such specific statutory provisions. Such power and authority shall include the right to acquire by eminent domain or purchase from any person, firm, or corporation any part or all of the physical properties, easements, franchises, and other tangible and intangible properties and rights which may be in use as an operating utility business. Such power and authority shall include the right to acquire by eminent domain or purchase any properties located outside of the corporate boundaries of the city if needed by the city in operation of such utility system.

~~(3) — If the city fails to agree with the owners of such utility company as to the value and damages for acquisition of such utility system, the city shall then file a statement with a District Court of Tarrant County, Texas, describe the physical properties, easements, franchises, and other tangible and intangible properties and rights sought to be condemned, and shall state the purpose for which it is intended to be used, the names of the owners, and that the city and the owners have been unable to agree upon the value of such property and rights. In such statement said District Court of Tarrant County, Texas, shall be requested to appoint three commissioners who are disinterested persons and who know the values of such types of utilities as going concerns as well as values of the physical properties, easements, franchises, and tangible and intangible properties and rights involved in such condemnation. Such commissioners shall be instructed by said judge to consider all relevant factors and evidence as to the value of the physical properties being condemned and also the easements, franchises, and other tangible and intangible properties and rights so as to determine the fair value of such utility as an operating system and to determine the fair value of such utility as an operating system and to determine the damages which will be sustained by such condemnee through such taking, and the relevant factors and evidence to be considered by said commissioners shall not be limited to the value of the physical properties and easements, but shall be governed by the laws of this state.~~

~~(4) — All of the books and records of said utility company shall be made available for examination and study by said commissioners, and said commissioners shall have the power to compel the attendance of witnesses and production of books and records in the same manner as the Judge of the County Court at Law of Tarrant County, Texas.~~

~~(5) The city shall not take possession of the property being condemned, or any part thereof, until after entry of a final judgment and expiration of the time for appeal or motion for rehearing.~~

~~(6) Except as otherwise specified herein, the procedure to be followed in condemnation of any part of all of the properties and rights of a utility company shall follow the statutory provisions of articles 3264—3271, both inclusive, Texas Revised Statutes as amended, and the common law applicable to eminent domain.~~

**Sec. 10.02. - Real estate, etc., owned by the city.**

All real estate owned in fee simple title, or held by lease, sufferance, easement, or otherwise; all public buildings, fire stations, parks, streets and alleys, and all property, whether real or personal, of whatever kind, character, or description, now owned or controlled by the city, shall vest in, inure to, remain, and be the property of said city under this charter; and all causes of action, rights or privileges of every kind and character, and all property of whatsoever character or description which may have been held, and is now held, controlled or used by said city for public uses, or in trust for the public, shall vest in and remain and inure to the city under this charter, and all contracts, suits and pending actions to which the city heretofore was or now is a party, plaintiff or defendant, shall in no way be affected or terminated by the adoption of this charter, but shall continue unabated.

**ARTICLE XI  
STREETS AND ALLEYS**

**Sec. 11.01. - Street powers.**

The city shall have exclusive and inalienable control of all alleys, streets, gutters, and sidewalks situated within the city, and the power to lay out, establish, open, alter, extend, widen, straighten, abandon and close, lower, grade, narrow, care for, supervise, maintain and improve any public street, alley, avenue, or boulevard, and for any such purposes to acquire the necessary lands and to appropriate the same under the power of eminent domain. The city shall also have the power to name or rename, vacate and abandon and sell and convey in fee that portion of any street, alley, avenue, boulevard or other public thoroughfare or public grounds, and to convey in fee the same in exchange for other lands, over which any street, alley, avenue or boulevard may be laid out, established and opened; and the city's right to sell and dispose of in fee any part of a street, alley, avenue or boulevard so vacated and abandoned, or the city's right to convey same in exchange for other lands to be used in laying out, opening, widening and straightening any street, shall never be questioned in any of the courts of this state. The procedure for closing streets and alleys shall be in conformity with due process of law and shall be particularly prescribed and provided for by ordinance passed in the usual manner by the city council.

## ARTICLE XII FINANCE BUDGET

### **Sec. 12.01. - Preparation, submission and adoption.**

The city's financial expenditures shall be governed by an annual budget. The budget shall embrace the fiscal year of the city as opposed to the calendar year.

### **Sec. 12.02. - Hearing.**

The city manager shall prepare and submit to the city council a proposed budget and hold a public hearing on the proposed budget in accordance with state law, at least 45 days prior to the beginning of the fiscal year. The city council shall hold a public hearing on the budget and shall give at least ten days notice of said public hearing in the official newspaper of the city.

### **Sec. 12.03. - Adoption.**

At the public hearing or at any regular or special called council meeting, the city council shall make such changes in the proposed budget as it deems advisable and shall adopt a budget prior to the first day of the fiscal year. The budget shall be adopted in accordance with state law, by a majority of the entire council. ~~by the favorable votes of at least 4/7 of the council.~~

### **Sec. 12.04. - Expenditures.**

Once the budget is adopted, the city manager shall authorize no expenditure over the total funds for expenditure in the overall budget unless the budget is amended by the same public notice procedure called for in adopting the budget. Transfer of funds from department to department must be by council approval. The city manager is required to furnish the council with monthly reports which show the prior month's expenditures and total expenditures to date for each budgeted activity.

### **Sec. 12.05. - Public records.**

The budget shall be a public record and a copy shall remain on file in the office of the city secretary for public inspection.

### **Sec. 12.06. - Independent audit.**

The council shall cause an independent audit to be made of books and records of the city once yearly. The auditor shall be chosen by the city council. The audit report will be open to inspection by any citizen and the original copy shall be kept as a permanent record of the city. The annual audit must be made available for public inspection no later than 90-180 days after the close of the city's fiscal year.

## ARTICLE XIII TAXATION

### **Sec. 13.01. - Property subject to taxation.**

All property, real, personal or mixed, lying and being within the corporate limits of the City of Saginaw on the first day of January, shall be subject to taxation, excepting such property as may be exempt from taxation under the constitution, and the laws of the sState and ordinances of th CityTexas.

### **Sec. 13.02. - Power to tax.**

The city council shall have full power to provide an ordinance for the prompt collection of taxes assessed, levied and imposed under the charter, and is hereby authorized, and to that end may and shall have full power and authority to sell or cause to be sold all kinds of property, real and personal, and may and shall make such rules and regulations and ordain and pass all ordinances deemed necessary to the levying, laying, imposing, assessing and collection of any taxes provided for in the charter. The city council shall impose such ad valorem taxes as are necessary to support the budget.

### ~~**Sec. 13.03. - Exempt property.**~~

~~There shall be exempt from taxation all property made exempt by the constitution and laws of the state and the ordinances of the city.~~

### **Sec. 13.0~~3~~4. - Taxation of franchise.**

All rights, privileges and franchises heretofore or hereafter granted to and held by any person, firm or corporation, in the streets, alleys, highways, or public grounds or places in said city, shall be subject to taxation by said city, separately from and in addition to the other assets of such person, firm or corporation, and the governing body of the city may require the rendition and assessment thereof accordingly.

### **Sec. 13.0~~4~~5. - Limitation of tax rate.**

The maximum tax rate shall not exceed \$1.50 on the \$100.00 valuation of taxable property within the City of Saginaw.

### **Sec. 13.0~~5~~6. - Power to borrow.**

The City of Saginaw shall have the right and power to borrow money on the credit of the city for permanent public improvements or for any other public purpose consistent with the constitution and laws of the State of Texas. The city shall also have the power to borrow money against the revenues of any municipally-owned utility and to mortgage the physical properties of such utilities in payment of such debt. In no event, however, shall revenue bonds be considered an indebtedness of the City of Saginaw nor required to be repaid with funds secured by taxation.

**Sec. 13.07. - Procedures.**

The procedure for assessment, levying, rendition, penalties and collection of taxes shall be governed by the laws of the State of Texas.

**ARTICLE XIV  
PLANNING BUILDING REGULATIONS**

**Sec. 14.01. - The planning and zoning commission.**

A. There shall be established a planning and zoning commission which shall consist of five residents of the City of Saginaw, who have resided within said city ~~one year~~six months prior to appointment. The members of said commission shall be appointed by the city council for a term of two years. Two members of the planning and zoning commission shall be so appointed each odd-numbered year and three members shall be appointed each even-numbered year. Vacancies and unexpired terms shall be filled by the city council for the remainder of that member's term. The commission shall elect a chairman from among its membership. The commission shall meet ~~as needed at least once monthly and may schedule additional regular meetings as are required by the level of agenda activity.~~ A quorum for any meeting of the commission shall be a majority of the members. Members of the commission may be removed by the mayor with the consent of the city council after a public hearing and for cause set forth in writing. The city council may appoint additional alternates to serve in the absence of regular members.

B. The commission shall keep minutes of its proceedings which shall be of public record. The commission shall serve without compensation.

**Sec. 14.02. - Planning and zoning commission powers and duties.**

A. The planning and zoning commission shall:

(1A) Recommend a city master plan for the physical development of the city.

(2B) Recommend to the city council the approval of disapproval of any proposed changes in the zoning ordinance text or map; and

(3C) Exercise control over all platting or subdividing of land within the corporate limits of the city and outside said corporate limits to the extent authorized by law. Make specific recommendations to the city council whether a plat be approved or denied. The city council shall make final approval or denial of all plats.

B. The commission shall be responsible to and act as an advisory body to the city council and shall have and perform additional duties as may be prescribed by the ordinances.

**Sec. 14.03. - Master plan.**

A. The master plan for the physical development of the City of Saginaw shall contain the commission's recommendations for growth, development and beautification of the city. A copy of the master plan, or any part thereof, shall be forwarded to the city council, which may adopt

this plan in whole or parts, and may adopt any amendments thereto after at least one public hearing on the proposed plan. The city council shall act on such plan, or part thereof, within 60 days following its submission by the commission. If such a plan, or part thereof, shall be rejected by the city council, the commission may modify such plan or part thereof, and again forward it to the city council for consideration.

B. All amendments to the master plan recommended by the commission shall be submitted in the same manner as outlined above to the city council for approval and all revisions affecting the master plan shall be accompanied by a recommendation from the planning and zoning commission.

#### **Sec. 14.04. - Legal effect of the master plan.**

A. Upon the adoption of a master plan for the City of Saginaw by the city council, that plan shall become a general guideline for all decisions made by the planning and zoning commission and city council related to existing or proposed development of the city.

B. On any case coming before the planning and zoning commission the commission shall make a recommendation to the city council to approve or deny the proposal. ~~If the recommendation of the commission is to deny the proposal the reasons for the denial shall be communicated to the city council. The city council shall have the power to overrule such recommendation of denial, and upon such overruling, the city council shall have the power to proceed.~~

~~Any zoning action taken to revise the Zoning Map of the City of Saginaw which shall have had proper hearing before the planning and zoning commission and from which a recommendation is given by the commission to the city council, and after proper public hearing and consideration before the city council, is approved by the city council; such change in the zoning map shall also be deemed to have revised the future land use map as it appears in the Master Plan of the City of Saginaw.~~

#### **Sec. 14.05. - General building regulations.**

The city may by ordinance regulate the erection, building, placing, moving or repairing of buildings or other structures, within such limits of the city as it may designate and prescribe, ~~in order to guard against the calamities of fire, flood, or windstorm~~ and may within said limits prohibit the moving or putting up of any building or other structure from without said limits, and may also prohibit the removal of any building or other structure from one place to another within said limits, and may direct that all buildings or other structures within the limit so designated as aforesaid shall be made or constructed of fire-resistant materials, and may declare any dilapidated building or structure to be a nuisance and direct the same to be repaired, removed or abated in such manner as they shall direct; to declare all buildings and other structures in the fire limits which they deem dangerous to contiguous buildings, or in causing or promoting fires, to be nuisances, and require and cause the same to be removed in such manner as they shall prescribe.

#### **Sec. 14.06. - Building lines.**

The city shall have the power, for the purpose of promoting the public health, safety, order,

convenience, prosperity, and general welfare, acting through its governing body, under the public power, to provide by suitable ordinance building lines on any street or streets, or any block of any street or streets, and to require their observance by suitable penalties.

## **ARTICLE XV RECALL OF OFFICERS**

### **Sec. 15.01. - Scope of recall.**

Any city official elected by the people shall be subject to recall and removal from office by the qualified voters of the city on grounds of misconduct or malfeasance in office.

### **Sec. 15.02. - Petition for recall.**

Before the question of recall of such officer shall be submitted to the qualified voters of the city, a petition demanding such question to be so submitted shall first be filed with the person performing the duties of city secretary; which said petition shall be signed by qualified voters of the city equal in number to at least 25 percent of the number of votes cast at the last regular municipal election of the city, but in no event, less than ~~500~~<sup>250</sup> such petitioners. Each signer of such recall petition shall personally sign his name thereto in ink or indelible pencil, and each petition must contain the information required by Chapter 277 of the Texas Election Code, as amended, for the validity of signatures. ~~and shall write after his name his place of residence, giving name of street and number, and shall also write thereon the day, the month and year his signature was affixed.~~

### **Sec. 15.03. - Form of recall petition.**

The recall petition mentioned in section 15.02 of this article must be addressed to the City Council of the City of Saginaw, must distinctly and specifically point out the ground or grounds upon which such petition for removal is predicated, and, if there be more than one ground, such as for misconduct or malfeasance in office, shall specifically state each ground with such certainty as to give the officer sought to be removed, notice of the matters and things with which he is charged. The signature shall be verified by oath in the following form:

STATE OF TEXAS  
COUNTY OF TARRANT

I, \_\_\_\_\_, being first duly sworn on oath depose and say that I am one of the signers of the above petition; and that the statements made therein are true, and that each signature appearing thereto was made in my presence on the day and date it purports to have been made, and I solemnly swear that the same is the genuine signature of the person whose name it purports to be.

Sworn and subscribed to before me this \_\_\_\_\_ day of \_\_\_\_\_ /  
\_\_\_\_\_, <sup>2019</sup>\_\_\_\_\_.

/s/

Notary Public in and for Tarrant County, Texas

### **Sec. 15.04. - Various papers constituting petition.**

The petition may consist of one or more copies, or subscription lists, circulated separately, and the signatures thereto may be upon the paper or papers containing the form of petition, or upon other papers attached thereto. Verifications provided for in the next preceding section of this article may be made by one or more petitioners, and the several parts or copies of the petition may be filed separately and by different persons; but no signatures to such petition shall remain effective or be counted which were placed thereon more than 45 days prior to the filing of such petition or petitions with the person performing the duties of city secretary. All papers comprising a recall petition shall be filed with the person performing the duties of city secretary on the same day and the said secretary shall immediately notify, in writing, the officer so sought to be removed, by mailing such notice to his Saginaw address.

**Sec. 15.05. - Presentation of petition to city council.**

Within five days after the date of filing of the papers constituting the recall petition, the person performing the duties of city secretary shall present such petition to the City Council of the City of Saginaw.

**Sec. 15.06. - Public hearing to be held.**

The officer whose removal is sought may, within five days after such recall petition has been presented to the city council, request that a public hearing be held to permit him to present facts pertinent to the charges specified in the recall petition. In this event, the city council shall order such public hearing to be held not less than five days nor more than 15 days after receiving such request for a public hearing.

**Sec. 15.07. - Election to be called.**

If the officer whose removal is sought does not resign, then it shall become the duty of the city council to order an election and fix a date for holding such recall election, the date of which election shall be on the next uniform election date that allows sufficient time to meet the requirements of this charter and state law~~not be less than 25 nor more than 35 days from the date such petition was presented to the city council, or from the date of the public hearing if one was held, subject to restrictions of the Texas Election Code.~~

**Sec. 15.08. - Ballots in recall election.**

Ballots used at recall election shall conform to the following requirements:

- (1) With respect to each person whose removal is sought, the question shall be submitted:

"Shall (name of person) be removed from the office of (name of office) by recall?"

- (2) Immediately below each question there shall be printed the two following propositions, one above the other, in the order indicated:

"For the recall of (name of person)"

"Against the recall of (name of person)"

**Sec. 15.09. - Result of recall election.**

If a majority of the votes cast at a recall election shall be against the recall of the person named on the ballot, he shall continue in office for the remainder of his unexpired term, subject to recall as before. If a majority of the votes cast at such an election be favorable for recall of the person named on the ballot, he shall, regardless of any technical defects in the recall petition, be deemed removed from office and the vacancy shall be filled as vacancies in the city council are filled.

**Sec. 15.10. - Recall—restriction thereon.**

No recall petition shall be filed against any officer of the City of Saginaw within three months after his election, nor within three months after an election for such officer's recall.

**Sec. 15.11. - Failure of city council to act.**

In case all the requirements of this charter shall have been met and the city council shall fail or refuse to receive the recall petition, or order such recall election or discharge any other duties imposed upon said city council by the provision of this charter with reference to such recall, then the County Judge of Tarrant County, Texas, shall discharge any of such duties herein provided to be discharged by the person performing the duties of the city secretary or by the city council.

**ARTICLE XVI  
INITIATIVE AND REFERENDUM**

**Sec. 16.01. - General power.**

The registered, qualified voters of the City of Saginaw, in addition to the method of legislation herein before provided, shall have the power to direct legislation by initiative and referendum.

**Sec. 16.02. - [Initiative and referendum.]**

**A. Initiative.** Initiative power may be used to enact a new ordinance or to repeal or amend sections of an existing ordinance. Qualified voters of the City of Saginaw may initiate legislation, (except ordinances levying taxes, authorizing the issuance of bonds or other evidences of indebtedness, setting rates for services, adoption of a budget, ~~or~~ any subject where state law requires a public hearing, personnel matters, or any matter a court of competent jurisdiction has determined to be removed from the field of initiative or referendum) by submitting a petition addressed to the city council which requests the submission of a proposed ordinance or resolution to a vote of the qualified voters of the city. Said petition must be signed by qualified voters of the city equal in number to 25 percent of the number of votes cast at the last regular municipal election of the city, or ~~500250~~, whichever is greater, and each copy of the petition shall have attached to it a copy of the proposed legislation. The petition shall be signed in the same manner as recall petitions are signed in this charter, and shall be verified by oath in the manner and form provided for recall petitions in this charter. The petition may consist of one or more copies as permitted for recall petitions in this charter. Such petitions shall be filed with the persons performing the duties of city secretary, who, within five days, shall present said petition and proposed ordinance or resolution to the city council. Upon presentation, to the city council of the petition, and draft of the proposed ordinance or

resolution, it shall become the duty of the city council, within the ten days after the receipt thereof, to pass and adopt such ordinance or resolution without alteration as to meaning or effect in the opinion of the persons filing the petition or to call a special election as soon as possible, subject to the Texas Election Code, which the qualified voters of the City of Saginaw shall vote on the question or adopting or rejecting the proposed legislation. However, if any other municipal election is to be held within 60 days after the filing of the petition, the question may be voted on at such election.

**B. Referendum.** Registered, qualified voters of the City of Saginaw may require that any ordinance or resolution passed by the city council be submitted to the voters of the city for approval or disapproval (except ordinances levying taxes, authorizing the issuance of bonds or other evidences of indebtedness, setting rates for services, adoption of a budget, ~~or~~ any subject where state law requires a public hearing, personnel matters, or any matter a court of competent jurisdiction has determined to be removed from the field of initiative or referendum), by submitting a petition for this purpose within 30 days after final passage of said ordinance or resolution or within 30 days after its publication. Said petition shall be addressed, prepared, signed and verified by oath in the manner and form provided for recall petitions as provided in sections 15.02 and 15.03, article XV of this charter, provided, however, the names on such petition shall also be of registered voters and shall be submitted to the person performing the duties of city secretary. Within five days upon the filing of such petition, the person performing the duties of city secretary shall present said petition to the city council. Thereupon the city council shall, within ten days, reconsider such ordinance or resolution and, if it does not entirely repeal the same, shall submit to popular vote at a special election as soon as possible, subject to the Texas Election Code, at which time the registered, qualified voters of the City of Saginaw shall vote on the question or adopting or rejecting the proposed question. However, if any other municipal election is to be held within 60 days of the filing of the petition, the question may be voted on at such election. Pending the holding of such election, such ordinance or resolution shall be suspended from taking effect and shall not later take effect unless a majority of the registered, qualified voters voting thereon at such election shall vote in favor thereof.

#### **Sec. 16.03. - Voluntary submission of legislation by the council.**

The city council, upon its own motion and by majority vote of its members, may submit to popular vote at any election for adoption or rejection any proposed ordinance or resolution or measure, or may submit for repeal and existing ordinance, resolution or measure in the same manner and within the same force and effect as provided in subsections 16.02A. and B. of this article, and may, at its discretion, call a special election for this purpose.

#### **Sec. 16.04. - Form of ballots.**

The ballots used when voting upon such referred ordinances, resolutions or measures, shall set forth their nature sufficiently to identify them and shall also set forth upon separate lines the words:

- (1) "For the Ordinance," and "Against the Ordinance"; or
- (2) "For the Resolution" and "Against the Resolution."

**Sec. 16.05. - Publication of proposed referred ordinances.**

The person performing the duties of city secretary shall publish at least once in the official newspaper of the city the proposed or referred ordinance or resolution within 15 days before the date of the election, and shall give such other notices and do such other things relative to such election as are required in general municipal elections or by the ordinance or resolution calling said election.

**Sec. 16.06. - Adoption of ordinances.**

If a majority of the registered, qualified voters voting on any proposed ordinance or resolution or measure shall vote in favor thereof, it shall thereupon, or at any time fixed therein, become effective as a law or as a mandatory order of the city council.

**Sec. 16.07. - Inconsistent ordinances.**

If the provisions of two or more proposed ordinances or resolutions approved at the same election are inconsistent, the ordinance or resolution receiving the highest number of votes shall prevail.

**Sec. 16.08. - Further regulations by city council.**

The city council may pass ordinances or resolutions providing other and further regulations for carrying out the provisions of this article not inconsistent herewith.

**Sec. 16.09. - Franchise ordinances.**

Nothing contained in this article shall be construed to be in conflict with any of the provisions of article ~~VIIIIX, section 9.05~~ of the charter, pertaining to ordinances granting franchises when valuable rights shall have accrued thereunder.

**ARTICLE XVII  
GENERAL PROVISIONS**

**Sec. 17.01. - Continuity in government.**

Any ordinance in effect at the time this charter is adopted, and not otherwise in conflict with this charter, which refers to some office or employment of the city which ceases to exist under this charter, shall continue in force and the powers and duties therein prescribed shall be the powers and duties of the office of employment which under this charter, succeeds to the same general powers and duties of such office or employment under some ordinance.

**Sec. 17.02. - Effect of charter on existing law.**

All ordinances, resolutions, rules and regulations in force in the city on the effective date of this charter, and not in conflict with this charter, shall remain in force until altered, amended or repealed. All taxes, assessments, liens, encumbrances and demands, of or against the city, fixed or established before such date, or for the fixing or establishing of which proceedings have begun at such date, shall be valid when properly fixed or established either under the law

in force at the time of beginning of such proceedings or under the law after the adoption of this charter.

**Sec. 17.03. - Official oath.**

All officers of the city shall, before entering upon the duties of their respective offices, take and subscribe to the official oath prescribed in the Constitution of the State of Texas. Oath of office shall be administered by the mayor, mayor pro-tem, or any other person authorized by law to administer oaths.

**Sec. 17.04. - Public meetings.**

All meetings of the council and all boards or commissions appointed by the council shall be open to the public, except those authorized by law to be closed. Minutes of all public meetings shall be kept and such minutes shall constitute public records.

**Sec. 17.05. - Public records.**

All public records of every office, department or agency of the city shall be open to inspection by any citizen at all reasonable times, provided that such police records, vital statistics records, or any other records which are closed to the public by law shall not be considered public records for the purpose of this section.

**Sec. 17.06. - Official newspaper.**

The council shall have the power to designate by resolution a newspaper of general circulation in the city as the official newspaper, and shall cause to be published therein all captions and necessary notices.

**Sec. 17.07. - Notice of injury or damage.**

A. Recognizing that cities and other public entities whose operations are not motivated by profit, but rather by service, are unique in turnover of personnel, that in order to adequately defend the interests of the public, the officials must have timely notice of claims against the city, these reasonable rules are adopted. Any person, firm or corporation who has a claim for property damage, personal injury or death against this city must give the city written notice of the claim within six months from the date of occurrence. Such written claim notice must be given to the mayor or city manager and must contain the following information:

- (1a) Name and address of claimant.
- (2b) Date of occurrence.
- (3e) Place of occurrence.
- (4d) Extent of injury.
- (5e) Names and addresses of witnesses.

(6f) How the injury occurred.

**B.** If such notice is not timely given, no action will lie against the city. The notice called for in this section need not be sworn to or verified but must be signed by the claimant or his attorney and delivered to the mayor or city manager, either in person or by certified or registered mail. It shall not suffice to give oral notice nor shall it suffice to deliver or mail the notice to some other employee of the city. The provisions of this section shall apply to persons seeking a money judgment against the city for any type of damages whether the claim involves personal injury or damages arising from some other cause. The written notice required herein must be given to one of the officials set out above within six months from the time when the cause of action arose, or the action shall not lie.

**Sec. 17.08. - Execution, garnishment and assignment.**

Property, real or personal, belonging to the city, shall not be liable for sale or appropriation under any writ of execution or cost bill. Funds belonging to the city, in the hands of any person, firm or corporation shall not be liable to garnishment, attachment or sequestration, nor shall the city be liable to garnishment on account of any debt it may owe or funds or property it may have on hand or owning to any person. Neither the city, nor any of its officers or agents, shall be required to answer any writ of garnishment or any account whatsoever. The city shall not be liable to the assignee of any wages or any officer, agent or employee of said city, whether earned or unearned, upon any claim or account whatsoever, and as to the city such assignment shall be absolutely void.

**Sec. 17.09. - Bond or security not required.**

It shall not be necessary in any action, suit or proceeding in which the city is a party, for any bond, undertaking or security to be executed in behalf of said city but all such actions, suits, appeals or proceedings shall be conducted in the same manner as if each bond, undertaking or security had been given, and said city shall be liable as if such obligation had been duly given and executed.

**Sec. 17.10. - Judicial notice.**

This charter shall be deemed a public act and shall have the force and effect of a general law; it may be read in evidence without pleading or proof, and judicial notice shall be taken thereof by all courts and places without further proof.

**Sec. 17.11. - Offset to debts.**

The city shall be entitled to counterclaim and offset against any debt, claim, demand or account owed by the city to any person, firm or corporation in arrears to the city for any debt, claim, demand or account of any nature whatsoever including taxes, penalty and interest. No assignment or transfer of any such debt, claim, demand or account owed by the city shall affect the right of the city to offset the sum owed to the city.

**Sec. 17.12. - Nepotism.**

No person related within the second degree by affinity or within the third degree by consanguinity to the mayor, or member of the council or the city manager shall be appointed to any paid office, position, clerkship or other service of the city. This prohibition shall not apply, however, to any person who shall have been employed by the city at least one year prior to the time of election of the mayor or councilmember, or the appointment of the city manager.

**Sec. 17.13. - Ethics.**

A. ~~(1)~~—No elected or appointed officer or employee of the city shall benefit unduly by reason of his holding public office.

B. ~~(2)~~—No officer or employee having a ~~direct-substantial or indirect~~ interest in any proposed or existing contract, purchase, work, sale or service to or by the city shall vote or render a decision, or use his position, authority or influence in a manner that would result in his financial betterment to any degree. Further, any elected officer shall publicly disclose any such interest upon assumption of office or prior to consideration of any such matters. This provision is cumulative to all other applicable laws in regard to elected officers.

C. “Substantial interest” means:

(1) When the officer or employee owns 10% or more of the total voting stock or shares of the business entity;

(2) When the officer or employee owns either 10% or more, or \$15,000 or more, of the fair market value of the business entity;

(3) When the officer or employee received more than 10% of his gross income for the previous year from the business entity; or

(4) If a relative within the first degree by consanguinity or affinity has any of the preceding interests.

D. ~~(3)~~—The City of Saginaw shall not purchase goods or services from or enter into contracts for such goods or services with the mayor or any other member of the city council, except in compliance with state law.

E. ~~(4)~~—Failure to comply with any provisions of the foregoing section 17.13~~A.(1)~~ or 17.13~~B.(2)~~ shall constitute malfeasance in office and any officer or employee failing to so comply shall immediately forfeit his office or position, and said office or position shall be deemed vacant.

F. ~~(5)~~—Any violation of the foregoing sections 17.13~~A.(1)~~ or 17.13~~B.(2)~~ with the knowledge, express or implied, of persons or corporations contracting with the city shall render the contract void.

**Sec. 17.14. - Political and religious discrimination.**

No person in the service of the city or seeking admission thereto shall be employed, promoted,

demoted, discharged or in any way favored or discriminated against because of political opinions or affiliations or because of race or religious beliefs, provided that such opinions or beliefs do not advocate the overthrow of the government of the United States of America by force or violence.

**~~Sec. 17.15. - Political activity.~~**

~~(1) — No hired or appointed employee on the payroll of the city shall make a contribution to the campaign fund of any person seeking election to a city office or to any political party supporting a candidate for election to a city office, nor shall he be solicited for this purpose; nor shall he take active part in any political campaign relating to an election to a city office.~~

~~(2) — No person seeking appointment to or promotion in the administrative service of the city shall either directly or indirectly give, render or pay any money, service or other valuable thing to any person for or on account of or in connection with his appointment or promotion or any examination conducted therefore.~~

~~(3) — Any person who either by himself, or with others, willfully violates any provisions of the foregoing sections 17.15(1) or 17.15(2) shall be ineligible for appointment or election to a position in the city for a period of four years, and if he is an officer or employee of the city at the time of such violation he shall immediately forfeit the office or position he holds.~~

**Sec. 17.156. - Building permits.**

The City of Saginaw shall have power to prohibit the erection or construction of any building or structure of any kind within the City of Saginaw without a permit first having been issued by the city for the construction or erection of such building or structure, and may authorize a fee to be charged for such permit, and in pursuance of said authority may authorize the inspection by the city of all buildings and structures during the progress of their construction and may require that all buildings shall be constructed in conformity with the building code which exists in said city or shall hereafter be passed.

**Sec. 17.167. - Pools, ponds and lakes.**

The City of Saginaw shall have power to control or prohibit the construction of pools, ponds, or lakes, receiving water from a recognizable stream, creek, branch or natural drainage. The city may control location, construction, height or structure, depth and size of body of water to be impounded. No pool, pond or lake, receiving water from recognizable stream, creek, branch or natural drainage, shall be constructed without first obtaining a permit issued by the city.

**Sec. 17.178. - Bonds of city officials, employee, or department director.**

In addition to any bonding provisions herein provided, the council may require any city official, department director or city employee, before entering upon his duties, to execute a good and sufficient bond with a surety company duly authorized to do business in the State of Texas approved by the state insurance board and approved by the council, as surety thereon, said bond to be in such amounts as the council may demand, payable to the City of Saginaw, and conditioned for the faithful performance of the duties of his office; premium of such bond to be paid by the city.

**Sec. 17.1~~89~~. - Bonds of contractors.**

The city council may require good and sufficient bonds of all contractors and shall require payment performance bonds as required by state law~~for amounts of \$25,000.00 and above,~~ with a good corporate surety duly authorized to do business in the State of Texas and approved by the state insurance board thereon, acceptable to the governing body of the City of Saginaw.

**Sec. 17.1~~920~~. - Amendment of the charter.**

This charter may be amended no more than once every two years as provided by the laws of the State of Texas.

**Sec. 17.2~~01~~. - Construction of the charter.**

In wording of the charter, the use of singular number shall include the plural, and the plural shall include the singular. Words used in the masculine gender shall include the feminine also, unless by reasonable construction, it appears that such was not the intention of this charter.

**Sec. 17.2~~12~~. - Qualification of appointees.**

Any person recommended for an appointive position or any city board, commission and/or committee shall have been a resident of the City of Saginaw a minimum of six months, and not be in arrears in payment of any taxes due the city.

**ARTICLE XVIII  
SAVINGS CLAUSE, ETC.**

**Sec. 18.01. - Saving clause, etc.**

All powers granted heretofore to cities are hereby preserved. In case of any irreconcilable conflict between the provisions of this charter and any superior law, the powers of the city and its officers shall be as defined in such superior. In case any insufficiency or omission may be supplied by reference to the general laws, such provisions of the general laws are hereby adopted, and the city shall have and exercise all of the powers that it could have acquired by expressly adopting and incorporating into this charter all of the provisions of such superior and general laws; it being the intent of this charter that no lawful power of the city shall fall because of insufficiency or invalidity of any portion or portions of this charter, the same shall not in any way affect the remainder of the charter, but shall be construed as if adopted with such portion and/or portions so found invalid or impotent.

**ARTICLE XIX  
VOTE ON PROPOSED CHARTER**

**~~Sec. 19.01. - Vote on proposed charter.~~**

~~(1) This charter shall be submitted to the qualified voters of the city for adoption or rejection on January 16, 1988, at which election if a majority of the qualified voters voting in such~~

~~election shall vote in favor of the adoption of this charter, it shall then immediately become the charter and governing law of the city until amended or repealed.~~

~~(2) — It being impracticable to submit this charter by sections, it is hereby prescribed that the form of ballot to be used in such election shall be as follows, to wit:~~

~~For the Adoption of the Charter.~~

~~Against the Adoption of the Charter.~~

~~(3) — The present city council of the city shall call an election in accordance with the provisions of the general laws of the state governing such elections, and the same shall be conducted and the returns made and results declared as provided by the laws of the State of Texas governing municipal elections, and in case a majority of the votes cast at such election shall be in favor of the adoption of such charter, then an official order shall be entered upon the records of said city by the city council, declaring the same adopted, and the city secretary shall record at length upon the records of the city in a separate book to be kept in his office for such purpose, such charter as adopted, and such secretary shall furnish to the mayor a copy of the charter, which copy of the charter shall be forwarded by the mayor as soon as practical to the secretary of state under the seal of the city, together with a certificate showing the approval of the qualified voters on such charter.~~



# City of Saginaw

**Meeting Date:** 2/5/2019

**Staff Contact:** Gabe Reaume, City Manager

**Agenda Items:** (9)

**E-mail:** [greaume@saginawtx.org](mailto:greaume@saginawtx.org)

**Phone:** 817-230-0324

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**SUBJECT:**

Consideration and Action regarding Ordinance No. 2019-03, adding a New Article VII, "Smoking in Public Places" to Chapter 42 "Health and Sanitation" of the City Code, and repealing Section 42-2 "Smoking at Senior Citizens Center or a Community Center" of the City Code

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**BACKGROUND/DISCUSSION:**

The City Council discussed options regarding the adoption of a smoke free ordinance at a workshop held in December. Ordinance No. 2019-03 was prepared by the City Attorney. It defines smoking to include e-cigarettes and vapor devices and prohibits all smoking in public places. The proposed ordinance also includes a provision that within 90 days of the effective date of the ordinance, a business can request a permit to allow them to continue smoking on their premises.

**FINANCIAL IMPACT:**

N/A

**RECOMMENDATION:**

N/A

**ATTACHMENTS:**

Description

Ord 2019-03 Smoking in Public Places

## **ORDINANCE NO. 2019-03**

**AN ORDINANCE OF THE CITY OF SAGINAW, TEXAS ADDING A NEW ARTICLE VII, “SMOKING IN PUBLIC PLACES” TO CHAPTER 42 “HEALTH AND SANITATION” OF THE CITY CODE, AND REPEALING SECTION 42-2 “SMOKING AT SENIOR CITIZENS CENTER OR A COMMUNITY CENTER” OF THE CITY CODE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A PENALTY CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Saginaw, Texas is a home rule City acting under its Charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

**WHEREAS**, there is a substantial body of evidence which concludes that smoking is a danger to health and a material annoyance, inconvenience, discomfort and a health hazard to those who are present in confined spaces; and

**WHEREAS**, the City Council finds that there is no safe level of exposure to secondhand smoke; and

**WHEREAS**, the City Council finds that there is no legal or constitutional “right to smoke”; and

**WHEREAS**, in order to promote the health, safety and welfare of the citizens of Saginaw, the City Council deems it necessary to adopt comprehensive regulations governing smoking in public places.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS:**

### **SECTION 1.**

That a new Article VII “Smoking in Public Places” shall be added to Chapter 42 “Health and Sanitation” of the Saginaw City Code, to read as follows:

#### **“ARTICLE VII – SMOKING IN PUBLIC PLACES**

##### **Sec. 42-260. – Definitions.**

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Bar* means any commercial establishment that derives 51 percent or more of its annual gross sales receipts from the sale of alcoholic beverages as defined by the Texas Alcoholic Beverage Code and has a valid on-premises consumption license issued by the state alcoholic beverage commission or a portion of a commercial/food establishment that is physically separated from the rest of the establishment by an impermeable barrier exclusive of appropriate openings for ingress and egress and that portion of the establishment is independently ventilated and that portion of the establishment derives 51 percent or more of its annual gross sales receipts from the sale of alcoholic beverages as defined by the Texas Alcoholic Beverage Code and has a valid on-premises consumption license issued by the state alcoholic beverage commission.

*Director* means the director of the department designated by the city manager to enforce and administer this article or the director's designated representative.

*Employee* means any person who is employed by any employer from direct or indirect monetary wages, commissions or profit, or is in a position that would lead one to believe that such person is so employed.

*Employer* means any person, partnership, corporation, association or other entity that employs one or more persons.

*Enclosed* means closed in by a roof and walls with appropriate openings for ingress and egress.

*Food establishment* means any operation engaged in the preparation or sale of prepared ready-to-eat food, if such operation accounts for more than 51 percent of annual gross sales receipts. For the purpose of this section a food establishment does not include an outdoor patio.

*Governmental entity* means a state, a municipality, county, school district, or appraisal district.

*Health care facility* means any hospital or institution that provides medical or surgical services for patients.

*Independently ventilated* means that the heating, ventilation and air conditioning system for a bar area does not allow for the mixing of air from the bar area to a public area or public place served by the same ventilation system or another ventilation system.

*Movie theater* means any establishment engaged in the business of exhibiting motion pictures to public. The same are regulated hereby even if meeting the definition of private club.

*Outdoors* means any area that is not enclosed.

*Private club* means any building, premises or portion thereof which is wholly owned or leased from other than a governmental entity by a non-profit corporation organized under chapter 501 (c)(3) of the United States Internal Revenue Code, as amended.

*Private office* is an individual's office from which the public is not barred but to which the public goes primarily by invitation or appointment. Such office shall be an office in which there are no employees.

*Public place* means any enclosed area that is open to or is used by the general public, or that is a place of employment and includes, but is not limited to: retail stores, grocery stores, offices, professional, commercial or financial establishments, food establishments, movie theaters, public and private institutions of education, health care facilities, nursing and convalescent homes, residential treatment facilities, buildings owned or occupied by political subdivisions and public restrooms. For the purpose of this article, a public place does not include a private residence, bar, tobacco shop, hotel and motel rooms that are rented to guests, private clubs or outdoors or private offices. Any public places regulated by other statutes or other governmental administrative rules which conflict with or which preempt local regulation are exempt from the provisions hereof to the extent of such conflict or preemption.

*Smoke or smoking* means the carrying or holding of a lighted pipe, cigar or cigarette of any kind, or any other lighted smoking material or tobacco product, equipment or device, and the lighting, ingestion, emitting or exhaling the smoke of a pipe, cigar, or cigarette of any kind, including electronic cigarettes or vapor products.

*Tobacco* means any tobacco, cigarette, cigar, pipe tobacco, smokeless tobacco, snuff or any other form of tobacco, which may be utilized for smoking, chewing, inhalation or other means of ingestion or absorption.

*Tobacco shop* means any commercial establishment that derives 51 percent of its annual gross receipts from the sale of tobacco and tobacco accessories.

*Vapor product* (electronic cigarette) means a noncombustible product that uses a mechanical heating element, battery, or electronic circuit to heat a liquid nicotine solution in a vapor cartridge.

#### **Sec. 42-261. – Smoking prohibited in public places.**

- (a) Smoking is hereby prohibited in all public places within the city limits.
- (b) It is an affirmative defense to prosecution under this article that the person was smoking in a bar, tobacco shop, a rented hotel or motel room of any kind, private clubs, outdoors, or in a place where these regulations are in conflict with or preempted by other law as defined above.

**Sec. 42-262. – Signs and receptacles.**

- (a) The owner or other person having authority to manage and/or control any area designated as a public place, pursuant to this article, shall post or cause to be posted and visibly displayed, and shall maintain "No Smoking" signs in a form approved by the director, in conspicuous locations within such public place. Such signs shall clearly and conspicuously recite the phrase "No Smoking" in the English and Spanish language and/or use the international no-smoking symbol.
- (b) The owner or other person having authority to manage and/or control any area designed as a public place pursuant to this article shall cause to be placed a receptacle for smoking materials which is approved by the fire marshal of the city outdoors at each entrance to all public places as defined herein.

**Sec. 42-263. – Reporting violations.**

- (a) This article requires that the owner, operator, employer, manager or any employee enforce the regulations set forth in this article within any public place under their care, custody or control by verbally instructing any person violating this article to cease smoking and/or cease the use of tobacco or vapor product while occupying such public place.
- (b) It is an affirmative defense to prosecution under this article that the owner, operator, employer, manager or employee verbally instructed the person smoking and/or using tobacco or vapor product to cease such use while occupying the public place under the care, custody or control of such owner, operator, employer, manager or employee.

**Sec. 42-264. – Smoking permit.**

A public place allowing smoking as of the effective date hereof may seek a permit from the Director to continue to allow smoking in such public place, provided that such permit is sought within ninety (90) days of the effective date of this Ordinance.

**Sec. 42-265. – Penalties for violation.**

- (a) Any person, firm, partnership or corporation who violates any provision of this article shall be guilty of a Class "C" Misdemeanor and shall be punished by a fine of not to exceed Two Thousand Dollars (\$2,000.00). Each day that a violation is permitted to exist shall constitute a separate offense.
- (b) It is hereby declared that the culpable mental state required by the V.T.C.A., Penal Code ch. 6.02 is specifically negated and clearly dispensed with, and such offense is declared to be a strict liability offense."

## **SECTION 2.**

That Section 42-2 “Smoking at senior citizens center or at community center” of Chapter 42 of the Saginaw City Code is hereby repealed.

## **SECTION 3.**

This Ordinance shall be cumulative of all other ordinances of the City of Saginaw and shall not repeal any of the provisions of such ordinances, except in those instances where provisions of such ordinances are in direct conflict with the provisions of this ordinance. Section 42-2 of the Saginaw City Code is hereby specifically repealed.

## **SECTION 4.**

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable, and if any section, paragraph, sentence, clause, or phrase of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining sections, paragraphs, sentences, clauses, and phrases of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional section, paragraph, sentence, clause or phrase.

## **SECTION 5.**

All rights and remedies of the City of Saginaw are expressly saved as to any and all violations of the provisions of any ordinances governing smoking in public places that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

## **SECTION 6.**

Any person, firm, or corporation who violates, disobeys, omits, neglects, or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be guilty of a misdemeanor and, upon conviction, shall be fined an amount not to exceed \$2000.00, as provided by Sec. 1-13 of the Saginaw City Code. Each day a violation continues shall be deemed a separate offense.

## **SECTION 7.**

The City Secretary of the City of Saginaw is hereby directed to publish at least twice in the official newspaper of the City of Saginaw, the caption and the penalty clause of this ordinance in accordance with Section 52.013(b) of the Local Government Code.

**SECTION 8.**

This Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the laws of the State of Texas.

**PASSED AND APPROVED ON this the \_\_\_\_\_ day of \_\_\_\_\_, 2019.**

\_\_\_\_\_  
TODD FLIPPO, MAYOR

ATTEST:

\_\_\_\_\_  
JANICE ENGLAND, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
BRYN MEREDITH, CITY ATTORNEY