

## CITY OF LAKE WORTH

### CITY COUNCIL MEETING AGENDA

**3805 ADAM GRUBB  
LAKE WORTH, TEXAS 76135  
TUESDAY, MARCH 12, 2019**

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#### **REGULAR MEETING: 6:30 P.M.**

Held in the City Council Chambers

#### **A. CALL TO ORDER**

##### **A.1 INVOCATION AND PLEDGE OF ALLEGIANCE**

##### **A.2 ROLL CALL**

##### **A.3 SPECIAL PRESENTATION (S) AND RECOGNITION(S):**

A.3.1 [Welcome and introduction – public official, public employee or citizen.](#)

##### **A.4 CITIZENS PRESENTATION / VISITOR COMMENTS**

The City Council is always pleased to have citizens attend its meetings and welcomes comments during the Citizen/Visitor Comments section of the meeting; however, pursuant to the Texas Open Meetings Act, Council cannot deliberate or vote on issues not posted on the agenda. Therefore, those types of items must be posted 72 hours prior to the City Council meeting. If it is not posted, no deliberation between Council members may occur; Council may only respond with specific factual information or recite existing policy. With the exception of public hearing items, at all other times during the Council meetings, the audience is not permitted to enter into discussion or debate on matters being considered by Council. Negative or disparaging remarks about City personnel will not be tolerated. Speakers are requested to sign up with the City Secretary prior to the presiding officer calling the meeting to order. Comments will be limited to three (3) minutes per speaker.

##### **A.5 REMOVAL OF ITEM(S) FROM CONSENT AGENDA**

#### **B. CONSIDER APPROVAL OF CONSENT AGENDA ITEMS**

B.1 [Approve the minutes of the February 12, 2019 Regular City Council meeting.](#)

B.2 [Approve Finance Reports for the month of February 2019.](#)

B.3 [Approve Resolution No. 2019-05, changing the Human Resources Coordinator job description title to Human Resource Manager.](#)

B.4 [Approve Resolution No. 2019-04, receiving the certification of unopposed candidates and canceling the May 4, 2019 General Election.](#)

**C. PUBLIC HEARINGS**

C.1 [Public Hearing to consider Ordinance No.1134, Planning & Zoning Case No. PZ-2019-01, an Ordinance amending Ordinance No. 530, so as to consider a change in the allowable land use\(s\) and a site plan amendment of an approximate 3.474-acre parcel of land, legally known as Block 1, Lot 2, Marine Creek Park Addition-Lake Worth, Lake Worth, Tarrant County, Texas, being that all of the certain called 3.474-acre parcel of land recorded in the deed records of Tarrant County, Texas and generally described as 3501-3539 NW Loop 820/Jim Wright Frwy., Lake Worth, Texas. \(The Planning & Zoning Commission recommended approval by a vote of 7-0.\)](#)

C.2 [Public Hearing to receive citizen comments and consider participation in the 45<sup>th</sup> Year Tarrant County Community Development Block Grant \(CDBG\) project for sewer line replacement on \(7200 Block\) Apache Trail, \(3400 Block\) Shawnee Trail and \(3200-3300 Block\) Mohawk Trail.](#)

**D. PLANNING AND DEVELOPMENT**

No items for this category.

**E. PUBLIC WORKS**

E.1 [Discuss and consider award of bid to Pittard Construction Company for the Chlorine to Chloramine Disinfection System Conversion project in the amount of \\$125,000 and authorize the City Manager to execute the contract.](#)

E.2 [Discuss and consider approval of the 2018-19 Inflow & Infiltration Study, prepared by Kimley- Horn & Associates, in an amount not to exceed \\$100,000, and authorize the City Manager to execute the contract.](#)

**F. GENERAL ITEMS**

F.1 [Discuss and consider acceptance of the fiscal year 2017-2018 annual audit as prepared and presented by Snow Garrett Williams, Certified Public Accountants.](#)

F.2 [Discuss and consider approval of the expenditure of confiscated property revenue received January 23, 2019 for equipment for the Police Department.](#)

**G. MAYOR AND COUNCIL ITEM(S)**

G.1 Update on Tarrant County Mayor's Council by Mayor Bowen

**H. EXECUTIVE SESSION**

The City Council may enter into closed Executive Session as authorized by Chapter 551, Texas Government Code. Executive Session may be held at the end of the Regular Session or at any time during the meeting that a need arises for the City Council to seek advice from the city attorney (551.071) as to the posted subject matter of this City Council meeting.

The City Council may confer privately with its attorney to seek legal advice on any matter listed on the agenda or on any 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 Chapter 551, Texas Government Code.

**I. EXECUTIVE SESSION ITEMS – CITY COUNCIL MAY TAKE ACTION ON ANY ITEMS DISCUSSED IN EXECUTIVE SESSION LISTED ON THE AGENDA.**

**J. ADJOURNMENT**

*All items on the agenda are for discussion and/or action.*

Certification

I do hereby certify that the above notice of the meeting of the Lake Worth City Council was posted on the bulletin board of City Hall, 3805 Adam Grubb, City of Lake Worth Texas in compliance with Chapter 551, Texas Government Code on Friday, March 8, 2019 at 3:00 p.m.

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City Secretary

**This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (817) 237-1211 ext. 105 for further information.**

**Lake Worth City Council Meeting – March 12, 2019**

**Agenda Item No. A.3.1**

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**From:** Stacey Almond, City Manager

**Item:** Welcome and introduction – public official, public employee or citizen.

**Summary:**

The purpose of this item to provide City staff or City Council the opportunity to recognize and introduce a public official, public employee or citizen in attendance at the meeting.



**Lake Worth City Council Meeting – March 12, 2019**

**Agenda Item No. B.1**

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**FROM:** Monica Solko, City Secretary

**ITEM:** Approve the minutes of the February 12, 2019 Regular City Council meeting.

**SUMMARY:**

The minutes are listed on the consent agenda and approved by majority vote of Council at the City Council meetings.

The City Secretary's Office prepares action minutes for each City Council meeting. The minutes for the previous meeting are placed on the consent agenda for review and approval by the City Council, which contributes to a time efficient meeting. Upon approval of the minutes, an electronic copy will be uploaded to the City's website.

**FISCAL IMPACT:**

N/A

**ATTACHMENTS:**

1. February 12, 2019 Regular City Council meeting minutes

**RECOMMENDED MOTION OR ACTION:**

Motion to approve the minutes of the February 12, 2019 Regular City Council meeting.

**MINUTES OF THE REGULAR MEETING  
OF THE CITY COUNCIL OF THE CITY OF LAKE WORTH, TEXAS  
HELD IN CITY HALL, COUNCIL CHAMBERS, 3805 ADAM GRUBB  
TUESDAY, FEBRUARY 12, 2019**

**REGULAR MEETING: 6:30 PM**

**A. CALL TO ORDER.**

Mayor Walter Bowen called the Council meeting to order at 6:30 p.m.

**A.1 INVOCATION AND PLEDGE OF ALLEGIANCE.**

Pastor Zac Hatton with Lake Worth Baptist Church gave the invocation. Attendees recited the pledge of allegiance.

**A.2 ROLL CALL.**

Present:	Walter Bowen Clint Narmore Jim Smith Geoffrey White Sue Wenger Ronny Parsley Pat O. Hill Gary Stuard	Mayor Mayor Pro Tem, Place 7 Council, Place 1 Council, Place 2 Council, Place 3 Council, Place 4 Council, Place 5 Council, Place 6
Staff:	Stacey Almond Debbie Whitley Monica Solko Mike Christenson Corry Blount Steve Carpenter Sean Densmore Misty Christian Barry Barber Kelly McDonald	City Manager Assistant City Manager/Finance Director City Secretary Fire Chief Police Chief Police Captain Public Works Director City Engineer Planning and Development Director Purchasing Coordinator
Absent:	Drew Larkin	City Attorney

### **A.3 SPECIAL PRESENTATION(S) AND RECOGNITION(S):**

#### **A.3.1 WELCOME AND INTRODUCTION – PUBLIC OFFICIAL, PUBLIC EMPLOYEE OR CITIZEN.**

City Manager Stacey Almond recognized Danielle Hackbusch, Human Resources Coordinator for her completion of Senior Professional in Human Resources certification.

#### **A.4 CITIZEN PRESENTATION / VISITOR COMMENTS**

Stan Yoder, 3004 Caddo Trail came forward. Mr. Yoder expressed his concern with not having a recycling program in the city. He spoke about the benefits of recycling and the low cost he discovered when researching surrounding cities who offer recycling. He would like the city to consider implementing a recycling program.

#### **A.5 REMOVAL OF CONSENT AGENDA**

No items were removed from the consent agenda.

### **B. CONSIDER APPROVAL OF CONSENT AGENDA ITEMS APPROVED**

**B.1 APPROVE THE MINUTES OF THE JANUARY 8, 2019 REGULAR CITY COUNCIL MEETING AND JANUARY 11, 2019 SPECIAL WORKSHOP.**

**B.2 APPROVE FINANCE REPORTS FOR THE MONTH OF JANUARY 2019.**

**B.3 APPROVE AND ACCEPT THE 2018 RACIAL PROFILING REPORT.**

**B.4 APPROVE THE UPDATED 2018-2019 CITY OF LAKE WORTH ORGANIZATIONAL CHART.**

**B.5 APPROVE THE UPDATED 2018-2019 EMPLOYEE COMPENSATION PLAN B.**

**B.6 APPROVE A CRIME CONTROL AND PREVENTION DISTRICT (CCPD) BUDGET AMENDMENT FOR FY2018/2019.**

**B.7 APPROVE AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF NORTH RICHLAND HILLS AND THE CITY OF LAKE WORTH AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT.**

**A MOTION WAS MADE BY COUNCIL MEMBER STUARD, SECONDED BY MAYOR PRO TEM NARMORE TO APPROVE THE CONSENT AGENDA.**

**MOTION TO APPROVE CARRIED 7-0.**

## **C. PUBLIC HEARINGS**

No items for this category.

## **D. PLANNING AND DEVELOPMENT**

No items for this category.

## **E. PUBLIC WORKS**

### **E.1 DISCUSS AND CONSIDER APPROVAL OF RESOLUTION NO. 2019-02, ADOPTING THE PARKS OPEN SPACE MASTER PLAN. APPROVED**

Public Works Director Sean Densmore summarized the item. The City Council approved a contract on October 9, 2017, with Kimley Horn and Associates to conduct and complete a comprehensive Parks and Open Space Master Plan. The last Park and Open Space Master Plan was completed in 2004. The city hosted two public meetings along with a survey to gather feedback and requests for additions for the Master Plan update. After the public meetings, Kimley Horn and staff compiled the information received and developed the Parks and Open Space Master Plan. The goal of the Mater Plan was to develop options that will allow the city to continue to provide its customers and residents the ultimate park experience. Staff has started meeting with the University of Arlington Capstone Team to develop a feasibility study along with opportunities for starting an internal Parks and Recreation Department. During the study period the Capstone team will provide the City Council with two updates throughout the process. The total study/analysis will take approximately twelve (12) months to complete.

**A MOTION WAS MADE BY COUNCIL MEMBER WENGER, SECONDED BY COUNCIL MEMBER PARSLEY TO APPROVE RESOLUTION No. 2019-02 ADOPTING THE PARKS AND OPEN SPACE MASTER PLAN.**

**MOTION TO APPROVE CARRIED 7-0.**

### **E.2 DISCUSS AN UPDATE OF SH199-820 AND PROPOSED TXDOT PUBLIC MEETING**

Public Works Director Sean Densmore summarized the item. Staff attended a presentation workshop hosted by TxDOT and Cobb Finley to discuss the updated Alternative #3 to the SH 199 and I820 project. This alternative was developed with feedback from the City and assistance from NCTCOG. TxDOT will be hosting the first of three public meetings on Tuesday, February 19, 2019 from 6:00 p.m. - 7:30 p.m. at the Lake Worth High School Cafeteria.

City Council held a workshop on February 13, 2018 to discuss alternative designs provided by the Texas Department of Transportation (TxDOT) about the proposed re-design of State Highway 199 and Interstate 820. It is the opinion of the Council that the proposed elevation of the project would not protect Lake Worth's sense of place, impairs emergency service capabilities, and would have a negative effect on the economic viability. Staff has reached out the North Central Texas Council of Governments (NCTCOG) for assistance in evaluating and studying the corridor as it relates to timing.

The City of Lake Worth is requesting that TxDOT consider the following:

1. A design that does not negatively impact existing or future business along State Highway 199 and within the corridor but rather enhances their long-term success and viability;
2. A design that provides options that adequately take in to account the true cost/benefit analysis beyond the right-of-way to include quality of life, public safety, and economic development outputs;
3. A design that maintains local connectivity and accessibility allowing for traffic to move freely in and around Lake Worth; and
4. A design which preserves the City of Lake Worth's sense of place and supports continued economic viability in the city.

Council passed the recommended Resolution on March 3, 2018 and it was hand delivered to TxDOT's Fort Worth office.

**NO ACTION IS NECESSARY BY THE CITY COUNCIL.**

## **F. GENERAL ITEMS**

### **F.1 DISCUSS AND CONSIDER AN INTERLOCAL AGREEMENT WITH ENTERPRISE AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT.**

#### **APPROVED**

Jennifer Bertram with Enterprise Fleet Management summarized the item. Staff made a presentation to City Council at the January 11, 2019 workshop which outlined expenses over the next 5 years of the proposed lease program. This program would improve the city's ability to budget for future fleet replacements, staff proposed utilizing funding for an equity lease agreement with Enterprise Fleet Management for vehicle replacement and maintenance services. It will allow the city to replace vehicles in a timelier manner which reduces maintenance and fuel costs and allows the city to receive a larger amount of equity out of the sale of vehicles. With this program, all maintenance costs will be fixed for non-emergency vehicles. She was available to answer any questions Council may have.

**A MOTION WAS MADE BY COUNCIL MEMBER SMITH, SECONDED BY COUNCIL MEMBER STUARD TO APPROVE A MASTER LEASE AGREEMENT FOR THE LEASE OF CITY VEHICLES AND A FULL MAINTENANCE AGREEMENT FOR FLEET MANAGEMENT SERVICES WITH ENTERPRISE FLEET MANAGEMENT AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENTS.**

**MOTION TO APPROVE CARRIED 7-0.**

**F.2 DISCUSS AND CONSIDER RESOLUTION NO. 2019-03, CALLING THE MAY 4, 2019 CITY COUNCIL ELECTION, AUTHORIZING A JOINT ELECTION CONTRACT WITH OTHER TARRANT COUNTY POLITICAL SUBDIVISIONS AND CONTRACT WITH TARRANT COUNTY FOR ELECTION SERVICES AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONTRACT.**

**APPROVED**

City Manager Stacey Almond summarized the item. The Resolution orders the City's General Election for May 4, 2019 for a Mayor and Council Places 2, 4, and 6 for two-year terms of office, establishes voting locations, provides for the appointment of election officials, provides for early voting and election day procedures and authorizes the City Manager to execute a contract with Tarrant County for election services. Tarrant County has requested those governing bodies holding a May election to enter into a joint election agreement and contract with the County for election services. The election will be held jointly with other Tarrant County cities and schools with Tarrant County administering the election.

**A MOTION WAS MADE BY COUNCIL MEMBER STUARD, SECONDED BY COUNCIL MEMBER HILL TO APPROVE RESOLUTION NO. 2019-03, CALLING THE MAY 4, 2019 CITY COUNCIL ELECTION, AUTHORIZING A JOINT ELECTION CONTRACT WITH OTHER TARRANT COUNTY POLITICAL SUBDIVISIONS AND CONTRACT WITH TARRANT COUNTY FOR ELECTION SERVICES AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONTRACT.**

**MOTION TO APPROVE CARRIED 7-0.**

**F.3 DISCUSS AND CONSIDER ORDINANCE NO. 1133, CALLING A SPECIAL CHARTER ELECTION, AUTHORIZING A JOINT ELECTION CONTRACT WITH OTHER TARRANT COUNTY POLITICAL SUBDIVISIONS AND CONTRACT WITH TARRANT COUNTY FOR ELECTION SERVICES AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONTRACT.**

**APPROVED**

City Manager Stacey Almond summarized the item. The City Council approved Ordinance No. 1108 on February 13, 2018 creating a Charter Review Commission and establishing Charter Review Commission Guidelines. The members of the Charter Review Commission met eight times between March 2018 and November 2018 and reviewed the entire Charter pursuant to its charge. Staff presented the Charter Committee recommendations to the City Council for review and discussion on December 11, 2018 and again at a special called workshop on January 11, 2019. City Council reviewed the amendments and directed staff to prepare an Ordinance calling a Special Election for the proposed ballot propositions.

The proposed ten (10) propositions reflect the following changes:

**Proposition A** - Shall the Lake Worth Home Rule Charter be amended by renumbering Section 2.03 regarding City Council powers to Section 3.12; and clarifying powers of the City Council, including the appointment and removal of city officers, establishing administrative departments, adoption of the budget, inquiries into the conduct of city affairs, establishing the boundaries of the city, creating boards and commissions, fixing rates and charges for all utilities and public services, and the issuance of all bonds?

**Proposition B** - Shall Section 3.06 of the Lake Worth Home Rule Charter be amended to provide for a vote of a simple majority of all remaining members to appoint a qualified person to fill a Council vacancy?

**Proposition C** - Shall Section 3.09 of the Lake Worth Home Rule Charter be amended to provide that the Mayor Pro-Tem shall be chosen on a rotational basis based on place number, beginning with Place 1 and continuing through Place 7; and providing that the Mayor Pro-Tem shall act as Mayor during the disability or absence of the Mayor?

**Proposition D** - Shall Section 3.10 of the Lake Worth Home Rule Charter be amended to provide that the Mayor shall be recognized as the head of the city government for ceremonial purposes but shall have no regular administrative duties?

**Proposition E** - Shall Section 3.13 of the Lake Worth Home Rule Charter be added to provide that the Mayor and councilmembers may not hold any other city office or city employment; and that no former Mayor or councilmembers may hold employment with the City until one (1) year after the expiration of the term they were elected or appointed to hold?

**Proposition F** - Shall Section 4.03 of the Lake Worth Home Rule Charter relating to the official ballot be amended to provide that if two or more candidates have the same surname, their residence addresses must be printed with their names on the official ballot?

**Proposition G** - Shall Section 4.05 of the Lake Worth Home Rule Charter be amended to clarify that every municipal election must be handled in accordance with state law?

**Proposition H** - Shall Section 6.06 of the Lake Worth Home Rule Charter be amended to provide that within twenty-one (21) days after the date of certifying the petition of recall as sufficient, the City Secretary shall present such petition to the City Council of the City of Lake Worth at a regular meeting or special meeting called for that purpose?

**Proposition I** - Shall Section 7.03 of the Lake Worth Home Rule Charter be amended to require that the caption of each franchise ordinance be published in the official city newspaper at the franchisee's expense?

**Proposition J** - Shall Section 8.06 of the Lake Worth Home Rule Charter be amended to allow the City Council to remove the municipal judge at its discretion by a majority vote without a public hearing?

Council member Smith commented that he was not in favor of changing the language on Proposition B from super-majority to a simple majority.

**A MOTION WAS MADE BY COUNCIL MEMBER WENGER, SECONDED BY COUNCIL MEMBER HILL, TO APPROVE ORDINANCE NO. 1133, CALLING A SPECIAL CHARTER ELECTION, AUTHORIZING A JOINT ELECTION CONTRACT WITH OTHER TARRANT COUNTY POLITICAL SUBDIVISIONS AND CONTRACT WITH TARRANT COUNTY FOR ELECTION SERVICES AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONTRACT.**

**MOTION TO APPROVE CARRIED 6-1, WITH COUNCIL MEMBERS WHITE, WENGER, PARSLEY, HILL, STUARD AND MAYOR PRO TEM NARMORE VOTING IN FAVOR AND COUNCIL MEMBER SMITH VOTING AGAINST.**

**F.4 DISCUSS AND CONSIDER CASTING LAKE WORTH'S VOTES TO THE METROPOLITAN AREA EMS AUTHORITY BOARD SEAT TO MATTHEW AIKEN FOR THE THREE-YEAR TERM BEGINNING MARCH 1, 2019.**

**APPROVED**

Fire Chief Mike Christenson presented the item. MedStar has asked member cities to nominate candidates to serve a three-year term on the MAEMSA Board. 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. The Interlocal Agreement states that the City of Lake Worth must cast all votes for a single candidate. Staff recommends candidate Matthew Aiken to serve on the MAEMSA Board as a representative of the member cities.

**A MOTION WAS MADE BY COUNCIL MEMBER STUARD, SECONDED BY COUNCIL MEMBER PARSLEY, TO APPROVE CASTING LAKE WORTH'S VOTES TO THE METROPOLITAN AREA EMS AUTHORITY BOARD SET TO MATTHEW AIKEN FOR THE THREE- YEAR TERM BEGINNING MARCH 1, 2019.**

**MOTION TO APPROVE CARRIED 7-0.**

**F.5 DISCUSS AND CONSIDER APPROVAL OF A CONTRACT WITH SPILLMAN TECHNOLOGIES, INC. TO PROVIDE HARDWARE, SOFTWARE AND PROFESSIONAL SERVICE FOR RMS/CAD SYSTEM, UTILIZING THE HOUSTON GALVESTON AREA COUNCIL (HGAC) COOPERATIVE PURCHASING AGREEMENT AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONTRACT.**

**APPROVED**



Police Chief Corry Blount summarized the item. The City of Lake Worth Police Department was awarded a Criminal Justice Department, National Incident-Based Reporting Systems (NIBRS) grant in April of 2018 that provides 100% funding to replace the current RMS/CAD system. Utilizing the existing cooperative purchasing agreement with HGAC approved by the City Council on December 29, 1992, Spillman Technologies, Inc. has provided a purchase and license agreement based on pricing established through HGAC RA05-15. Staff recommends approval of a contract with Spillman Technologies, Inc.

**A MOTION WAS MADE BY COUNCIL MEMBER SMITH, SECONDED BY COUNCIL MEMBER STUARD, TO APPROVE ITEM F.5 AS PRESENTED.**

**MOTION TO APPROVE CARRIED 7-0.**

**F.6 DISCUSS AND CONSIDER APPROVAL OF THE PURCHASE OF TWENTY-SEVEN (27) POINT BLANK AXIII A WITH 1 VISION BODY ARMOR CONCEALABLE CARRIERS IN AN AMOUNT NOT TO EXCEED \$21,505.00, UTILIZING THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS COOPERATIVE PROGRAM TEXAS SMART BUY.**

**APPROVED**

Purchasing Coordinator / Risk Manager Kelly McDonald summarized the item. Combined, the Police and Fire Departments have twenty-two (22) body armor vests that are about to reach their manufacturer's expiration date. In an effort to maintain the highest level of safety for our employees, staff is requesting approval for the purchase of twenty-two (22) replacement vests with an additional five (5) to be purchased as needed for new hires or as other vests expire. The Police Department received a 50/50 grant that will reimburse the city for half of the cost of the purchase of vests.

**A MOTION WAS MADE BY COUNCIL MEMBER STUARD, SECONDED BY COUNCIL MEMBER HILL, TO APPROVE THE PURCHASE OF TWENTY-SEVEN (27) POINT BLANK AXIII A WITH 1 VISION BODY ARMOR CONCEALABLE CARRIERS IN AN AMOUNT NOT TO EXCEED \$21,505.00, UTILIZING THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS COOPERATIVE PROGRAM TEXAS SMART BUY.**

**MOTION TO APPROVE CARRIED 7-0.**

**F.7 DISCUSS AND CONSIDER THE PURCHASE OF AN ASC MASS NOTIFICATION SOLUTIONS OUTDOOR WARNING SYSTEM IN AN AMOUNT NOT TO EXCEED \$64,532.00 AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONTRACT.**

**APPROVED**

Fire Chief Mike Christenson summarized the item. Emergency Management staff is requesting to replace Lake Worth's current Outdoor Warning System. The current system is over twenty-five years old and parts for the current system are failing with little or no warning. Replacement parts for the failed system are not available given the age and

updated technology. The Emergency Management department planned to request the full replacement in the FY 2019/2020 budget however one siren has had a catastrophic failure and is unable to be replaced. The proposed system would upgrade all components of the outdoor warning system and allow for it to be managed from the Fire Department. Real time status of the system would be available coupled with immediate messaging to the dedicated system server. Emergency Management staff felt it was necessary to request replacement immediately given the failure and upcoming storm season. If approved the system would take ten (10) weeks to install. If approved the outdoor warning system would have first year no maintenance contract needed. Subsequent years the annual maintenance contract would be equivalent to the current maintenance contract of \$2,400.

**A MOTION WAS MADE BY COUNCIL MEMBER WENGER, SECONDED BY MAYOR PRO TEM NARMORE, TO APPROVE THE PURCHASE OF AN ASC MASS NOTIFICATION SOLUTIONS OUTDOOR WARNING SYSTEM IN AN AMOUNT NOT TO EXCEED \$64,532.00 AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE CONTRACT.**

**MOTION TO APPROVE CARRIED 7-0.**

#### **G. MAYOR AND COUNCIL ITEM(S)**

##### **G.1 Update on Tarrant County Mayor's Council by Mayor Bowen**

Mayor Walter Bowen had nothing to report regarding the Tarrant County Mayor's Council.

#### **H. EXECUTIVE SESSION**

##### **H.1 PURSUANT TO SECTION 551.072: DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY - 4112 FEWELL STREET**

Mayor Bowen announced at 7:21 p.m. that the Council would adjourn into Executive Session as authorized by Chapter 551, Texas Government Code, specifically Section 551.072: Deliberate the purchase, exchange, lease or value of real property located at 4112 Fewell Street. Executive Session began at 7:21 p.m. and concluded at 7:31 p.m.

*Mayor Bowen reconvened into open session at 7:32 p.m.*

#### **I. EXECUTIVE SESSION ITEMS – CITY COUNCIL MAY TAKE ACTION ON ANY ITEMS DISCUSSED IN EXECUTIVE SESSION LISTED ON THE AGENDA.**

##### **H.1 PURSUANT TO SECTION 551.072: DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY - 4112 FEWELL STREET APPROVED**

**A MOTION WAS MADE BY MAYOR PRO TEM NARMORE, SECONDED BY COUNCIL MEMBER HILL TO AUTHORIZE THE CITY MANAGER TO NEGOTIATE, FINALIZE, AND EXECUTE A CONTRACT TO PURCHASE THE PROPERTY LOCATED AT 4112 FEWELL STREET IN AN AMOUNT NOT TO EXCEED \$45,000.**

**MOTION TO APPROVE CARRIED 7-0.**

**J. ADJOURNMENT**

Mayor Walter Bowen adjourned the meeting at 7:32 p.m.

**APPROVED**

By: \_\_\_\_\_  
Walter Bowen, Mayor

**ATTEST:**

\_\_\_\_\_  
Monica Solko, City Secretary

## Lake Worth City Council Meeting – March 12, 2019

### Agenda Item No. B.2

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**From:** Debbie Whitley, ACM/ Director of Finance

**Item:** Approve Finance reports for the month of February 2019.

**Summary:**

Finance reports are prepared and presented to Council for approval each month. The purpose of the reports is to keep the Council informed on the status of the City's revenues and expenses as related to the current year budget projections for major funds and on the cash and investment balances for all funds.

**Fiscal Impact:**

N/A

**Attachments:**

1. Cash Position Report- all funds
2. Cash and investment summary-all funds
3. Expenditure Report-General Fund, EDC and Water/Sewer Fund
4. Revenue Report-General Fund, EDC, Water/Sewer Fund and Debt Service Fund
5. Sales Tax Revenue Report-General Fund
6. Revenue, Expense and Cash Position Report-Park Improvement Fund
7. Revenue and Expense Report-Street Maintenance Fund
8. Revenue and Expense Report-Crime Control & Prevention District

**Recommended Motion or Action:**

Approve finance reports for the month of February 2019.

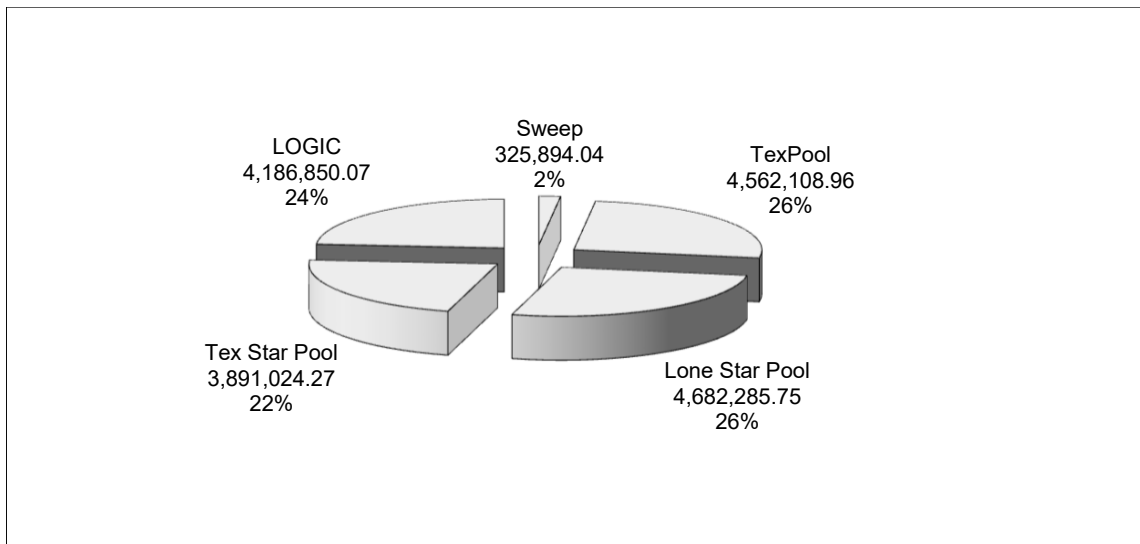
**CITY OF LAKE WORTH  
CASH POSITION  
As of February 28, 2019**

	Checking Account	TexPool	Lone Star Pool	TexStar	LOGIC	Total
General Fund	122,522.07	2,511,471.91	2,419,564.67	2,816,959.89	2,393,596.83	10,264,115.37
Park Fund	11,795.86	182,836.52			183,245.42	377,877.80
Child Safety Fund	7,669.22					7,669.22
Court Technology	11,317.99					11,317.99
Court Security Fund	23,912.95				48,737.59	72,650.54
Confiscated Property Fund	9,115.59					9,115.59
Street Maintenance		510,586.38	505,150.34	513,000.53	507,897.77	2,036,635.02
Crime Control	30,839.31	179,768.60	181,461.52	185,227.60		577,297.03
PEG Fund					79,835.86	79,835.86
Water/Sewer Fund	71,161.49	653,418.12	716,588.68		652,053.60	2,093,221.89
Debt Service	7,413.97	524,027.43	524,562.45			1,056,003.85
2008 CO Series				53,574.78		53,574.78
Hotel/Motel Tax Fund	30,145.59		334,958.09	322,261.47	321,483.00	1,008,848.15
Total All Cash & Invstments	325,894.04	4,562,108.96	4,682,285.75	3,891,024.27	4,186,850.07	17,648,163.09

# CITY OF LAKE WORTH INVESTMENT ACTIVITY *As of February 28, 2019*

***The Public Funds Investment Act requires the Finance Officer to submit not less than quarterly a list of investments, their net asset value (NAV) and their weighted average maturity (WAM). Listed below are the City's investments, their respective NAV and WAM or collateral status.***

Total Funds Held In Checking Accounts Subject To Overnight Sweep	\$325,894.04
<i>(Funds covered by FDIC and Pledged Collateral by Bank of Texas)</i>	
Total Funds Held In TexPool	\$4,562,108.96
<i>(NAV \$1.00 per share, 4,562,109 shares; WAM 1 day)</i>	
Total Funds Held In Lone Star Pool	\$4,682,285.75
<i>(NAV \$1.00 per share, 4,682,286 shares; WAM 1 day)</i>	
Total Funds Held In TexStar Pool	\$3,891,024.27
<i>(NAV \$1.00 per share, 3,891,024 shares; WAM 1 day)</i>	
Total Funds Held In LOGIC	\$4,186,850.07
<i>(NAV \$1.00 per share, 4,186,850 shares; WAM 1 day)</i>	
<b>Total All Funds</b>	<b>\$17,648,163.09</b>



Prepared By: *Debbie Whitley*

Date: March 2, 2019

**CITY OF LAKE WORTH  
EXPENDITURE REPORT  
February 2019**

CATEGORY	BUDGETED	CURRENT MONTH	YEAR TO DATE	UNEXPENDED BALANCE	% EXPENDED
<b>GENERAL FUND</b>					
Mayor/Council	15,611.00	983.86	4,854.38	10,756.62	31%
Administration	1,623,773.00	50,443.99	230,837.40	1,392,935.60	14%
Admin-Finance	454,302.00	50,170.14	177,389.41	276,912.59	39%
Admin-HR/Risk Mgmt	164,638.00	11,178.54	67,775.19	96,862.81	41%
Admin-Multi-Purpose Center	32,725.00	262.48	3,095.08	29,629.92	9%
Admin-Multi-LW Area Museum	5,300.00	85.99	805.18	4,494.82	15%
Police	2,486,219.00	169,492.15	914,725.53	1,571,493.47	37%
Fire	2,376,074.00	216,398.34	1,020,988.58	1,355,085.42	43%
Street	1,098,004.00	177,225.03	441,473.50	656,530.50	40%
Library	278,324.00	21,112.08	106,222.41	172,101.59	38%
Parks	450,537.00	23,603.19	148,402.91	302,134.09	33%
Maintenance Dept	269,293.00	9,586.59	76,695.65	192,597.35	28%
Senior Citizens	150,815.00	5,217.41	39,303.12	111,511.88	26%
Municipal Court	261,793.00	15,234.32	89,707.26	172,085.74	34%
Animal Control	225,668.00	6,680.95	45,802.04	179,865.96	20%
Emergency Management	22,450.00	16,150.92	27,645.40	-5,195.40	123%
Permits & Inspections	326,001.00	20,729.11	137,506.51	188,494.49	42%
P & I - Planning & Zoning	192,637.00	6,947.25	66,870.97	125,766.03	35%
P & I - Code Compliance	37,000.00	1,554.09	3,836.78	33,163.22	10%
Information Technology	611,602.00	75,559.15	288,521.87	323,080.13	47%
Economic Dev Activities	3,258,132.00	802.95	77,069.60	3,181,062.40	2%
<b>Total General Fund</b>	<b>14,340,898.00</b>	<b>879,418.53</b>	<b>3,969,528.77</b>	<b>10,371,369.23</b>	<b>28%</b>

<b>WATER/SEWER FUND</b>					
Administration	525,773.00	17,545.01	74,173.50	451,599.50	14%
Water Supply	1,061,845.00	64,440.90	223,547.87	838,297.13	21%
Water Distribution	1,147,244.00	74,450.75	215,751.67	931,492.33	19%
Sewer Department	1,550,756.00	76,425.76	334,691.50	1,216,064.50	22%
<b>Total Water/Sewer</b>	<b>4,285,618.00</b>	<b>232,862.42</b>	<b>848,164.54</b>	<b>3,437,453.46</b>	<b>20%</b>

**CITY OF LAKE WORTH  
REVENUE REPORT  
February 2019**

**(Numbers in UNRECEIVED BALANCE WITH (-) INDICATES REVENUE RECEIVED OVER BUDGETED AMOUNT)**

CATEGORY	BUDGETED	CURRENT MONTH	YEAR TO DATE	UNRECEIVED BALANCE	% RECEIVED
<b>GENERAL FUND</b>					
Property Taxes	913,800.00	224,479.64	874,926.73	38,873.27	96%
Franchise Fees	450,000.00	76,441.34	190,486.55	259,513.45	42%
Sales and Beverage Taxes	7,456,000.00	856,592.53	2,707,194.45	4,748,805.55	36%
Fines and Warrants	465,800.00	32,249.50	144,021.27	321,778.73	31%
License & Permits	137,850.00	11,387.82	56,184.62	81,665.38	41%
Sanitation	191,500.00	16,499.00	82,485.98	109,014.02	43%
Animal Control	7,500.00	863.00	3,303.00	4,197.00	44%
Investment Income & Misc	515,353.00	79,836.58	295,842.00	219,511.00	57%
Due From Other Funds	171,976.00			171,976.00	0%
Use of Prior Year Reserves	4,031,119.00			4,031,119.00	0%
Transfer In-Other Funds					0%
Total General Fund	14,340,898.00	1,298,349.41	4,354,444.60	9,986,453.40	30%

<b>WATER/SEWER FUND</b>					
Water Sales	1,400,000.00	86,680.53	417,474.90	982,525.10	30%
Water Tap Fees	1,000.00	250.00	1,000.00	0.00	100%
Water Service Charge	59,000.00	3,220.40	27,079.60	31,920.40	46%
Sewer Charges	985,000.00	105,846.47	473,616.38	511,383.62	48%
Sewer Tap Fees	3,000.00	750.00	3,750.00	-750.00	125%
Interest Income & Miscellaneous	53,590.00	10,083.66	35,793.93	17,796.07	67%
Transfers In	1,003,732.00			1,003,732.00	0%
Use of Prior Year Reserves	780,296.00			780,296.00	0%
Total Water/Sewer Fund	4,285,618.00	206,831.06	958,714.81	3,326,903.19	22%

<b>DEBT SERVICE FUND</b>					
Property Tax Revenue	1,197,356.00	327,919.36	430,557.59	766,798.41	36%
Investment Income & Misc	7,500.00	375.19	593.64	6,906.36	8%
Transfers In	423,943.00	0.00	0.00	423,943.00	0%
Use of Prior Year Reserves	51,000.00			51,000.00	0%
Total Debt Service	1,679,799.00	328,294.55	431,151.23	1,248,647.77	26%



**CITY OF LAKE WORTH  
GF SALES TAX ANALYSIS  
FOR FEBRUARY 2019 REVENUE**

		<b>Current % Incr or Decrease</b>
<b><i>let Payment</i></b>		
February 2019	856,592.53	
February 2018	850,027.29	<b>0.772%</b>
February 2017	812,456.48	<b>5.432%</b>
<b><i>Net Payment</i></b>		
Current YTD Total	2,700,017.19	
YTD, Last Year	2,544,267.77	<b>6.122%</b>
YTD, 2 Years Ago	2,650,829.88	<b>1.856%</b>
<hr/>		
<b><i>Period Collections</i></b>		
February 2019	876,159.71	
February 2018	868,752.14	<b>0.853%</b>
February 2017	833,501.23	<b>5.118%</b>
<b><i>nt Period Collections</i></b>		
Current YTD Total	2,697,904.96	
YTD, Last Year	2,691,494.97	<b>0.238%</b>
YTD, 2 Years Ago	2,665,225.21	<b>1.226%</b>

CITY OF LAKE WORTH  
PARK FUND  
As of February 28, 2019

REVENUE SOURCE:

UTILITY DONATIONS	4,093.00
DONATIONS - KIDS & TREES	0.00
DONATIONS - NAVAJO PARK	0.00
DONATIONS - RAYL PARK	5,000.00
DONATIONS - LAKE WORTH PARK	0.00
INVESTMENT INCOME	2,967.63
CONTRIBUTIONS FROM OTHER FUNDS	0.00
MISCELLANEOUS	167.43
Total Revenue	<u>12,228.06</u>

EXPENDITURE CATEGORY:

MISCELLANEOUS	69.14
PARK MAINTENANCE	364.41
CHARBONNEAU PARK	0.00
LAKE WORTH PARK	3,109.50
NAVAJO PARK	0.00
GRAND LAKE PARK	29.10
REYNOLDS PARK	0.00
RAYL PARK	0.00
TELEPHONE ROAD PARK	691.17
DAKOTA PARK	0.00
EQUIPMENT PURCHASE/IMPROVEMENTS	0.00
Total Expenditure	<u>4,263.32</u>

REVENUE OVER EXPENDITURES 7,964.74

<u>CASH POSITION</u>	
CHECKING	11,795.86
INVESTMENTS	<u>366,081.94</u>
TOTAL CASH	377,877.80

CITY OF LAKE WORTH  
STREET MAINTENANCE  
February 2019

**Revenue**

***(Numbers in UNRECEIVED BALANCE WITH (-) INDICATES REVENUE RECEIVED OVER BUDGETED AMOUNT)***

CATEGORY	BUDGETED	CURRENT MONTH	YEAR TO DATE	UNRECEIVED BALANCE	% RECEIVED
Interest & Misc Income	27,000.00	4,147.52	15,895.63	11,104.37	59%
Use of Prior Yr Rsrvs	540,000.00			540,000.00	
Total Revenue	567,000.00	4,147.52	15,895.63	551,104.37	3%

**Expenditures**

CATEGORY	BUDGETED	CURRENT MONTH	YEAR TO DATE	UNEXPENDED BALANCE	% EXPENDED
Miscellaneous				0.00	0%
Barricades & Markers	12,000.00	150.90	421.33	11,578.67	4%
Street Projects	380,000.00	1,029.17	2,546.07	377,453.93	1%
Concrete Replacement	175,000.00			175,000.00	0%
Total Expenditures	567,000.00	1,180.07	2,967.40	564,032.60	1%

CITY OF LAKE WORTH  
CCPD  
February 2019

**Revenue**

***(Numbers in UNRECEIVED BALANCE WITH (-) INDICATES REVENUE RECEIVED OVER BUDGETED AMOUNT)***

CATEGORY	BUDGETED	CURRENT MONTH	YEAR TO DATE	UNRECEIVED BALANCE	% RECEIVED
Sales Tax	1,045,000.00	120,760.05	380,365.11	664,634.89	36%
SRO Reimbursement	46,327.00	3,861.00	19,300.00	27,027.00	42%
Interest & Misc Income	8,500.00	1,058.19	5,057.09	3,442.91	59%
Use of Prior Yr Rsrvs	57,763.00			57,763.00	
Total Revenue	1,157,590.00	125,679.24	404,722.20	752,867.80	35%

**Expenditures**

CATEGORY	BUDGETED	CURRENT MONTH	YEAR TO DATE	UNEXPENDED BALANCE	% EXPENDED
Salaries	806,406.00	59,198.36	325,293.08	481,112.92	40%
Supplies	61,450.00	5,236.53	16,040.08	45,409.92	26%
Maintenance	23,225.00	1,549.35	4,700.90	18,524.10	20%
Services	91,905.00	15,421.74	55,215.21	36,689.79	60%
Equipment	100,500.00	9,398.78	129,978.45	-29,478.45	129%
Transfers Out	74,104.00			74,104.00	0%
Total Expenditures	1,157,590.00	90,804.76	531,227.72	626,362.28	46%

**Lake Worth City Council Meeting – March 12, 2019**

**Agenda Item No. B.3**

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**From:** Stacey Almond, City Manager

**Item:** Approve Resolution No. 2019-05, changing the Human Resources Coordinator job description title to Human Resources Manager.

**Summary:**

Changing the Human Resources Coordinator job description title to Human Resources Manager will more accurately reflect the overall duties and responsibilities associated with this position in a municipality of our size and it will also be more in line with other local municipal Human Resource departments.

**Fiscal Impact:**

None

**Attachments:**

1. Resolution No. 2019-05
2. Human Resources Manager job description

**Recommended Motion or Action:**

Move to approve Resolution No. 2019-05, changing the Human Resources Coordinator job description title to Human Resources Manager.

**RESOLUTION NO. 2019-05**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE WORTH, TEXAS, REVISING THE JOB DESCRIPTION FOR THE HUMAN RESOURCES COORDINATOR.**

**WHEREAS**, the Human Resources Coordinator has prepared and submitted revisions to the job description for Human Resources Coordinator; and

**WHEREAS**, the purpose of the revision is to accurately reflect the title, duties, responsibilities of the position listed; and

**WHEREAS**, this job description applies to the respective position unless specified otherwise by state law, city charter, departmental policy approved by the City Council or other official Council action.

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

**SECTION 1.** The Human Resources Coordinator title has changed to Human Resources Manager and the job description is hereby amended as attached and shall be effective March 12, 2019.

**PASSED AND APPROVED** this 12th day of March 2019

**CITY OF LAKE WORTH:**

\_\_\_\_\_  
Walter Bowen, Mayor

**ATTEST:**

\_\_\_\_\_  
Monica Solko, TRMC  
City Secretary

# City of Lake Worth

## Job Description

**Job Title:** Human Resources Manager

**Department:** Administration

**FLSA Status:** Exempt

Job description statements are intended to describe the general nature and level of work being performed by employees assigned to this job title. They are not intended to be construed as an exhaustive list of all responsibilities, duties and skills required.

### **GENERAL SUMMARY**

Responsible for coordination of and maintenance of all city employee records and related information. Coordinates the hiring and retention of employees including benefit programs and any other programs or training opportunities. Maintains all workers' compensation reports and forms as required by state law. Oversees the health, dental and other employee insurance policies of the City.

### **SUPERVISION RECEIVED AND EXERCISED**

This position receives general supervision from the City Manager. This position does not supervise any other positions.

### **ESSENTIAL DUTIES AND RESPONSIBILITIES**

Duties include but are not limited to the following:

- Conducts new employee orientations
- Conducts employee exit interviews
- Maintains all human resource records and coordinates information with the Staff Accountant for payroll purposes
- Monitors and creates job descriptions and posts available positions as needed
- Reviews and maintains the City's Personnel Policy
- Notifies City Manager of any human resource discrepancies
- Drafts policies and other directives for review by the City Manager
- Monitors legislative changes that affect the human resource functions of the city
- Prepares and monitors the City's employee insurance policies making recommendations as needed
- Prepares and monitors workers' compensation reports
- Serves as backup for payroll processing
- Serves as backup for risk management functions
- Prepares reports, letters, memoranda, charts, worksheets and other materials as related to human resources
- Willing to obtain necessary training and certifications to perform job functions
- Be proficient with the use of Microsoft Office Products applications
- Other duties as assigned

## **MINIMUM JOB REQUIREMENTS**

### **EDUCATION AND EXPERIENCE**

High School diploma or GED; minimum of an Associate Degree in related field or equivalent combination of education and experience; three to five years progressive experience in local government or related field.

### **LICENSES AND CERTIFICATES**

Valid Class C Texas driver license

### **PHYSICAL ABILITIES**

- Must possess the visual acuity to operate a computer terminal
- Frequently walk, stand, and/or sit for prolonged periods of time
- Occasionally push, pull, lift, and/or carry up to 10 pounds
- Occasionally lift and/or move objects up to 20 pounds
- Occasionally stoop, bend, kneel, crouch, reach, and twist
- Frequently climbs stairs/ladders
- Operate office equipment including use of a computer keyboard
- Speak and hear to exchange information in the English language
- Operate a vehicle to travel to various locations

*The City of Lake Worth is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act (ADA), the City of Lake Worth will provide reasonable accommodations to qualified individuals with disabilities.*

By my signature, I hereby certify that I have reviewed the description of my position and agree to perform the duties described therein. I understand that City of Lake Worth may make modifications, additions, or deletions to this job description at any time, and will notify me of any changes by sending me a revised copy for my review and signature.

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Employee's Signature

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Date

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Supervisor's Signature

---

Date



## Lake Worth City Council Meeting – March 12, 2019

### Agenda Item No. B.4

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**From:** Monica Solko, City Secretary

**Item:** Approve Resolution No. 2019-04, receiving the certification of unopposed candidates and canceling the May 4, 2019 General Election.

**Summary:**

The purpose of Resolution No. 2019-04 is to receive the certification of unopposed candidates and to cancel the May 4, 2019 General Election.

The City council, at their February 12, 2019 meeting, approved Resolution No. 2019-03 that called the May 4, 2019 General Election.

The 2019 General Election determines the positions of Mayor and City Council Places 2, 4 and 6. The positions are elected for a two-year term and will expire in May 2021, or until their successors are duly elected and qualified.

The filing period for the 2019 General Election began January 16, 2019 and concluded on February 15, 2019. The filing deadline for a write-in candidate to declare candidacy was February 19, 2019.

As the authority responsible for having the official ballot prepared, the City Secretary shall certify to the presiding officer for the governing body that candidates are unopposed for the election scheduled to be held on May 4, 2019. Following receipt of certification (Attachment A) and pursuant to Subchapter C of Chapter 2 of the Election Code, the City Council may declare each unopposed candidate elected to office.

The newly elected officials will be sworn into office at the May 2019 City Council meeting.

**Fiscal Impact:**

N/A.

**Attachments:**

1. Resolution No. 2019-04

**Recommended Motion or Action:**

Move to approve Resolution No. 2019-04.

## **RESOLUTION NO. 2019-04**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE WORTH, TEXAS, RECEIVING CERTIFICATION OF THE CITY SECRETARY; DECLARING EACH UNOPPOSED CANDIDATE ELECTED TO OFFICE; AND CANCELING THE MAY 4, 2019 GENERAL ELECTION.**

**WHEREAS**, the City of Lake Worth, Texas ("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 City of Lake Worth Charter provides that city elections shall be held in accordance with laws of the State of Texas; and

**WHEREAS**, Section 41.001(a) of the Texas Election Code, as amended by the 84<sup>th</sup> Texas Legislature, establishes the first Saturday in May as a uniform election date for the purposes of conducting a General Election; and

**WHEREAS**, Section 3.004(b) of the Texas Election Code provides that the governing body of a municipality shall be the authority to order a General Election for the purposes of electing members to the governing body; and

**WHEREAS**, the Council approved Resolution No. 2019-03, calling the General Election of May 4, 2019 for the purpose of electing a Mayor and three council members to serve on the City Council in Places 2, 4, and 6; and

**WHEREAS**, the filing deadline for placement on the ballot and declaration of write-in candidacy have passed; and

**WHEREAS**, the City Secretary has certified in writing that each candidate on the ballot is unopposed for election to office; and

**WHEREAS**, in these circumstances Subchapter C of Chapter 2 of the Election Code authorizes a governing body to declare each unopposed candidate elected to office and to cancel the election.

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

**SECTION 1. Certification of the City Secretary.** As the authority responsible for having the official ballot prepared, the City Secretary hereby certifies (Attachment A) that the following candidates are unopposed for election to office for the election scheduled to be held on May 4, 2019 and that no write-in candidates have filed to be placed on the list of write-in candidates.

<b><u>OFFICE</u></b>	<b><u>CANDIDATE</u></b>	<b><u>TERM</u></b>
Mayor	Walter Bowen	Two years
Council member, Place 2	Geoffrey White	Two years
Council member, Place 4	Ronny Parsley	Two years
Council member, Place 6	Gary Stuard	Two years

**Section 2. Declared Elected to Office.** The following candidates who are unopposed in the May 4, 2019 General Election, are hereby elected to office, and shall be issued certificates of election following the time the election would have been canvassed:

Mayor	Walter Bowen
Place 2	Geoffrey White
Place 4	Ronny Parsley
Place 6	Gary Stuard

**Section 3. Cancel Election.** The May 4, 2019 General Election is canceled, and the City Secretary is directed to post a copy of the attached order (Attachment B) on May 4, 2019, at each polling place that would have been used in the election as required by Chapter 2 of the Election Code and in compliance with Section 203 of the Voting Rights Act 52 U.S.C. §10503.

**AND IT IS SO RESOLVED.**

**PASSED AND APPROVED** on the 12th day of March 2019.

**CITY OF LAKE WORTH**

By: \_\_\_\_\_  
Walter Bowen, Mayor

**ATTEST:**

\_\_\_\_\_  
Monica Solko, City Secretary

**Attachment A**  
**CERTIFICATION OF UNOPPOSED CANDIDATES**  
**BY THE CITY SECRETARY**  
*CERTIFICACION DE CANDIDATOS UNICOS*  
*POR SECRETARIO DE LA CIUDAD*  
**CHỨNG NHẬN CÁC ỨNG VIÊN**  
 Bằng thư ký thành phố

To: Mayor/City Council, City of Lake Worth, Texas  
 Presiding Officer of Governing Body  
 Walter Bowen, Mayor

A: *Alcade/Concejo de la Ciudad de Lake Worth, Texas*  
*Presidente del Consejo de Administracion Oficial*  
*Walter Bowen, el alcade*

Đề: Hội đồng Thị trưởng thành phố, Thành phố Lake Worth, Texas  
 Chủ đốc của Cơ quan chủ quản  
 Walter Bowen, Thị trưởng

I, Monica Solko, certify that I am the City Secretary for the City of Lake Worth, Texas and the authority responsible for preparing the ballot for the May 4, 2019 General City Election. I further certify that no person has made a declaration of write-in candidacy and all of the following candidates are unopposed:

*Yo, Monica Solko, certifico que yo soy Secretario de la Ciudad para la Ciudad de Lake Worth, Texas y la autoridad responsable de la preparacion de la boleta electoral para el 4 de mayo 2019 Elecciones Generales de la Ciudad. Certifico ademas que ninguna persona ha hecho una declaracion de la escritura en la candidature y todos de los siguientes candidates sin oposicion son:*

Tôi, Monica Solko, xác nhận tôi là Bí thư Thành phố cho thành phố Lake Worth, Texas và cơ quan chịu trách nhiệm chuẩn bị các lá phiếu cho ngày 4 tháng 5 2019 thành phố bầu cử chung. Tôi cũng xác nhận rằng không có người đã đưa ra tuyên bố về cách viết tên ứng cử và tất cả các ứng cử viên sau đây là không có ai vận động tranh cử lại:

Mayor <i>Alcalde</i> Thị trưởng City Council, Place 2 <i>Concejo de la Ciudad, Lugar 2</i>	Walter Bowen
Ủy Viên Hội Đồng Thành Phố, Vị Trí 2 City Council, Place 4 <i>Concejo de la Ciudad, Lugar 4</i>	Geoffrey White
Ủy Viên Hội Đồng Thành Phố, Vị Trí 4 City Council, Place 6 <i>Concejo de la Ciudad, Lugar 6</i>	Ronny Parsley
Ủy Viên Hội Đồng Thành Phố, Vị Trí 6	Gary Stuard

\_\_\_\_\_  
 Monica Solko, City Secretary  
*Monica Solko, Secretaria de la Ciudad*  
 Monica Solko, Tổng thư ký thành phố

Dated this 12th day of March 2019. Submitted pursuant to Sec. 2.052 of the Texas Election Code.	<i>Fechado el día 12 de marzo 2019. Presentado de conformidad con la Seccion 2.052 delCodigo Electoral de Texas.</i>	Ngày 12 tháng 3 năm 2019. Gửi theo Mục 2.052 của Bộ luật Bầu cử Texas.
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## **Attachment B**

### **ORDER OF CANCELLATION**

The City of Lake Worth hereby cancels the election scheduled to be held on May 4, 2019 in accordance with Section 2.053(a) of the Texas Election Code. The following candidates have been certified as unopposed and are hereby elected as follows:

<b>Candidate</b>	<b>Office Sought</b>
Walter Bowen	Mayor
Geoffrey White	City Council, Place 2
Ronny Parsley	City Council, Place 4
Gary Stuard	City Council, Place 6

A copy of this order will be posted on Election Day at each polling place that would have been used in the election.

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Presiding Officer of Governing Body

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Secretary

(seal)

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Date of adoption

## EJEMPLO DE ORDEN DE CANCELACIÓN

El Ciudad de Lake Worth por la presente cancela la elección que, de lo contrario, se hubiera celebrado el 4 de mayo de 2019 de conformidad, con la Sección 2.053(a) del Código de Elecciones de Texas. Los siguientes candidatos han sido certificados como candidatos únicos y por la presente quedan elegidos como se haya indicado a continuación:

**(Candidato)**

Walter Bowen  
Geoffrey White  
Ronny Parsley  
Gary Stuard

**(Cargo al que presenta candidature)**

Alcade  
Concejo de la Ciudad, Lugar 2  
Concejo de la Ciudad, Lugar 4  
Concejo de la Ciudad, Lugar 6

El Día de las Elecciones se exhibirá una copia de esta orden en todas las mesas electorales que se hubieran utilizado en la elección.

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Presidente de la entidad gobernante

---

Secretaria

(sello)

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Fecha de adopción

## **LỆNH HỦY BỎ CUỘC TUYỂN CỬ**

Thành phố của Lake Worth theo đây hủy bỏ cuộc bầu cử đã được sắp xếp tổ chức vào ngày 4 tháng Năm, 2019 thể theo Mục 2.053(a) của Luật Tuyển Cử Texas. Những ứng cử viên sau đây đều được chứng nhận là độc nhất không có đối thủ và vì vậy đã được bầu như sau:

### **Ứng Cử Viên**

Walter Bowen  
Geoffrey White  
Ronny Parsley  
Gary Stuard

### **Chức Vụ Tranh Cử**

Thị trưởng  
Ủy Viên Hội Đồng Thành Phố, Vị Trí 2  
Ủy Viên Hội Đồng Thành Phố, Vị Trí 4  
Ủy Viên Hội Đồng Thành Phố, Vị Trí 6

Một bản sao của lệnh này sẽ được yết bảng công bố vào Ngày Bầu Cử tại từng địa điểm bỏ phiếu nào đã được sắp xếp để sử dụng trong cuộc bầu cử.

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Viên chức Chủ trì của Tổ Chức Điều Hành

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Thư Ký

(con dấu đóng)

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Ngày chấp nhận:

**Lake Worth City Council Meeting – March 12, 2019**

**Agenda Item No. C.1**

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**From:** Suzanne Meason, Planning & Zoning Administrator

**Item:** Public Hearing to consider Ordinance No. 1134, Planning & Zoning Case No. PZ-2019-01, an Ordinance amending Ordinance No. 530, so as to consider a change in the allowable land use(s) and a site plan amendment of an approximate 3.474-acre parcel of land, legally known as Block 1, Lot 2, Marine Creek Park Addition-Lake Worth, Lake Worth, Tarrant County, Texas, being that all of the certain called 3.474-acre parcel of land recorded in the deed records of Tarrant County, Texas and generally described as 3501-3539 NW Loop 820/Jim Wright Frwy., Lake Worth, Texas. **(The Planning & Zoning Commission recommended approval by a vote of 7-0.)**

**Property Description:**

3.474-acre parcel(s) of land, 3501-3539 NW Loop 820/Jim Wright Frwy

**Property Owner(s):**

HRE Marine Creek, LLC, 2280 Highland Village Road, Suite #150, Highland Village, Texas 75077

**Applicant:**

HRE Marine Creek, LLC, PO Box 57577, Hurst, Texas 76054

**Engineer/Architect/Surveyor:**

Coombs Land Surveying, Ronald Coombs, PO Box 11370, Fort Worth, Texas 76110

**Current Zoning:**

“M-PD” – Mixed Planned Development

**Current Use(s):**

A list of uses attached to Ordinance

**Existing Road(s):**

NW Loop 820/Jim Wright Frwy

**Surrounding Zoning:**

North: The property to the north is highway access road

South: The property to the south is currently zoned M-PD Mixed Planned Development.

East: The property to the east is in Fort Worth city limits.

West: The property to the west is currently zoned M-PD Mixed Planned Development.



Agenda Item No. C.1

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**Summary:**

The property owner has leased a space to a tenant that was not on the existing list of approved uses, so they were told they would have to go through the process to add/change any uses not already approved. The list that was incorporated into the existing ordinance was outdated and the property owner has amended it to be more current.

Staff has reviewed the site plan, and this is an existing developed site which is requesting an amendment to the uses allowed at the Business Park.

The Planning & Zoning Commission heard the case on February 19, 2019 and recommended approval of the case by a vote of 7-0.

**Public Input:**

On Friday, February 8, 2019 as required by State law, the City mailed out five (5) letters of Notification for a Public Hearing to all property owners within two hundred (200') feet of the subject site. Notice was also published in the City's paper of record, the Fort Worth Star Telegram on Saturday, February 2, 2019. We have received the following in favor/opposition to the request:

1. FOR – one (1) comment forms received. The property owner returned their form.
2. AGAINST – no comment forms received.

**Fiscal Impact:**

N/A

**Attachments:**

1. Ordinance No. 1134
2. Site Plan
3. Development Application
4. Public Hearing Notice
5. Public Hearing Notifications (within 200' of subject property)
6. Vicinity Map
7. Returned Public Comment Form

**Recommended Motion or Action:**

Staff's recommendation is the land use and development/site plan are at the discretion of the City Council.

## **ORDINANCE NO. 1134**

**AN ORDINANCE AMENDING ORDINANCE NO. 530, SO AS TO CONSIDER A CHANGE IN THE ALLOWABLE USE(S) AND A SITE PLAN AMENDMENT, ATTACHED HERETO AS "EXHIBIT A" OF AN APPROXIMATELY 3.474-ACRE PARCEL OF LAND, LEGALLY KNOWN AS BLOCK 1, LOT 2, MARINE CREEK PARK ADDITION – LAKE WORTH, AND GENERALLY DESCRIBED AS 3501-3539 NW LOOP 820/JIM WRIGHT FREEWAY, LAKE WORTH, TARRANT COUNTY, TEXAS; AMENDING THE OFFICIAL ZONING MAP; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A PENALTY CLAUSE; PROVIDING FOR SAVINGS; PROVIDING FOR SEVERABILITY; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND NAMING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Lake Worth 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 Chapter 211 of the Local Government Code, the City has adopted a comprehensive zoning ordinance and map regulating the location and use of buildings, other structures and land for business, industrial, residential or other purposes, and providing for a method to amend said ordinance and map for promoting the public health, safety, morals and general welfare; and

**WHEREAS**, the owner of a 3.474-acre parcel of land located in Lake Worth, Texas, has initiated an application on the hereinafter described property to request change in the allowable land use(s) and a site plan amendment to an existing developed property; and

**WHEREAS**, a public hearing was duly held by the Planning and Zoning Commission of the City of Lake Worth on February 19, 2019, and by the City Council of the City of Lake Worth March 12, 2019, with respect to the zoning described herein; and

**WHEREAS**, all requirements of law dealing with notice to other property owners, publication and all procedural requirements have been complied with in accordance with Chapter 211 of the Local Government Code; and

**WHEREAS**, the City Council of the City of Lake Worth, Texas, does hereby deem it advisable and in the public interest to amend Ordinance No. 530, and to amend the Official Zoning Map of the City, as described herein.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAKE WORTH, TEXAS:**

**SECTION 1.  
INCORPORATION OF PREMISES**

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

**SECTION 2.  
ORDINANCE 530 AMENDED**

Ordinance No. 530 is hereby amended by approving a change in the allowable use(s) and a site plan amendment and by amending the Official Zoning Map to reflect such change for the property hereinafter described below:

Zoning Case No. PZ-2019-01

Owner:	HRE Marine Creek LLC 2280 Highland Village Road, Suite #150 Highland Village, Texas 75077
Applicant:	HRE Marine Creek LLC PO Box 54577 Hurst, Texas 76054
Legal Description:	Block 1, Lot 2, Marine Creek Park Addition – Lake Worth Lake Worth, Tarrant County, Texas
Property Address:	3501-3539 NW Loop 820/Jim Wright Frwy
Property Zoning:	M-PD – Mixed Planned Development
Permitted use:	The use and operation use of a Business Park/Center with the following uses:  Antique Shops, Appliance Stores, Bicycle and Bicycle Repair Shops, Wedding Receptions/Parties/Conferences/Seminars/ Training/Meeting, Cigar or Tobacco Stores, General Offices, Copy/Blueprinting, Dancing Schools, Doctor's or Dentist's Offices, Clinics, or Medical, Surgical or Dental Laboratories, Cleaning Services and Similar Activities, Drug Stores, Dry Goods, Electronic Store, Flooring and Carpet Stores, Florist or Gift Shops, Hardware Store, Fulfillment Center, Household/Office Furniture, Jewelry Stores, Massage/Health Treatments, Offices, Optical Stores, Pet Shops, Photography, Portrait, or Camera Shops and Photo Finishing, Piano/Music Stores, Radio and Television Sales and Services, Retail

Stores, Tax Services, Variety Stores, and Vet/Dog/Cat Hospital, Churches.

**SECTION 3.  
COMPLIANCE WITH SITE PLAN AND ORDINANCES**

The use and development of the property shall be subject to all terms and conditions set forth in the Site Plan attached hereto as Exhibit "A" in addition to all applicable regulations contained in the Comprehensive Zoning Ordinance and all other applicable and pertinent ordinances of the City of Lake Worth, Texas.

**SECTION 4.  
OFFICIAL ZONING MAP AMENDED**

The City Secretary is hereby directed to amend the Official Zoning Map to reflect the changes in classification approved herein.

**SECTION 5.  
CUMULATIVE CLAUSE**

This Ordinance shall be cumulative of all provisions of all other ordinances of the City of Lake Worth, Texas except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

**SECTION 6.  
PENALTY CLAUSE**

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 fined not more than Two Thousand Dollars (\$2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

**SECTION 7.  
SEVERABILITY**

It is hereby declared to be the intention of the City Council of the City of Lake Worth that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

**SECTION 8.  
SAVINGS**

All rights or remedies of the City of Lake Worth, Texas are expressly saved as to any and all violations of the provisions of any ordinance affecting zoning or land use, which 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 9.  
ENGROSSMENT AND ENROLLMENT**

The City Secretary of the City of Lake Worth is hereby directed to engross and enroll this Ordinance by copying the caption, publication clause and effective date clause in the minutes of the City Council and by filing the Ordinance in the Ordinance Records of the City.

**SECTION 10.  
PUBLICATION**

The City Secretary of the City of Lake Worth is hereby directed to publish in the official newspaper of the City of Lake Worth, the caption, the penalty clause, publication clause, and effective date clause of this ordinance two (2) days as authorized by Section 52.013 of the Local Government Code.

**SECTION 11.  
EFFECTIVE DATE**

This Ordinance shall be in full force and effect from and after its passage and publication as required by law, and it is so ordained.

**PASSED AND APPROVED** on 12th day of March 2019.

**CITY OF LAKE WORTH**

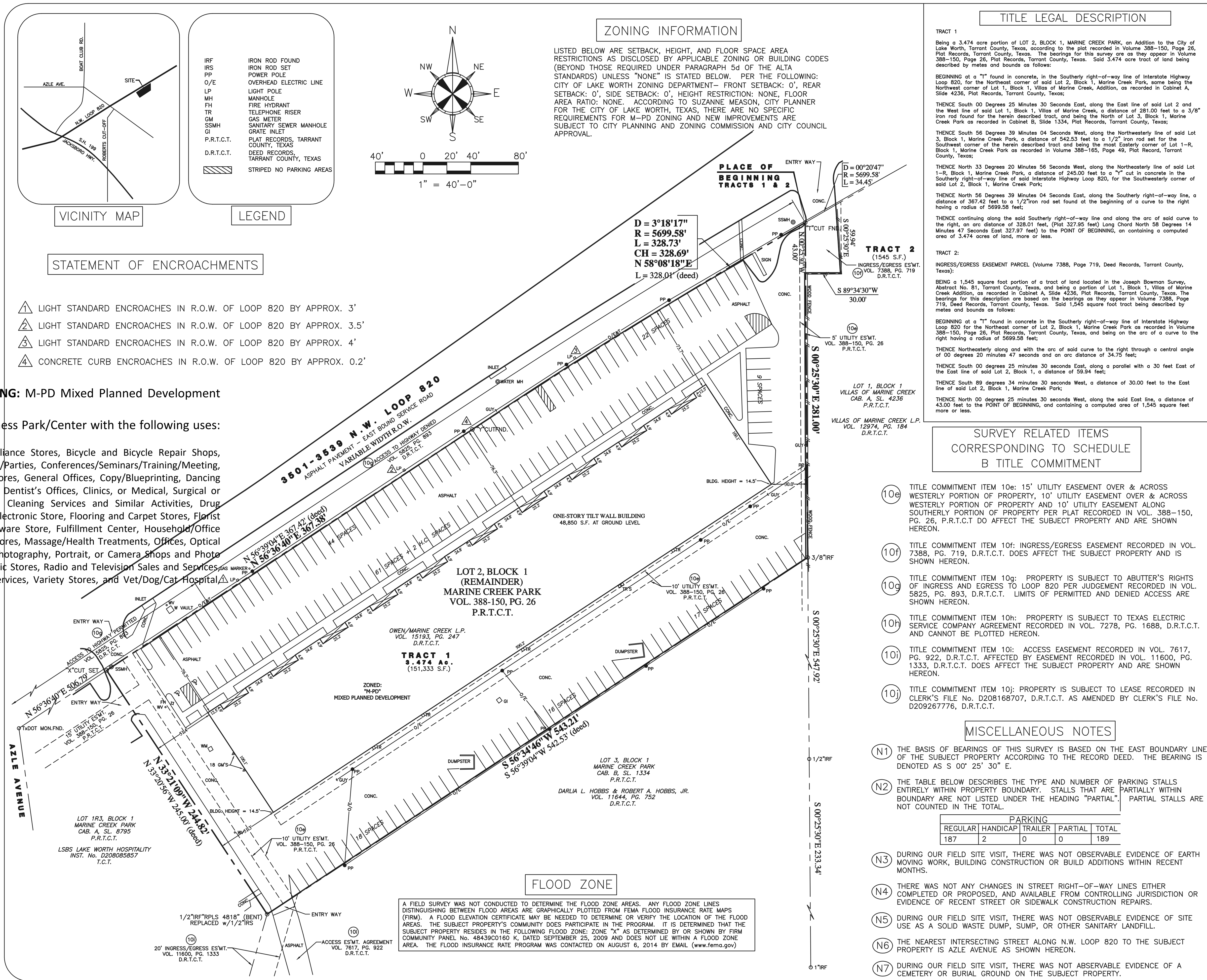
By: \_\_\_\_\_  
Walter Bowen, Mayor

**ATTEST:**

\_\_\_\_\_  
Monica Solko, City Secretary

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
Drew Larkin, City Attorney



TRACT 1

Being the remainder of Lot 2, Block 1, MARINE CREEK PARK, an Addition to the City of Lake Worth, Texas, according to the plat recorded in Volume 388-150, Page 26 of the Plat Records of Tarrant County, Texas and more particularly described by metes and bounds as follows:

**BEGINNING** at a "T" cut found in concrete at the Northeast corner of said Lot 2 being the Northwest corner of Lot 1, Block 1, Villas of Marine Creek, an addition to the City of Fort Worth, Texas according to the plat recorded in Cabinet A, Slide 4236, of the Plat Records of Tarrant County, Texas and lying in the Southerly right-of-way line of Interstate Highway Loop 820;

**THENCE** S 00° 25' 30" E, 281.00 feet along the common boundary line between said Lot 2 and said Lot 1 to a 3/8-inch iron rod found at the Northeast corner of Lot 3, Block 1, Marine Creek Park, an addition to the City of Lake Worth, Texas according to the plat recorded in Cabinet B, Slide 1334 of the Plat Records of Tarrant County, Texas;

**THENCE** S 56° 34' 46" W, 543.21 feet along the Northerly boundary line of said Lot 3 to a 1/2-inch iron rod found with yellow plastic cap stamped "RPLS 4818" (bent) replaced with a 1/2-inch rod set with orange plastic cap stamped "R. COOMBS RPLS 5294" at the most Easterly corner of Lot 1R3, Block 1, Marine Creek Park, an addition to the City of Lake Worth, Texas according to the plat recorded in Cabinet A, Slide 8795 of the Plat Records of Tarrant County, Texas;

**THENCE** N 33° 21' 09" W, 244.82 feet along the Northeast boundary line of said Lot 1R3 to an "X" cut in concrete set at the most Northerly corner thereof being the most Westerly corner of aforesaid Lot 2 and lying in the aforesaid Southerly right-of-way line of Interstate Highway Loop 820;

**THENCE** along said right-of-way line as follows:

N 56° 36' 40" E, 367.38 feet to a "Y" cut found in concrete at the Beginning of a Curve to the Right;

NORTHEASTERLY, 328.73 feet along said Curve to the Right, having a radius of 5699.58 feet, a central angle of 03° 18' 17" and a chord bearing N 58° 08' 18" E, 328.69 feet to the PLACE OF BEGINNING, containing 3.474 acres (151,333 square feet) of land.

**TRACT 2:**

INGRESS/EGRESS EASEMENT PARCEL (Volume 7388, Page 719, Deed Records, Tarrant County, Texas):

BEING a 1,545 square foot portion of a tract of land located in the Joseph Bowman Survey, Abstract No. 81, Tarrant County, Texas, and being a portion of Lot 1, Block 1, Villas of Marine Creek Addition, as recorded in Cabinet A, Slide 4236, Plat Records, Tarrant County, Texas. The bearings for this description are based on the bearings as they appear in Volume 7388, Page 719, Deed Records, Tarrant County, Texas. Said 1,545 square foot tract being described by metes and bounds as follows:

**BEGINNING** at a "T" found in concrete in the Southerly right-of-way line of Interstate Highway Loop 820 for the Northeast corner of Lot 2, Block 1, Marine Creek Park as recorded in Volume 388-150, Page 26, Plat Records, Tarrant County, Texas, and being on the arc of a curve to the right having a radius of 5699.58 feet;

**THENCE** Northeasterly along and with the arc of said curve to the right through a central angle of 00 degrees 20 minutes 47 seconds and an arc distance of 34.75 feet;

**THENCE** South 00 degrees 25 minutes 30 seconds East, along a parallel with a 30 feet East of the East line of said Lot 2, Block 1, a distance of 59.94 feet;

**THENCE** South 89 degrees 34 minutes 30 seconds West, a distance of 30.00 feet to the East line of said Lot 2, Block 1, Marine Creek Park;

**THENCE** North 00 degrees 25 minutes 30 seconds West, along the said East line, a distance of 43.00 feet to the POINT OF BEGINNING, and containing a computed area of 1,545 square feet more or less.

THE ABOVE DESCRIBED PARCEL IS THE SAME LAND DESCRIBED IN CHICAGO TITLE INSURANCE COMPANY, G.F. No. CTBW43-83414001467-DM, EFFECTIVE JULY 7, 2014

## ALTA/ACSM LAND TITLE SURVEY

FOR  
MARINE CREEK BUSINESS PARK  
LAKE WORTH, TEXAS

PARTNER PROJECT NUMBER 14-123767.2 SITE NUMBER 1

ALTA SURVEY BASED AND RELIED ON CHICAGO TITLE INSURANCE COMPANY COMMITMENT, GF NUMBER CTBW43-83414001467-DM, CONTAINING EFFECTIVE DATE OF JULY 7, 2014

### CERTIFICATION

SURVEYOR'S CERTIFICATION

TO COMPASS BANK, HRE MARINE CREEK LLC, OWEN/MARINE CREEK L.P., AND CHICAGO TITLE OF TEXAS, LLC:

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 6a, 6b, 7a, 7b, 7c, 8, 9, 11a, 13, 14, 16, 17, 18, 19, 20a AND 22 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON AUGUST 5, 2014.

*Ronald W. Coombs*

RONALD W. COOMBS, R.P.L.S.  
STATE OF TEXAS No. 5294

DATE: SEPTEMBER 15, 2014

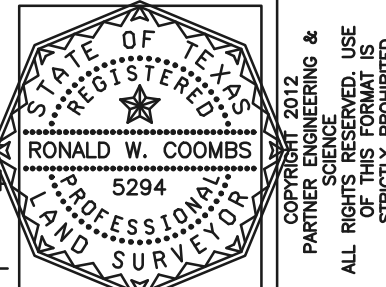
PROPERTY ADDRESS: 3501-3539 N.W. LOOP 820, FORT WORTH, TEXAS 76106

SURVEY PREPARED BY:  
COOMBS LAND SURVEYING, INC.  
P.O. BOX 11370  
FORT WORTH, TEXAS 76110  
(817) 920-7600  
ron.combs@sbcglobal.net

RONALD W. COOMBS, R.P.L.S.  
REGISTRATION NUMBER 5294  
STATE OF REGISTRATION TEXAS  
FIELD DATE OF SURVEY 8/5/14  
LATEST REVISION DATE 9/15/14

*Ronald W. Coombs*

SIGNATURE



**PARTNER**  
Engineering and Science, Inc.

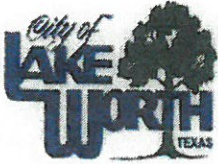
1761 E. GARRY AVENUE  
SANTA ANA, CALIFORNIA  
92705

T 440-987-1001  
cdaniels@partneresi.com

PAGE 1 OF 1

**SITE PLAN**  
**JANUARY 2019**





BUILDING DEVELOPMENT SERVICES  
PLANNING & ZONING DIVISION  
3805 ADAM GRUBB, LAKE WORTH, TEXAS 76135  
817-255-7922 OR [SMEASON@LAKEWORTHTX.ORG](mailto:SMEASON@LAKEWORTHTX.ORG)

FOR OFFICE USE ONLY  
Case No: PZ-2019-01  
Date Submitted: 1-14-19

## APPLICATION FOR DEVELOPMENT APPROVAL

(CHECK ALL THAT APPLY)

☐ ZONING CHANGE ☒ LAND USE ☐ SITE PLAN ☒ SITE PLAN AMENDMENT

PROPERTY ADDRESS 3501-3539 NW Jim Wright Fwy, Lakewood

CURRENT LEGAL DESCRIPTION Lot 2, Block 1 of Marine Park Addition

CURRENT ZONING CLASSIFICATION & LAND USE M-PD (Mixed Plan Development)

PROPOSED ZONING CLASSIFICATION & LAND USE Same

TOTAL ACRES 3.474 # OF LOTS 1

### APPLICANT/DEVELOPER INFORMATION

NAME Beatrice Okirhienyafa  
ADDRESS 216 Quail Meadow Lane CITY Arlington  
STATE Tx ZIP 76002 EMAIL Shi.training@yahoo.com  
PHONE 817-449-6697 FAX \_\_\_\_\_

same as  
property  
owner

### PROPERTY OWNER INFORMATION

NAME HPE Marine Creek LLC  
ADDRESS P O Box 54577 CITY Hurst  
STATE Tx ZIP 76054 EMAIL realestate@hielangroup.com  
PHONE 817-516-3756 FAX \_\_\_\_\_

### SURVEYOR/ARCHITECT/ENGINEER INFORMATION

NAME Coombs Land Surveying (Ronald W Coombs, R.P.L.S.)  
ADDRESS P O Box 11370 CITY Ft. Worth  
STATE Tx ZIP 76110 EMAIL ron.coombs@sbcglobal.net  
PHONE 817-920-7600 FAX \_\_\_\_\_

I hereby certify that I am the owner of the property described above and further certify that the information provided on this development application is true and correct. I further understand that the public hearing for this project will not be scheduled until the application fee(s) have been paid and the plans have been reviewed and accepted by City staff. IF APPLICATION IS SIGNED BY SOMEONE OTHER THAN THE OWNER, THEN AN OWNER AUTHORIZATION FORM MUST BE COMPLETED AND TURNED IN WITH APPLICATION.

SIGNATURE OF OWNER, AGENT, OR APPLICANT

Keith Menking

DATE

1-8-2019



## GENERAL INFORMATION

Civil construction plan submittals shall meet the following general sheet requirements and order:

1. Cover Sheet with Vicinity Map (Project Name, Address, Legal Description, Type of Plan(s), and Current Date shall be shown on cover)
2. Final Plat
3. Site Layout
4. Dimensional Control Plan
5. Paving Plan and Profile
6. Grading Plan
7. Drainage Area Map
8. Storm Sewer Layout
9. Storm Sewer Plan and Profile
10. Water Layout
11. Water Plan and Profile
12. Sanitary Sewer Layout
13. Sanitary Sewer Plan and Profile
14. Storm Water Pollution Prevention Plan (Erosion Control Plan)
15. Traffic Control Plan
16. Standard Construction Details

Construction plans must be 100% complete at the time of submittal. Any incomplete sets of construction plans shall be returned unreviewed.

## SUBMITTAL CHECKLIST

The following items must be turned in for the subdivision plat application to be accepted and processed by this department:

- ☒ DEVELOPMENT APPLICATION
- ☒ OWNER AUTHORIZATION FORM (IF APPLICABLE)
- ☒ APPLICATION FEE (VERIFY WITH P&Z ADMINISTRATOR)
- ☒ FOUR (4) HARD COPIES OF DEVELOPMENT PLAN, CIVIL CONSTRUCTION PLANS OR SITE PLAN AMENDMENT PLAN (WHICHEVER IS APPLICABLE) (**ACCEPTED SIZE 24" x 36"**)
- ☒ ELECTRONIC VERSION (.pdf) OF THE PLANS EMAILED TO [SMEASON@LAKEWORTHTX.ORG](mailto:SMEASON@LAKEWORTHTX.ORG)

### OFFICE USE ONLY

Fee: 275.00  
Date Paid: 1.14.19  
Receipt #: P19-0020  
Ownership Verified:  
☒ YES ☐ NO  
Taxes Paid:  
☒ YES ☐ NO  
Liens Paid:  
☒ YES ☐ NO

Public Hearing Newspaper Notice Deadline Date: 2.2.19  
Public Hearing 200' Notification Deadline Date: 2.9.19  
P&Z Commission Meeting Date: 2.19.19  
City Council Meeting Date: 3.12.19  
Approval Date: \_\_\_\_\_  
Ordinance Number: \_\_\_\_\_  
Instrument #: \_\_\_\_\_



CITY OF LAKE WORTH  
NOTICE OF PUBLIC HEARING  
PLANNING AND ZONING COMMISSION  
AND CITY COUNCIL

LAND USE & SITE PLAN AMENDMENT  
PLANNING & ZONING CASE #PZ-2019-01

The Planning and Zoning Commission of the City of Lake Worth, Texas, will conduct the first of two public hearings at 6:30 p.m. on Tuesday, February 19, 2019, at the Lake Worth City Council Chambers, 3805 Adam Grubb, Lake Worth, Texas 76135 to hear public comment and consider recommendations to the City Council regarding an Ordinance, amending Ordinance No. 530, so as to consider a change in the allowable land use(s) and a site plan amendment of an approximate 3.474-acre parcel of land, legally known as Block 1, Lot 2, Marine Creek Park Addition-Lake Worth, Lake Worth, Tarrant County, Texas, being that all of the certain called 3.474-acre parcel of land recorded in the deed records of Tarrant County, Texas. The property to be considered is generally described as a 3.474-acre parcel of land located at 3501-3539 NW Loop 820/Jim Wright Frwy., Lake Worth, Texas. The City Council will conduct a second Public Hearing at 6:30 p.m. on Tuesday, March 12, 2019, at the Lake Worth City Council Chambers, 3805 Adam Grubb, Lake Worth, Texas 76135 to hear public comment and consider the proposed land use change and site plan amendment for the above listed property. All interested parties are encouraged to attend.

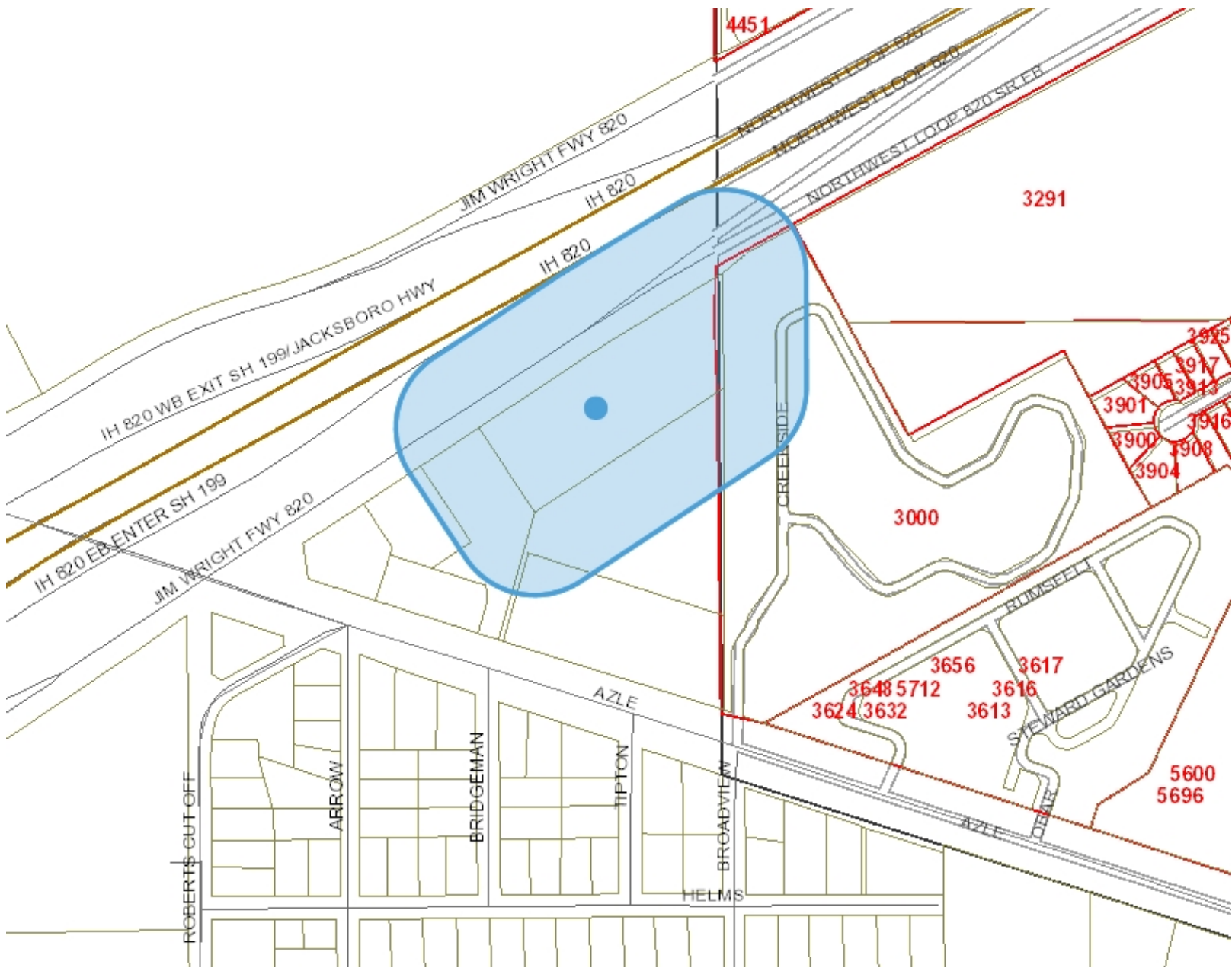
**HRE Marine Creek LLC**  
**2280 Highland Village Rd Ste. #150**  
**Highland Village, Texas 75077**

**Darla L & Robert A Hobbs, Jr.**  
**PO Box 136369**  
**Fort Worth, Texas 76136-0369**

**LSBS Lake Worth Hospitality**  
**3541 NW Loop 820**  
**Fort Worth, Texas 76106**

**Bright Family Property LLC**  
**8522 Broadway Ave, Ste #216**  
**San Antonio, Texas 78216**

**Ligon Properties LLC**  
**1236 Coast Village Cir Ste H**  
**Santa Barbara, CA 93108**

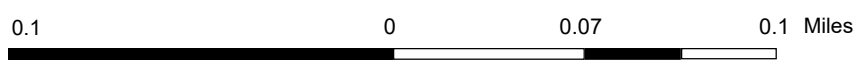


## Legend

- PARCELS
- Lots
- Arterials
- Freeways
- Streets
- Tarrant County Streets
- Parks
- Lakes
- City Limit
- Extraterritorial Jurisdiction (ETJ)



2/5/19 9:24 AM



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. The City of Fort Worth assumes no responsibility for the accuracy of said data.

NCTCOG ORTHOPHOTOGRAPHY

1: 4,229



CITY OF LAKE WORTH  
PUBLIC COMMENT FORM  
(Please type or use black ink)

Planning & Zoning Department at 3805 Adam Grubb, Lake Worth, Texas 76135

- ☒ I am **FOR** the proposed zoning case as explained on the attached public notice for Zoning Case #PZ-2019-01 (Marine Creek Business Park Site Plan Amendment – 3501-3539 Jim Wright Frwy).
- ☐ I am **AGAINST** the proposed zoning case as explained on the attached public notice for Zoning #PZ-2019-01 (Marine Creek Business Park Site Plan Amendment – 3501-3539 Jim Wright Frwy).

Property Owner Name: HRE Marine Creek LLC  
(Please print)

Mailing Address: P O Box 54577  
Hurst Tx 76054

Signature: K.A.

Date: 2-13-2019

Property Address(s): 3501-3539 NW Loop 820  
Lake Worth Tx 76106

COMMENTS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PLEASE TURN IN PUBLIC COMMENT FORM NO LATER THAN  
THURSDAY, FEBRUARY 14, 2019 @ NOON TO BE INCLUDED IN THE AGENDA PACKET

For Office Use Only

Property Address: 3501-3539 NW Loop 820 Legal Description: BLK 1, Lot 2, Marine Creek Park Addition-LW

Received By: S. Meason Date: 2.14.19

## Lake Worth City Council Meeting – March 12, 2019

### Agenda Item No. C.2

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**From:** Sean Densmore, Director of Public Works

**Item:** Public Hearing to receive citizen comments and consider participation in the 45<sup>th</sup> Year Tarrant County Community Development Block Grant (CDBG) project for sewer line replacement on (7200 Block) Apache Trail, (3400 Block) Shawnee Trail and (3200-3300 Block) Mohawk Trail.

**Summary:**

This purpose of this public hearing is to receive citizen comments and to consider participation in the 45<sup>th</sup> Year Tarrant County CDBG Project for sewer line replacement on Apache, Shawnee and Mohawk Trail.

This public hearing was advertised in the Fort Worth Star-Telegram on February 23, 2019 and posted on the city's official bulletin board located at 3805 Adam Grubb, Lake Worth, Texas. After holding this public hearing, Council may take action on participating in the 45<sup>th</sup> Year CDBG project as described above.

City Engineers have estimated the total project cost to be **\$364,450** with the City contribution of **\$199,450**. The city contribution will be budgeted in the upcoming 2019-2020 fiscal year budget process.

The public should be advised that a portion of the proposed project is located in the floodplain and any comments or objections are welcome at this time.

Due to the floodplain encompassing a portion of 45<sup>th</sup> year project there will be additional notice requirements for this project. A "Public Notice of Proposed Project within a Floodplain" must be posted in public places for a specific time period. After that notice is removed, a second notice will be required to be posted for another time period. Both notices will be supplied by Tarrant County. Specific dates and times are not currently available but will be identified by Tarrant County in the near future.

**Fiscal Impact:**

\$199,450

**\*\* Note:** The city contribution will be budgeted in the upcoming 2019-2020 fiscal year budget process. **\*\***

**Attachments:**

- 45<sup>th</sup> Year Project Proposal Form
- 45<sup>th</sup> Year project Map

**Lake Worth City Council Meeting – March 12, 2019**

**Agenda Item No. C.2**

---

**Recommended Motion or Action:**

Hold Public Hearing and move and to approve participation in the 45th Year Tarrant County Community Development Block Grant (CDBG) project for sewer line replacement on (7200 Block) Apache Trail, (3400 Block) Shawnee Trail and (3200-3300 Block) Mohawk Trail.



Tarrant County Community Development  
Community Development Block Grant  
45<sup>th</sup> Year – PY 2019

**PROJECT PROPOSAL FORM**

**Part 1: City Information**

City Name	City of Lake Worth
City Contact Name(s)	Sean Densmore, Public Works Director
Contact Person Phone	817-237-4318
Contact Person E-mail	sdensmore@lakeworthtx.org
City Annual Financial Summary	<input checked="" type="checkbox"/> Check here if you have included
Comprehensive Plan Summary	<input type="checkbox"/> Check here if you have included or <input checked="" type="checkbox"/> have emailed planner pdf
Web link to City's Comprehensive Plan	<a href="http://www.lakeworthtx.org/upload/common/docs/Economic%20Development/Comprehensive%20Plan%20FLUP%202035.pdf">http://www.lakeworthtx.org/upload/common/docs/Economic%20Development/Comprehensive%20Plan%20FLUP%202035.pdf</a>
City Leverage Amount	\$174,450 (towards construction), \$25,000 (towards engineering)=\$199,450

**Part 2: Public Participation**

Date of Public Hearing	March 12, 2019
Supporting records of hearing	<input type="checkbox"/> Check here if you have attached a copy of the public notice, public hearing and minutes from the hearing.
Citizen Input	<input type="checkbox"/> Comments attached <input type="checkbox"/> No comments received.

**Part 3: Engineering Information**

Engineering Firm Name	Kimley-Horn and Associates, Inc.
Firm Address	801 Cherry Street Unit 11, Suite 1300 Fort Worth, Texas 76102
Firm Contact Person 1	Misty Christian, P.E.
Contact Person Phone 1	817-900-8525
Contact Person E-mail 1	<a href="mailto:misty.christian@kimley-horn.com">misty.christian@kimley-horn.com</a>



Firm Contact Person 2	Nick Sopko			
Contact Person Phone 2	817-339-2270			
Contact Person E-mail 2	Nich.sopko@kimley-horn.com			
Project Cost/ Engineering Estimate	\$ 324,450			
<b>Part 4: Project Information</b> <i>(Follow Instructions)</i>				
Type of Project	Sanitary Sewer Rehabilitation			
Project Address (incl. block #)	7200 Apache Trail, Intersection of Apache Trail and Shawnee Trail			
Zip Code	76135			
Census Tract/BG	1104.01 Target Area			
Acquisition of real property	Project entails purchasing ROW or other property: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
Project Description (Complete & Detailed)	This project consists of reconstructing approximately 1,800 feet of 6" sanitary sewer line. The existing sanitary sewer line consists of clay pipe and will be replaced with PVC pipe.			
Service Area Description (Street boundaries and description of non-residential area)	The service area for the project is near Shawnee Trail and Apache Trail.			
Land Use Information	State Land Use Codes	Land Use in Acres	Total Acres in Service Area	% of Total Service Area
	A1 (Single Family Residential)	8.7	8.7	100%
	A2 (Mobile Homes)			
	B1 (Multi-family Residential)			
	C1 (Residential Vacant)			
	C2 (Commercial Vacant)			
	C6 (Exempt – ROW)			
	D3 (Farm land)			
	D4 (Undeveloped)			
	F1 (Commercial)			





	<b>F2 (Industrial)</b>			
	<b>J1-8 (Utilities)</b>			
	<b>OTHER ( )</b>			
	<b>TOTAL RESIDENTIAL:</b>	<b>8.7</b>	<b>8.7</b>	<b>100%</b>
MAPS (Check each which you have included)	<input checked="" type="checkbox"/> Map(s) indicating Service Area and Project location <input checked="" type="checkbox"/> Map of FEMA Flood Map (FIRM) of project area <input type="checkbox"/> Other maps (ie, indicating water or sewer flow)			
<b>Part 5: Detailed Cost Estimate – 45<sup>th</sup> Year – PY 2019</b>				
City Name	<b>City of Lake Worth</b>			
Date	<b>January 23, 2019</b>			
Project Address	<b>7200 Apache Trail and the intersection of Shawnee Trial and Apache Trail</b>			

**Please fill in the below information**

Item No.	Description	Quantity	Unit Price	Amount
1	Mobilization	1	\$20,000.00	\$20,000
2	6-inch SDR-26 Water Pipe	1450	\$55.00	\$79,750
3	Sewer Line Trench Safety	650	\$2.00	\$1,300
4	Sanitary Sewer Manhole	6	\$6,000.00	\$36,000
5	Connect to Existing Manholes	4	\$2,000.00	\$8,000
6	Sanitary Sewer Services	8	\$1,500.00	\$12,000
7	6-inch HDPE Pipe via Pipe Bursting	350	\$95.00	\$33,250
8	Hydromulch	900	\$3.00	\$2,700
9	Asphalt Pavement Repair	1150	\$70.00	\$80,500
10	Post-Construction TV	1800	\$3.00	\$5,400
11	Pre-Construction TV	350	\$3.00	\$1,050
12	Point Repair	150	\$100.00	\$15,000
13	Concrete Driveway Repair	300	\$65.00	\$19,500
14	Construction Allowance	1	\$10,000.00	\$10,000
	<b>Budget with alternate deductibles</b>			

**Estimated Construction Subtotal: \$324,450**

**Design/Engineering Subtotal: \$40,000**

**TOTAL ESTIMATED PROJECT COSTS: \$364,450**

City Leverage Amount (if applicable)	<b>\$174,450</b>
City Paid Design/Engineering (if applicable)	<b>\$25,000</b>
Other Sources (if applicable)	<b>\$0</b>



Assumed CDBG award	<b>\$165,000</b>
<b>Total Estimated Funds Available</b>	<b>\$364,450</b>

*Note: Project Costs must balance with Funds Available.*

Prepared By: Misty Christian, P.E.

**Part 6: Description of Need and Problem to be Addressed. Will this project complement another project within the city or surrounding cities?**

This project will replace an existing 6" clay sanitary sewer pipe that has historically leaked in a single family service area. This project consists of replacing the existing 6" clay pipe with a 6" PVC pipe. This project will reduce the leaks and associated I/I into the system.

This project compliments several CDBG projects that have been constructed in the past.

**Part 7: Financial Need Explanation** *(Include statement and/or audit results)*

The City has funds available; however, it appears the monies available from the county will cover the project costs.

**Part 8: Project Performance Objectives and Outcome**

OBJECTIVE (Select one)	<input checked="" type="checkbox"/> Suitable Living Environment <i>(most public works)</i> <input type="checkbox"/> Decent Housing <input type="checkbox"/> Economic Opportunity
OUTCOME (Select One)	<input type="checkbox"/> Availability or Accessibility <input type="checkbox"/> Affordability <input checked="" type="checkbox"/> Sustainability <i>(most public works)</i>



**Part 9: Environmental and Neighborhood Conditions**

The area adjacent to the project location is developed and is mostly residential. The project will help improve the reliability of sewer service to the residents and alleviate the inconvenience of construction due to repairing the sewer line. Also, the I/I will be reduced in the system.

There are no known sensitive habitats that will be affected by this project. This project is not expected to cause any nuisances to the area above normal construction activities.

**Part 10: CDBG Environmental Review Statutory Checklist**

City	<b>City of Lake Worth</b>
Project Location	<b>7200 Apache Trail, Intersection of Shawnee Trail and Apache Trail</b>

Place an "X" in the appropriate response. If compliance response is other than "Not Applicable" please indicate needed requirement and any additional information.

<b>Area of Statutory or Regulatory Compliance</b>	<b>Not Applicable to this project</b>	<b>Consultation Required</b>	<b>Review Required</b>	<b>Permits Required</b>	<b>Determination of Consistency Approvals, Permits Obtained</b>	<b>Conditions and/or Mitigation Actions Required</b>	<b>Provide Compliance Documentation. Additional material may be attached.</b>
Historic Properties	X						
Flood Plain	X						
Wetlands	X						
Coastal Zone Management	X						Tarrant County, Texas is not located along a coastal area. Map on File.
Sole-Source Aquifers	X						Edwards Aquifer is the only sole source aquifer exchange zone in Texas. This Aquifer is not located in Tarrant County, Texas. Map on file.
Endangered Species	X						
Wild and Scenic River	X						No wild and scenic rivers are located in Tarrant County, Texas. Map on file.

Air Quality	X						
Farmlands Protection	X						
<b>Manmade Hazards:</b>							
Thermal/Explosive	X						
Noise	X						
Airport Clear Zones	X						
Toxic Sites	X						
Solid Waste	X						
Environmental Justice	X						



January 23, 2019

Susan Au  
Tarrant County Community Development & Housing  
1509B South University Drive  
Suite 276  
Fort Worth, Texas 76107

**Re: 2019 CDBG 45th Year City of Lake Worth Application  
Comprehensive Plan Summary**

Dear Susan:

This letter is to inform you about the Sanitary Sewer Rehabilitation Program for the City of Lake Worth. In 2006 the City of Lake Worth hired Kimley-Horn and Associates to complete a planning document summarizing the anticipated projects required for rehabilitation of the sanitary sewer system. The attached Sanitary Sewer Rehabilitation Program is the document that was created and adopted by the City Council.

Since that time the City has been proactively engaged in completing projects based on priority to meet the Texas Commission on Environmental Quality's requirements. The City has completed over 17 priority projects and 24 total projects. The projects associated with this application will complete another project in this program.

If you have any questions or need additional information on a specific project, please don't hesitate to call.

Sincerely,

KIMLEY-HORN AND ASSOCIATES, INC.  
TBPE No. F-928

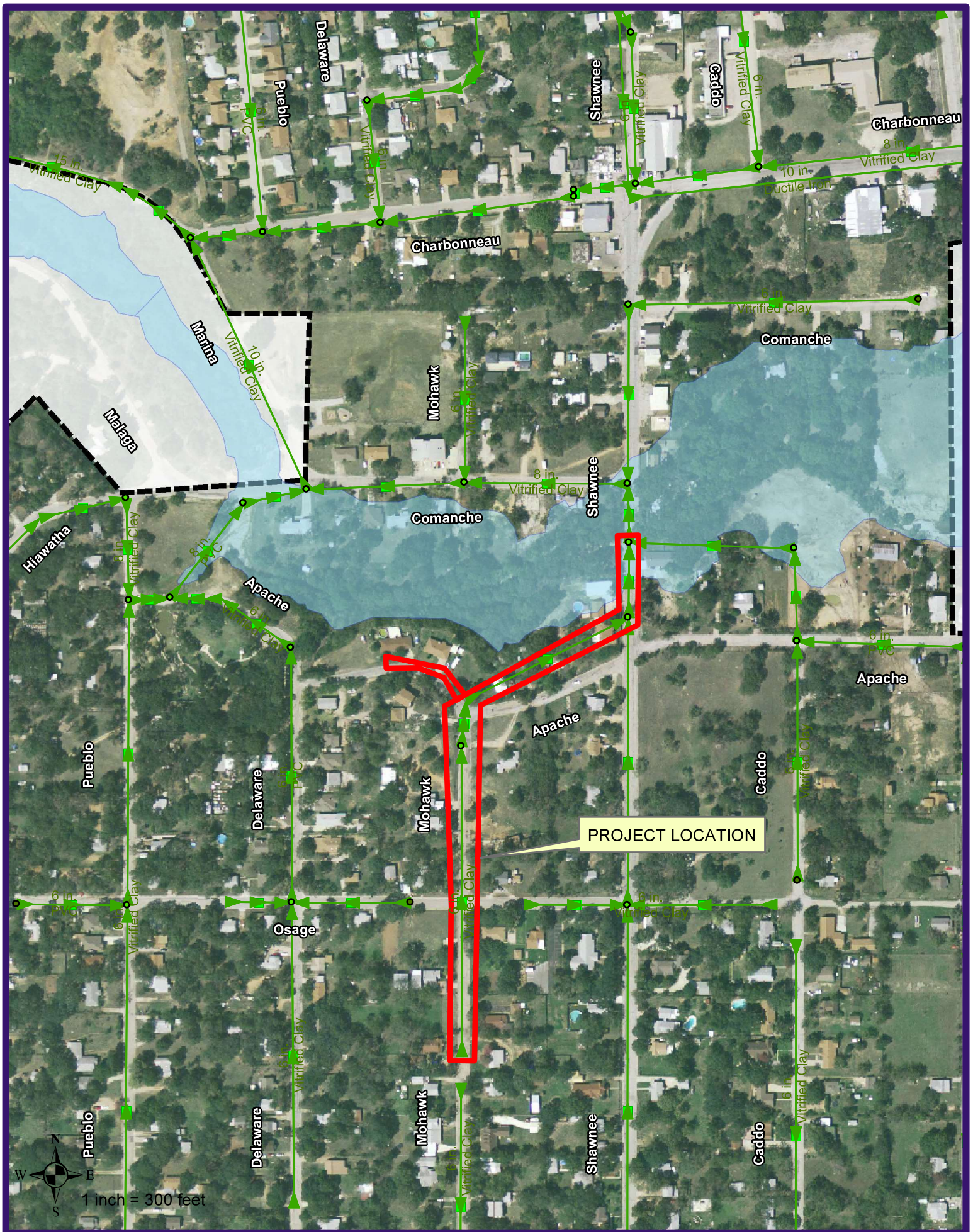
A handwritten signature in blue ink that reads "Misty Christian".

Misty Christian, P.E.

Attachments: Project sheets from Sewer Rehabilitation Plan

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## Lake Worth City Council Meeting – March 12, 2019

### Agenda Item No. E.1

---

**From:** Kelly McDonald, Purchasing Coordinator/Risk Manager

**Item:** Discuss and consider award of bid to Pittard Construction Company for the Chlorine to Chloramines Disinfection System Conversion project in the amount of \$125,000 and authorize the City Manager to execute the contract.

**Summary:**

Kimley-Horn and Associates solicited sealed bids on behalf of the City for the chloramine conversion project, which includes the construction of a fiberglass shelter, LAS chemical feed pump and piping, and the removal and replacement of the existing chlorine chemical feed pump at both the Azle Avenue and Stadium pump sites.

On February 12, 2019 the City received the following bids responsive to our request.

Bidder No. 1	Pittard Construction Company	\$125,000.00
Bidder No. 2	Dake Construction	\$198,700.00

After careful review of qualifications and verification of their bonding company, staff has determined that Pittard Construction Company is the lowest responsible bidder.

**Fiscal Impact:**

\$125,000.00

**Attachments:**

1. Bid Tabulation Sheet
2. Kimley-Horn recommendation letter

**Recommended Motion or Action:**

Move to approve awarding a bid to Pittard Construction Company for the Chlorine to Chloramines Disinfection System Conversion project in the amount of \$125,000 and authorize the City Manager to execute the contract.

# BID TABULATION

KIMLEY-HORN AND ASSOCIATES, INC.



Andrew Simonsen, P.E., 2/12/19

Owner: City of Lake Worth  
 Job No.: 061060054  
 Project: Chlorine to Chloramines Disinfection System Conversions  
 Date: February 12, 2019

BIDDER 1			BIDDER 2	
Pittard Construction Company 190 E. Stacy Rd. #306-306 Allen, TX 75002			Dake Construction 2200 Smith Barry, Ste. 150 Pantego, TX 76013	
Unit Price	Item Cost		Unit Price	Cost
\$10,000.00	\$10,000.00		\$9,500.00	\$9,500.00
\$2,500.00	\$2,500.00		\$2,400.00	\$2,400.00
\$2,500.00	\$2,500.00		\$7,300.00	\$7,300.00
\$50,000.00	\$50,000.00		\$87,500.00	\$87,500.00
\$55,000.00	\$55,000.00		\$87,000.00	\$87,000.00
\$5,000.00	\$5,000.00		\$5,000.00	\$5,000.00
Total Base Bid		\$125,000.00	\$198,700.00	





February 19, 2019

Mrs. Stacey Almond  
City Manager  
City of Lake Worth  
3805 Adam Grubb  
Lake Worth, Texas 76135

Re: Lake Worth Chlorine to Chloramines Disinfection System Conversion  
KHA No. 061060054

Dear Mrs. Almond:

On February 12, 2019, the City of Lake Worth received bids for the Lake Worth Chlorine to Chloramines Disinfection System Conversion project. This project includes the construction of a fiberglass shelter, LAS chemical feed pump and piping, and removal and replacement of the existing chlorine chemical feed pump at both the Azle Avenue and Stadium Pump Station Sites. The City received two (2) bids which are summarized below.

<b><u>Bidder</u></b>	<b><u>Base Bid</u></b>
Pittard Construction Company	\$125,000.00
Dake Construction	\$198,700.00

Kimley-Horn has reviewed Pittard Construction Company qualifications and has verified their bonding company is licensed in the State of Texas. Enclosed is a copy of the bid tabulation for your reference. The contract time for the project is 90 calendar days.

Thank you for the opportunity to be of service to the City of Lake Worth. Should you have any questions or comments, please do not hesitate to contact me.

Sincerely,  
KIMLEY-HORN AND ASSOCIATES, INC.

TBPE No. F-928

Andrew Simonsen, P.E.

K:\FTW\_Utility\061060054-LakeWorthChloramine\BIDDING\Award Recommendation.doc

## Lake Worth City Council Meeting – March 12, 2019

### Agenda Item No. E.2

---

**From:** Sean Densmore, Director of Public Works

**Item:** Discuss and consider approval of the 2018-19 Inflow & Infiltration Study, prepared by Kimley- Horn & Associates, in an amount not to exceed \$100,000, and authorize the City Manager to execute the contract.

**Summary:**

This project will provide professional services to investigate the existing sanitary sewer system and to help determine the sources of Inflow & Infiltration (I&I) in targeted areas. The last I&I study was completed in May 1997.

This study is broken down into three (3) primary tasks:

**Task 1-** Install five (5) temporary flow meters; one (1) rainfall monitoring device for 45 days. Flow readings will be collected in 15-minute intervals for 45 days. After the 45 days the consultant will provide a flow metering report as outlined in the contract.

**Task 2-** CCTV inspection

Approximately 9,500 LF of sanitary sewer line will be inspected based on the result of the flow monitoring performed in Task 1. Consultant will submit a pipe and manhole condition letter summarizing the findings during the CCTV inspection.

**Task 3-**Final Report

Consultants will submit a memorandum summarizing the following:

- Complete summary of the temporary flow metering results and pipe and manhole condition reports
- Recommendations for future sanitary sewer projects and repairs
- Cost estimates for future sanitary sewer projects and repairs

**Fiscal Impact:**

Kimley-Horn Consulting Cost- \$100,000

**\*\*Note:** This project was approved by Council at the mid-year 2018 budget review. Due to abnormal weather conditions this project was delayed until Spring 2019. **\*\***

**Attachments:**

1. 2018-19 Inflow & Infiltration Study proposal and contract

**Recommended Motion or Action:**

Move to approve the 2018-19 Inflow & Infiltration Study, Prepared by Kimley- Horn & Associates, in an amount not to exceed \$100,000, and authorize the City Manager to execute the contract.



February 13, 2019

Mr. Sean Densmore  
City of Lake Worth  
3805 Adam Grubb Drive  
Lake Worth, TX 76135

**RE: 2018-2019 Inflow & Infiltration Study**

Dear Sean:

Please find attached Individual Project Order (IPO) 2018-2019 Inflow & Infiltration Study (reference the master agreement dated October 14, 2003). Please return a signed copy to my attention and we will consider that our notice to proceed.

Feel free to contact me at (817) 339-2248 or [andrew.simonsen@kimley-horn.com](mailto:andrew.simonsen@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 "Andrew Simonsen".

Andrew Simonsen, P.E.  
Project Manager

**INDIVIDUAL PROJECT ORDER NUMBER – 2018-2019 Inflow & Infiltration Study**

Describing a specific agreement between Kimley-Horn and Associates, Inc. (the Consultant), and The City of Lake Worth (the Client) in accordance with the terms of the Master Agreement for Continuing Professional Services dated October 14, 2003, which is incorporated herein by reference.

Identification of Project: 2018-2019 Inflow & Infiltration Study

**Project Understanding:**

The Client desires to investigate the existing sanitary sewer system to determine sources of inflow and infiltration. Temporary flow meters and rain gauges will be placed in the sanitary sewer system to determine which areas of the City have the largest sources of inflow and infiltration. The areas of the City with the largest inflow and infiltration will be further evaluated using close circuit television cameras to determine pipe and manhole condition. The data collected in this study will be used for determination of future projects.

**Specific Scope of Basic Services:*****Task 1 – Temporary Flow Metering and Rainfall Monitoring***

Kimley-Horn's subconsultant will install 5 temporary flow meters and one temporary rain gauge for a period of 45 days. Subconsultant will establish meter locations during site inspections. Consultant will collect flow and rain gauge data at 15 minute intervals. Routine maintenance and service will be undertaken to confirm normal operation.

Consultant will submit a temporary flow metering report summarizing the following:

- Executive Summary
- Study Area Description
- Flow and Rain Gauge Sites
- Recorded Rainfall
- Description of tasks
- Dry/Wet weather flow Summary
- Rainfall Dependent Infiltration/Inflow Analysis
- Conclusions and Recommendations
- Appendix of flow data, hydrographs, rainfall data, mapping, photographs

Based on the results of the flow metering and rainfall monitoring, the Consultant will make recommendations for areas of the City for additional evaluation, detailed in Task 2.

**Task 2 – CCTV Inspection**

Kimley-Horn's subconsultant will clean and perform a closed circuit television video inspection of 9,500 linear feet of sanitary sewer line. The sanitary sewer lines to be cleaned and inspected will be selected based on the results of the flow monitoring performed in Task 1. This task is anticipated to collect the following data on each line segment:

- Date inspected
- Line segment being inspected
- Project name
- Location (Address)
- Footage location from manhole
- Defect code and/or type and severity rating using the national Pipeline Assessment
- Certification Program (PACP) codes
- Pipeline surface cover

Consultant will submit a pipe and manhole condition letter report summarizing the following:

- Executive Summary
- Description of all tasks
- Pipeline defect summary
- CCTV data summary and video
- Three (3) Final Reports and electronic database/video on flash drive, DVD or hard drive

**Task 3 – Final Report**

Consultant will submit a memorandum summarizing the following:

- Summary of temporary flow metering and pipe and manhole condition reports
- Recommendations for future sanitary sewer projects and repairs
- Cost estimates for future sanitary sewer projects and repairs

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

- Water for hydraulic jet cleaning
- Access (if requested) to manholes that are buried or could not be opened
- Replacement manholes covers at no cost should a cover be broken while attempting to open
- Access for placement of equipment and personnel

**Schedule:**

- Consultant anticipates beginning temporary flow and rainfall monitoring in April, 2019 in order to increase the likelihood of performing the analysis during wet weather conditions. Consultant will provide the services within a reasonable length of time.

**Terms of compensation:**

KHA will perform the services in Tasks 1 through 3 for the total lump sum fee of \$100,000. 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 LAKE WORTH, TEXAS

KIMLEY-HORN AND ASSOCIATES, INC.

BY: \_\_\_\_\_  
Stacey Almond  
City Manager

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

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

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

## Lake Worth City Council Meeting – March 12, 2018

### Agenda Item No. F.1

---

**From:** Debbie Whitley, Asst. City Manager/Director of Finance

**Item:** Discuss and consider acceptance of the fiscal year 2017-2018 annual audit as prepared and presented by Snow Garrett Williams, Certified Public Accountants.

**Summary:**

Snow Garrett Williams, Certified Public Accountants performed audit services and prepared financial statements for the City's fiscal year ended September 30, 2018. Kimberly Worthen will attend the Council meeting to provide an overview of the audited financial statements and to answer any questions the Council may have.

After the Council accept and approves the audit it will be placed on the City of Lake Worth website and made available for public review.

**Fiscal Impact:**

N/A

**Attachments:**

1. Audited financial statements for the fiscal year ended September 30, 2018.

**Recommended Motion or Action:**

Move to approve and accept the fiscal year 2017-2018 annual audit and financial statements as prepared and presented by Snow Garrett Williams, Certified Public Accountants.

# **CITY OF LAKE WORTH, TEXAS**

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



# City of Lake Worth, Texas

## Annual Financial Report

### For the Fiscal Year Ended September 30, 2018

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**City of Lake Worth, Texas  
Principal Officials**

**2018 City Council**

Walter Bowen, Mayor

Jim Smith

Geoffrey White

Sue Wenger

Ronny Parsley

Pat O. Hill

Gary Stuard

Clint Narmore

**City Manager**

Stacey Almond

**Assistant City Manager**

Debbie Whitley

## **FINANCIAL SECTION**



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and City Council  
City of Lake Worth, Texas

**Report on the Financial Statements**

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

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

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

***Auditor's Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lake Worth, Texas, 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.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

The combining nonmajor 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 nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2019, on our consideration of the City of Lake Worth, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lake Worth, Texas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lake Worth, Texas' internal control over financial reporting and compliance.



Snow Garrett Williams  
March 5, 2019

## City of Lake Worth, Texas Management's Discussion and Analysis

The management's discussion and analysis (MD&A) of the City of Lake Worth's (the "City's") financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2018. The MD&A should be read in conjunction with the accompanying financial statements and the notes to those financial statements.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded liabilities at the close of the 2018 fiscal year by \$51,272,856 (*net position*). Of this amount, \$4,222,730 is restricted for specific purposes and \$8,788,134 represents unrestricted net position that may be used to meet the City's ongoing obligations to citizens and creditors. As required by GASB Statement No. 34, net position also reflects \$38,261,992 that is the net investment in capital assets.
- In contrast to the government-wide statements, the governmental fund statements report a fund balance at year-end of \$14,142,153; of which \$4,248,275 represents restricted fund balance, \$4,172,610 represents committed fund balance, \$248,826 represents assigned fund balance, \$24,512 represents non-spendable fund balance, and \$5,447,930 represents unassigned fund balance. The more significant components of unassigned fund balance are maintained in the general fund as emergency reserves.
- The general fund unassigned fund balance of \$5,447,930 equals 52% of total general fund expenditures.
- The City's total long-term liabilities decreased by \$2,138,805 during the current fiscal year as a result of the scheduled annual debt service payments netted against changes in net pension liabilities, compensated absences obligation and volunteer firefighter total pension liability.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's financial statements. The City's financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) other required supplementary information in addition to the basic financial statements.

**The 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 private sector business. They present the financial picture of the City from an economic resource measurement focus using the accrual basis of accounting. These statements include all assets and deferred outflows of resources of the City (excluding infrastructure purchased or donated in prior years) as well as all liabilities. Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regard to interfund activity, payables, and receivables.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, and liabilities, with the difference between them 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 net position changed during the most recent fiscal year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business 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 mayor and council, general government, police, fire protection, streets, library, parks and recreation, maintenance, senior center, municipal court, animal control, emergency management, permits and inspections, and information technology. The business-type activity of the City is water and sewer operations. All governmental and business-type activities included in the government-wide financial statements are functions of the City (known as the primary government).

The government-wide financial statements can be found beginning on page 15 of this report.

## City of Lake Worth, Texas Management's Discussion and Analysis

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

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

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

The City maintains six governmental funds, the general fund, the crime control district special revenue fund, the street maintenance special revenue fund, the public educational government channel special revenue fund, the debt service fund, and the capital projects fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the street maintenance special revenue fund, the debt service fund, and the capital projects fund which are classified as major funds and the crime control district special revenue fund and the public educational government channel special revenue fund which are classified as non-major funds.

The City adopts an annual appropriated budget for its general fund, crime control district special revenue fund, street maintenance special revenue fund, and the debt service fund. A budgetary comparison statement (original versus final) has been provided in this report for the general fund and the street maintenance special revenue fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found beginning on page 17 of this report.

**Proprietary funds.** Proprietary funds can be further classified into two different types of funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City allocates costs directly to the operating department and accordingly does not account or report for any internal service funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found beginning on page 20 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that for proprietary funds. The City's fiduciary fund is used to report employer and employee contributions, and investment income, if any, as well as benefits paid for health insurance.

The fiduciary fund statements can be found beginning on page 23 of this report.

**Notes to the basic 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 beginning on page 25 of this report.



## City of Lake Worth, Texas Management's Discussion and Analysis

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparison statements for the general fund and the street maintenance special revenue fund, pension benefits, and the schedule for governments using the modified approach for infrastructure. The required supplementary information can be found beginning on page 52 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$51,272,856 as of September 30, 2018.

#### City of Lake Worth's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 14,825,896	\$ 15,960,647	\$ 2,399,615	\$ 1,659,775	\$ 17,225,511	\$ 17,620,422
Capital assets, net of depreciation	39,553,277	38,081,321	11,596,060	11,015,187	51,149,337	49,096,508
Total assets	54,379,173	54,041,968	13,995,675	12,674,962	68,374,848	66,716,930
Deferred outflows of resources	446,200	1,120,815	10,169	49,455	456,369	1,170,270
Long-term liabilities	15,916,257	17,870,726	517,749	702,085	16,434,006	18,572,811
Other liabilities	619,205	814,369	438,150	357,260	1,057,355	1,171,629
Total liabilities	16,535,462	18,685,095	955,899	1,059,345	17,491,361	19,744,440
Deferred inflows of resources	67,000	-	-	-	67,000	-
Net position:						
Net Investment in capital assets	26,979,632	24,750,271	11,282,360	10,558,687	38,261,992	35,308,958
Restricted	4,222,730	8,274,364	-	-	4,222,730	8,274,364
Unrestricted	7,020,549	3,453,053	1,767,585	1,106,385	8,788,134	4,559,438
Total Net Position	\$ 38,222,911	\$ 36,477,688	\$ 13,049,945	\$ 11,665,072	\$ 51,272,856	\$ 48,142,760

The City's net investment in capital assets (e.g., land, building, infrastructure, machinery and equipment) less any related debt used to acquire those assets that is still outstanding is \$38,261,992. The City uses those assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional \$4,222,730 (or 8%) of the City's net position represents resources that are subject to external restrictions on how they may be used. All of the City's restricted net position is being held for the purposes established by state and local laws, for future construction, and for debt service requirements on the City's outstanding debt. The remaining portion of the City's net position (\$8,788,134) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.



# City of Lake Worth, Texas

## Management's Discussion and Analysis

The City's total net position increased by \$3,130,096 during the current fiscal year. The City's governmental activities increased net position by \$1,745,223. The total cost of all governmental activities this year was \$10,606,894. The amount that our taxpayers paid for these activities through property taxes was \$2,118,345 or 20%. The City's business-type activities increased net position by \$1,384,873. The total cost of all business-type activities for fiscal year 2018 was \$2,354,369.

### City of Lake Worth's Changes in Net Position

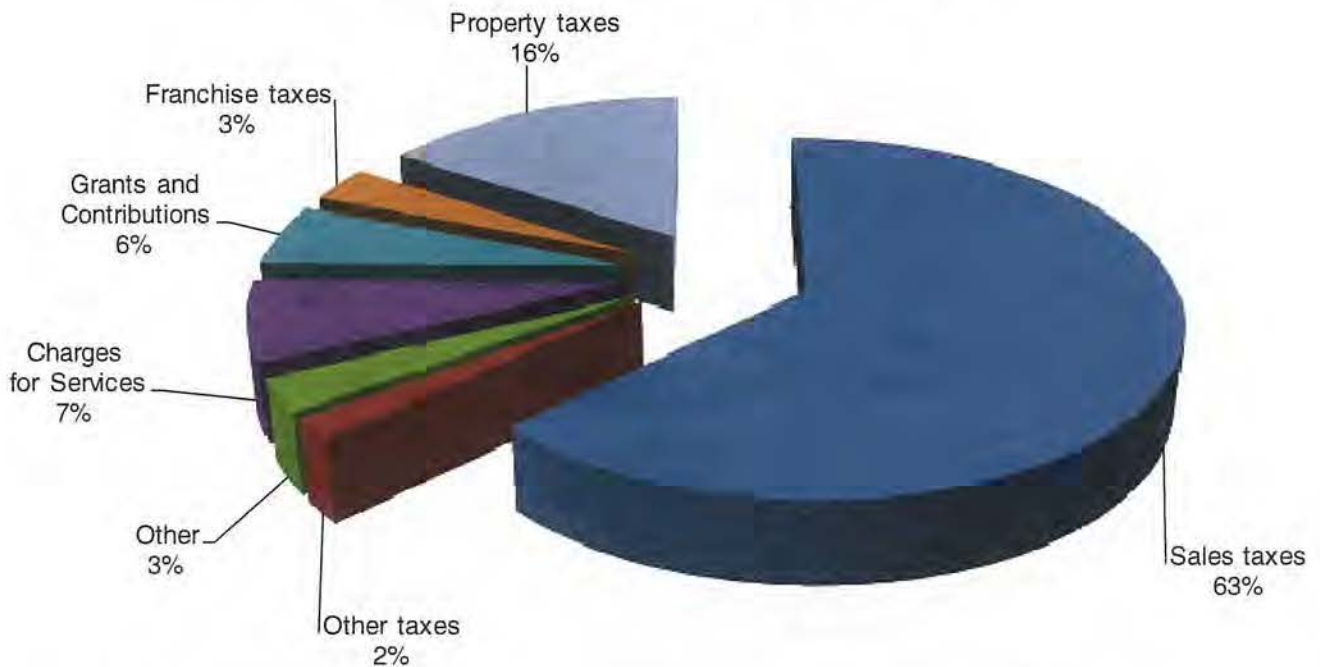
	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 991,828	\$ 946,218	\$ 2,558,972	\$ 2,483,352	\$ 3,550,800	\$ 3,429,570
Operating grants and contributions	748,574	265,569	-	-	748,574	265,569
Capital grants and contributions	-	-	170,205	-	170,205	-
General revenues:						
Property taxes	2,118,345	1,986,136	-	-	2,118,345	1,986,136
Retail sales tax	8,449,410	8,491,651	-	-	8,449,410	8,491,651
Franchise taxes	451,260	446,028	-	-	451,260	446,028
Other taxes	253,782	235,882	-	-	253,782	235,882
Other	403,799	327,307	50,571	35,675	454,370	362,982
Gain (loss) on disposal of assets	(125,887)	(25,542)	20,500	4,450	(105,387)	(21,092)
Total revenues	13,291,111	12,673,249	2,800,248	2,523,477	16,091,359	15,196,726
Expenses:						
Mayor and council	20,796	18,705	-	-	20,796	18,705
General government	1,349,383	1,536,773	-	-	1,349,383	1,536,773
Police	3,234,915	2,941,027	-	-	3,234,915	2,941,027
Fire protection	2,030,957	1,790,085	-	-	2,030,957	1,790,085
Streets	1,109,782	1,068,654	-	-	1,109,782	1,068,654
Library	257,489	251,687	-	-	257,489	251,687
Parks and recreation	651,116	592,865	-	-	651,116	592,865
Maintenance	190,202	177,154	-	-	190,202	177,154
Senior center	133,275	121,402	-	-	133,275	121,402
Municipal court	240,750	228,330	-	-	240,750	228,330
Animal control	118,121	103,463	-	-	118,121	103,463
Emergency management	13,881	11,224	-	-	13,881	11,224
Permits and inspections	400,442	348,106	-	-	400,442	348,106
Information technology	519,802	443,898	-	-	519,802	443,898
Interest and fiscal charges	335,983	785,576	-	-	335,983	785,576
Water and sewer	-	-	2,354,369	2,228,092	2,354,369	2,228,092
Total expenses	10,606,894	10,418,949	2,354,369	2,228,092	12,961,263	12,647,041
Increase in net position before transfers	2,684,217	2,254,300	445,879	295,385	3,130,096	2,549,685
Transfers	(938,994)	(999,437)	938,994	999,437	-	-
Increase in net position	1,745,223	1,254,863	1,384,873	1,294,822	3,130,096	2,549,685
Net position, beginning of year	36,477,688	35,222,825	11,665,072	10,370,250	48,142,760	45,593,075
Net position, end of year	<u>\$ 38,222,911</u>	<u>\$ 36,477,688</u>	<u>\$ 13,049,945</u>	<u>\$ 11,665,072</u>	<u>\$ 51,272,856</u>	<u>\$ 48,142,760</u>

## City of Lake Worth, Texas Management's Discussion and Analysis

**Governmental activities.** Governmental activities increased the City's net position by \$1,745,223. Key elements of this increase are as follows:

- Increase of over 4% in charges for services; and
- Increase of over 180% in capital grants and contributions.

### *Revenues by Source - Governmental Activities*



**Business-type activities.** Business-type activities increased the City's net position by \$1,384,873.

Operating revenue increased by \$75,620 from the prior year primarily due to an increase in consumption, this resulted in an increase in water and sewer service revenues. Operating expenses increased by \$126,277 from the prior year primarily due to an increase in water purchases and sewer disposal charges. Transfers in from governmental activities decreased by \$60,443 from the prior year.

### **FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City's governmental funds reported an ending fund balance of \$14,142,153, which is a decrease of \$982,925 in comparison with the prior year. \$5,447,930 or 39% of the fund balance represents unassigned fund balance, which is available for spending at the City's discretion. Assigned fund balance is \$248,826, committed fund balance is \$4,172,610 and non-spendable fund balance is \$24,512. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been set aside to pay debt service (\$97,824), to fund capital projects (\$53,177), street maintenance (\$2,030,322), crime control (\$676,664), public educational government channel (\$77,015), parks and recreation (\$268,259), hotels/motels (\$937,584) and other City related expenditures (\$107,430).

## **City of Lake Worth, Texas Management's Discussion and Analysis**

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,447,930, which is 49% of the total general fund balance. As a measure of the general fund's liquidity, we compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 52%, or slightly more than 188 days of total fund expenditures.

The fund balance of the City's general fund decreased by \$402,198 during the current fiscal year.

Revenue from taxes in the general fund increased by 12.6% compared to prior year due to an increase in property tax revenue. Permits and fees increased by 4.5% from the prior year due to an increase in building permits being issued. Intergovernmental revenues increased over 100% due to the City obtaining additional grant funding. Charges for services decreased by 1.3% from the prior year due to a decrease in park rental fees.

Total expenditures in the general fund increased by 32.5% from the prior year. Mayor and council, police, fire protection, streets, library, parks and recreation, maintenance, senior center, municipal court, animal control, emergency management, permits and inspections, information technology, and capital outlay increased by 13.9%, 12.3%, 16.1%, 62.1%, 4.6%, 13.0%, 8.1%, 12.2%, 7.3%, 16.4%, 23.7%, 15.6%, 18.6%, and 415.5%, respectively, while general government and debt service expenditures decreased by 14.0% and 25.8%, respectively.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Amendments to the original 2017-2018 general fund annual budget can be briefly summarized as follows:

- Increase in taxes revenue;
- Increase in intergovernmental revenue, investment earnings and miscellaneous revenues;
- Increase in fire protection and permits and inspections expenditures; and
- Increase in capital outlay expenditures.

Comparing budget to actual amounts, the City came in above the final budgeted revenue estimate by \$284,849, or 2.7%. The primary revenues that came in above estimated budget amounts were taxes. Property tax revenue exceeded the budgeted amount due to substantial adjustments increasing the tax levy in October (\$46,154) and December (\$148,254).

Total expenditures were 29.5% less than the final budgeted amounts. The primary expenditures that came in below estimated budget were capital outlay expenditures. The cost of employee health insurance was substantially lower than budgeted. The budget included a 20% increase in premiums, and renewal rates included an increase of just under 10%.

In a special election held on November 7, 2017, the voters of the City passed a proposition that reallocated the ½ percent Type B Economic Development sales tax and the ¼ percent Street Maintenance sales tax to the General Fund, increasing its sales tax from 1 percent to 1 ¾ percent.

With the dissolution of the Economic Development Corporation, the General Fund realized an influx of cash just over \$4.4 million. Of that, \$3.7 million was budgeted for capital purchases during the mid-year budget review process. Many of the capital purchases and projects were not completed prior to the end of the budget year, so actual capital outlay was substantially less than budgeted. Unspent amounts were recorded as committed fund balances as of September 30, 2018, as directed by the City Council, so that the funding would be available for use in the upcoming budget year to complete all purchases and projects that were approved.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The City's investment in total capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$51,149,337 (net of accumulated depreciation). Investments in capital assets related to governmental activities (\$39,553,277) include land, construction in progress, infrastructure, buildings and improvements, equipment and vehicles, and office furniture and fixtures. The City's investments in capital assets related to business-type activities (\$11,596,060) include the water and sewer system, construction in progress, buildings and improvements, and equipment and vehicles.

# City of Lake Worth, Texas Management's Discussion and Analysis

Major capital asset events during the current fiscal year include the following:

## Fire Department

- Second floor remodel completed
- Vehicle exhaust ventilation system installed in bay
- Production of 2018 Pierce Fire truck began (completion Spring 2019)
- Fire gear extracting laundry system

## Police Department

- 2018 Ford Interceptors (2 General Fund, 2 Crime Control)
- New sliding gate for secure parking area

## Administration & Information Technology

- City wide digital radio system
- Polycom video system for arraignments
- NetScout one touch network assistant

## Street Department

- Asphalt distributor
- Concrete saw and hydraulic concrete breaker

## Water Sewer Fund

- 2018 John Deere backhoe
- Sewer line replacement, Caddo and Apache, 43<sup>rd</sup> Year CDBG
- Sewer line rehabs & replacements at various locations
- Charbonneau lift station improvements

## Parks

- Lake Worth Park fencing for fields 1 & 2 completed

## Animal Control

- Chassis mount
- 2011 Ford F250 (backup vehicle)

Other capital purchases that were budgeted will but not be purchased until fiscal year 2018/2019 include vehicles for the fire, parks, maintenance, permits, and water departments. Capital projects budgeted and under way, but not completed as of September 30, 2018 are bay insulation and heaters for the fire department, a records storage building, foundation improvements for the animal control facility, hand-held ticket writers for the police department, replacement of an 18" force main, Azle Avenue redesign and improvements, an I & I study, and the chloramine conversion project.

### City of Lake Worth's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,685,569	\$ 1,685,569	\$ 46,240	\$ 46,240	\$ 1,731,809	\$ 1,731,809
Construction in progress	1,155,593	257,496	15,040	746,023	1,170,633	1,003,519
Buildings and improvements	9,420,973	9,469,971	86,676	90,879	9,507,649	9,560,850
Infrastructure	24,281,497	24,073,960	-	-	24,281,497	24,073,960
Water and sewer system	-	-	11,043,097	9,773,664	11,043,097	9,773,664
Equipment and vehicles	2,771,600	2,334,580	405,007	358,381	3,176,607	2,692,961
Office furniture and fixtures	238,045	259,745	-	-	238,045	259,745
<b>Total</b>	<b>\$ 39,553,277</b>	<b>\$ 38,081,321</b>	<b>\$ 11,596,060</b>	<b>\$ 11,015,187</b>	<b>\$ 51,149,337</b>	<b>\$ 49,096,508</b>

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

## City of Lake Worth, Texas Management's Discussion and Analysis

**Infrastructure.** The City has elected to use the "Modified Approach," as defined by Governmental Accounting Standards Board (GASB) Statement No. 34 for infrastructure reporting, for its roads. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following conditions:

- The City uses an asset management system with the following characteristics: 1) an up-to-date inventory; 2) performs condition assessments and summarizes the results using a measurement scale; and 3) estimates the annual amount to maintain and preserve the assets at an established condition assessment level.
- The City documents that the eligible infrastructure capital assets are being preserved approximately at the established and disclosed condition assessment level.

The City manages its road network using its pavement management system and accounts for roads using the modified approach. The road condition rating is a numerical scale ranging from 1 (Failed) to 10 (New). The City's goal is to maintain roads at or above a rating of 5 (Fair). The City is required to perform an examination of the roads and rate the status of their roads at least every three years. Conditions as of September 30<sup>th</sup> for the last three times that the roads were rated are as follows:

<u>Condition rating</u>	<u>2017</u>	<u>2014</u>	<u>2012</u>
At least 1	9.12%	3.29%	0.00%
At least 2-4	19.33%	7.60%	13.44%
At least 5-7	39.52%	41.24%	42.47%
At least 8-10	32.03%	47.87%	43.93%

For fiscal year 2018, the City estimated that \$1,166,615 was needed to meet this goal. The actual amount used for maintenance and preservation of the City's roads was \$1,005,685. Additional information on road condition data is included in the schedule on page 57 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Lake Worth had total debt outstanding of \$16,434,006. Of this amount, \$12,009,300 represents general obligation bonds secured by property tax obligations, with an unamortized premium of \$604,636, \$313,700 represents general obligation and utility system revenue bonds secured by water and sewer revenues, \$12,886 represents capital lease obligations, \$431,192 represents the City's compensated absences obligation, \$2,988,745 represents the City's net pension liability, and \$73,547 represents the volunteer firefighter total pension liability. The City's total debt decreased by \$2,138,805 during the current fiscal year.

State statutes limit the total property tax rate to \$2.50 per \$100 assessed valuation. The City's total property tax rate for 2017-2018 was \$0.454920 per \$100 assessed valuation, of which \$0.185836 was for maintenance and operations and \$0.269084 was for debt service.

Additional information on the City's long-term debt can be found in Note H of this report.

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

The annual budget is developed to provide efficient, effective, and economic uses of the City's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the City Council sets the direction of the City, allocates its resources, and establishes its priorities.

In considering the City budget for fiscal year 2019, the City Council and administration considered the following factors:

Several new policies were approved in the 2017/2018 budget year to support continued economic stability for the City.

#### Hotel Occupancy Tax Policy

The purpose of this policy is to support tourism, which stimulates commercial activity and supports City businesses. The goals of the policy are to provide Hotel Occupancy Tax (HOT) funds to applicants whose efforts will promote tourism and the hotel industry in the City, fund programs and events that bring visitors to the City, and fund facilities that encourage and support attracting visitors to the City.

## **City of Lake Worth, Texas Management's Discussion and Analysis**

### Incentives Policy

The purpose of this policy is to assist in implementing programs promoting economic development and stimulating business and commercial activity in Lake Worth. The goals of the policy are to provide incentives to existing businesses that will enhance the commercial viability and sustainability of existing commercial properties, provide incentives to attract desired businesses or developers to invest in the City, encourage redevelopment of targeted areas in the City, and increase non-residential ad valorem and sales and use tax revenues.

### Property Enhancement Incentive Policy

The purpose of this policy is to encourage the development, retention, or expansion of business enterprises in the City. This is a matching grant program, the goals of which are to enhance the commercial viability and sustainability of commercial properties, improve the physical appearance of businesses and visibly enhance commercial corridors, increase the marketability and occupancy rate of commercial buildings hindered by an outdated appearance, increase the safety of commercial area to stimulate more public interaction, and provide incentives in areas and to businesses most likely to stimulate similar enhancements by other private entities.

The City also added a listing of available commercial sites and buildings to its website to make it easy for business owners to find a space that will best suit their needs.

With a stable economy, but very few new retailers in the City, sales tax budgets are projected at a minimal increase of less than 1/2% over actual amounts received in fiscal year 2018.

Property tax revenues are budgeted to increase by 7% in the General Fund, mostly attributable to increased property values. For the budget year ended 9/30/18, the property tax revenue was based on net taxable values totaling \$452,940,707 and a Maintenance and Operations tax rate of 0.185836 per \$100 valuation. For the 2019 budget year the property tax revenue budget was based on net taxable values totaling \$481,843,670 and a Maintenance and Operations tax rate of 0.190877 per \$100 valuation.

General Fund budgeted expenses for fiscal year 2019 are approximately 29.4%, or \$4.5 million, less than estimated totals for the previous budget year. Most of the decrease is due to reduced capital expenses budgeted for fiscal 2019 as compared to the fiscal 2018 estimated totals.

Compared to estimated totals for the fiscal year ended September 30, 2018, the Water/Sewer Fund fiscal year 2019 budget reflects a 9.15% decrease in revenues and an 17% increase in expenses. The decrease in revenue is due to decreased transfers from the General Fund for capital purchases and the economic activities department to assist with the upkeep of commercial service lines. The increase in expenses is due in part to increased budgets for water purchases and sewer charges from the City of Fort Worth and the inclusion in the fiscal year 2019 budget for the purchase of a Vactor in the amount of \$400,000.

### **REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the City of Lake Worth's finances and to show the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Assistant City Manager at 3805 Adam Grubb, Lake Worth, Texas 76135.

## **BASIC FINANCIAL STATEMENTS**

**City of Lake Worth, Texas**  
**Statement of Net Position**  
**September 30, 2018**

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 182,281	\$ 94,753	\$ 277,034
Investments	13,780,821	1,794,444	15,575,265
Receivables (net of allowances for uncollectibles of \$31,077)			
Accounts	-	337,138	337,138
Taxes	43,530	-	43,530
Other	104,257	3,192	107,449
Due from other governments	597,383	-	597,383
Internal balances	18,407	(18,407)	-
Prepaid expenses	24,512	3,160	27,672
Restricted investments	1,158	185,335	186,493
Other assets	73,547	-	73,547
Capital assets			
Infrastructure using modified approach	24,281,497	-	24,281,497
Land and construction in progress	2,841,162	61,280	2,902,442
Other capital assets, net of depreciation	12,430,618	11,534,780	23,965,398
Total capital assets	<u>39,553,277</u>	<u>11,596,060</u>	<u>51,149,337</u>
Total assets	<u>54,379,173</u>	<u>13,995,675</u>	<u>68,374,848</u>
<b>Deferred outflows of resources</b>			
Deferred loss on refunding	293,136	-	293,136
Deferred outflows of resources - pension	153,064	10,169	163,233
Total deferred outflows of resources	<u>446,200</u>	<u>10,169</u>	<u>456,369</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	531,528	245,045	776,573
Interest payable	45,992	-	45,992
Payable from restricted funds:			
Customer deposits	1,158	185,335	186,493
Due to other governments	40,527	7,770	48,297
Long-term liabilities			
Due within one year	1,804,611	171,615	1,976,226
Due in more than one year	14,111,646	346,134	14,457,780
Total liabilities	<u>16,535,462</u>	<u>955,899</u>	<u>17,491,361</u>
<b>Deferred inflows of resources</b>			
Deferred inflows of resources - other	67,000	-	67,000
<b>Net position</b>			
Net investment in capital assets	26,979,632	11,282,360	38,261,992
Restricted for:			
Debt service	123,572	-	123,572
Street maintenance	2,030,322	-	2,030,322
Crime control	678,548	-	678,548
Public educational government channel	77,015	-	77,015
Parks and recreation	268,259	-	268,259
Hotel/motel	937,584	-	937,584
Other	107,430	-	107,430
Unrestricted	7,020,549	1,767,585	8,788,134
Total net position	<u>\$ 38,222,911</u>	<u>\$ 13,049,945</u>	<u>\$ 51,272,856</u>

The accompanying notes are an integral part of these financial statements.



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

Functions/Programs	Net (Expense) Revenue and Changes In Net Position						
	Program Revenues			Primary Government			Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Primary Government</b>							
Governmental activities							
Mayor and council	\$ 20,796	\$ -	\$ -	\$ -	\$ (20,796)	\$ -	\$ (20,796)
General government	1,349,383	88,651	322,453	-	(938,279)	-	(938,279)
Police	3,234,915	540,498	118,286	-	(2,576,131)	-	(2,576,131)
Fire protection	2,030,957	-	289,534	-	(1,741,423)	-	(1,741,423)
Streets	1,109,782	-	-	-	(1,109,782)	-	(1,109,782)
Library	257,489	2,868	1,687	-	(252,934)	-	(252,934)
Parks and recreation	651,116	26,332	14,951	-	(609,833)	-	(609,833)
Maintenance	190,202	192,144	-	-	1,942	-	1,942
Senior center	133,275	-	-	-	(133,275)	-	(133,275)
Municipal court	240,750	19,582	1,063	-	(220,105)	-	(220,105)
Animal control	118,121	8,910	600	-	(108,611)	-	(108,611)
Emergency management	13,881	-	-	-	(13,881)	-	(13,881)
Permits and inspections	400,442	112,843	-	-	(287,599)	-	(287,599)
Informational technology	519,802	-	-	-	(519,802)	-	(519,802)
Interest and fiscal charges	335,983	-	-	-	(335,983)	-	(335,983)
Total governmental activities	10,606,894	991,828	748,574	-	(8,866,492)	-	(8,866,492)
Business-type activities							
Water and sewer	2,354,369	2,558,972	-	170,205	-	374,808	374,808
Total business-type activities	2,354,369	2,558,972	-	170,205	-	374,808	374,808
Total primary government	<u>\$ 12,961,263</u>	<u>\$ 3,550,800</u>	<u>\$ 748,574</u>	<u>\$ 170,205</u>	<u>(8,866,492)</u>	<u>374,808</u>	<u>(8,491,684)</u>
General revenues and transfers:							
Taxes							
Property					2,118,345	-	2,118,345
Retail sales					8,449,410	-	8,449,410
Franchise					451,260	-	451,260
Hotel					222,974	-	222,974
Mixed beverage					30,808	-	30,808
Interest					239,750	25,888	265,638
Gain (loss) on sale of assets					(125,887)	20,500	(105,387)
Other					164,049	24,683	188,732
Transfers					(938,994)	938,994	-
Total general revenues and transfers					10,611,715	1,010,065	11,621,780
Change in net position					1,745,223	1,384,873	3,130,096
Net position, beginning of year					36,477,688	11,665,072	48,142,760
Net position, end of year					<u>\$ 38,222,911</u>	<u>\$ 13,049,945</u>	<u>\$ 51,272,856</u>

The accompanying notes are an integral part of these financial statements.

**City of Lake Worth, Texas**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2018**

	General Fund	Street Maintenance Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 149,556	\$ -	\$ 7,522	\$ -	\$ 25,203	\$ 182,281
Investments	10,923,726	2,031,211	90,307	48,252	688,483	13,781,979
Receivables (net of allowances for uncollectibles of \$28,460)						
Property taxes	17,782	-	25,748	-	-	43,530
Accounts	102,188	-	-	-	2,069	104,257
Due from other governments	523,371	-	-	-	74,012	597,383
Due from other funds	22,047	-	-	4,925	500	27,472
Prepaid expenses	22,178	-	450	-	1,884	24,512
Other assets	73,547	-	-	-	-	73,547
<b>Total assets</b>	<b>\$ 11,834,395</b>	<b>\$ 2,031,211</b>	<b>\$ 124,027</b>	<b>\$ 53,177</b>	<b>\$ 792,151</b>	<b>\$ 14,834,961</b>
<b>Liabilities</b>						
Accounts payable	\$ 247,360	\$ 889	\$ 5	\$ -	\$ 4,935	\$ 253,189
Accrued liabilities	248,617	-	-	-	29,722	278,339
Due to other governments	40,527	-	-	-	-	40,527
Due to other funds	7,134	-	-	-	1,931	9,065
Deposits	1,158	-	-	-	-	1,158
<b>Total liabilities</b>	<b>544,796</b>	<b>889</b>	<b>5</b>	<b>-</b>	<b>36,588</b>	<b>582,278</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue- property taxes	17,782	-	25,748	-	-	43,530
Unavailable revenue- other	67,000	-	-	-	-	67,000
<b>Total deferred inflows of resources</b>	<b>84,782</b>	<b>-</b>	<b>25,748</b>	<b>-</b>	<b>-</b>	<b>110,530</b>
<b>Fund balances</b>						
Non-spendable for:						
prepaid expenses	22,178	-	450	-	1,884	24,512
Restricted for:						
Debt service	-	-	97,824	-	-	97,824
Capital projects	-	-	-	53,177	-	53,177
Street maintenance	-	2,030,322	-	-	-	2,030,322
Crime control	-	-	-	-	676,664	676,664
Public educational government channel	-	-	-	-	77,015	77,015
Parks and recreation	268,259	-	-	-	-	268,259
Hotel/motel	937,584	-	-	-	-	937,584
Other	107,430	-	-	-	-	107,430
Committed for:						
Fire protection / truck maintenance	36,642	-	-	-	-	36,642
Animal control equipment and facilities	99,562	-	-	-	-	99,562
Storage building	365,280	-	-	-	-	365,280
Fire department vehicles and equipment	88,385	-	-	-	-	88,385
Pipeline project	3,257,170	-	-	-	-	3,257,170
Police ticket writer system	50,000	-	-	-	-	50,000
Park department vehicle	30,272	-	-	-	-	30,272
Maintenance vehicle	26,659	-	-	-	-	26,659
Permits vehicle	25,000	-	-	-	-	25,000
Zoning ordinance updates	88,640	-	-	-	-	88,640
Street improvements	105,000	-	-	-	-	105,000
Assigned for:						
Fire protection	73,547	-	-	-	-	73,547
Parks and recreation	175,279	-	-	-	-	175,279
Unassigned	5,447,930	-	-	-	-	5,447,930
<b>Total fund balances</b>	<b>11,204,817</b>	<b>2,030,322</b>	<b>98,274</b>	<b>53,177</b>	<b>755,563</b>	<b>14,142,153</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 11,834,395</b>	<b>\$ 2,031,211</b>	<b>\$ 124,027</b>	<b>\$ 53,177</b>	<b>\$ 792,151</b>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						39,553,277
Deferred outflows of resources are not financial resources, and therefore, are not reported in the funds.						446,200
Property taxes receivable, net of allowance, are not available to pay for current period expenditures and, therefore, are deferred in the funds.						43,530
Some liabilities, including general obligation bonds, capital leases payable, accrued interest payable, net pension liability, compensated absences, and volunteer firefighter pension obligation are not due and payable in the current period and, therefore, are not reported in the funds.						(15,962,249)
Net position of governmental activities - statement of net position						<b>\$ 38,222,911</b>

The accompanying notes are an integral part of these financial statements.

**City of Lake Worth, Texas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**September 30, 2018**

	General Fund	Street Maintenance Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 8,821,729	\$ 162,526	\$ 1,269,311	\$ -	\$ 1,044,652	\$ 11,298,218
Fines	543,366	-	-	-	-	543,366
Permits and fees	206,181	-	-	-	-	206,181
Intergovernmental	379,719	-	-	-	-	379,719
Charges for services	218,476	-	-	-	-	218,476
Investment earnings	179,945	35,676	9,904	3,759	10,466	239,750
Miscellaneous	482,817	756	-	14,168	58,968	556,709
Total revenues	10,832,233	198,958	1,279,215	17,927	1,114,086	13,442,419
<b>Expenditures</b>						
Current						
Mayor and council	17,136	-	-	-	-	17,136
General government	1,150,249	-	-	-	-	1,150,249
Police	2,263,789	-	-	-	811,156	3,074,945
Fire protection	1,947,284	-	-	-	-	1,947,284
Streets	822,946	182,739	-	-	-	1,005,685
Library	248,133	-	-	-	-	248,133
Parks and recreation	464,528	-	-	-	-	464,528
Maintenance	185,648	-	-	-	-	185,648
Senior center	123,568	-	-	-	-	123,568
Municipal court	239,579	-	-	-	-	239,579
Animal control	95,554	-	-	-	-	95,554
Emergency management	13,881	-	-	-	-	13,881
Permits and inspections	391,203	-	-	-	-	391,203
Informational technology	485,957	-	-	-	-	485,957
Capital outlay	2,104,084	170,382	-	-	94,281	2,368,747
Debt service						
Principal	11,472	-	1,256,200	-	-	1,267,672
Interest	1,894	-	404,687	-	-	406,581
Total expenditures	10,566,905	353,121	1,660,887	-	905,437	13,486,350
Excess (deficiency) of revenues over (under) expenditures	265,328	(154,163)	(381,672)	17,927	208,649	(43,931)
Other financing sources (uses)						
Transfers in	121,977	-	426,226	-	-	548,203
Transfers out	(789,503)	-	-	(624,090)	(73,604)	(1,487,197)
Total other financing sources (uses)	(667,526)	-	426,226	(624,090)	(73,604)	(938,994)
Changes in fund balances	(402,198)	(154,163)	44,554	(606,163)	135,045	(982,925)
Fund balance, beginning of year	11,607,015	2,184,485	53,720	659,340	620,518	15,125,078
Fund balances, end of year	\$ 11,204,817	\$ 2,030,322	\$ 98,274	\$ 53,177	\$ 755,563	\$ 14,142,153

The accompanying notes are an integral part of these financial statements.

**City of Lake Worth, Texas**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of the Governmental Funds to the Change in**  
**Net Position of Governmental Activities in the Statement of Activities**  
**For the Fiscal Year Ended September 30, 2018**

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

Net change in fund balances - total governmental funds	\$ (982,925)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 2,368,747	
Depreciation expense	<u>(770,905)</u>	1,597,842

Governmental capital assets sold have the full proceeds reported as revenue instead of applying the basis of the assets sold.

Loss on sales of assets	(125,887)
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The change in property tax receivable, net of allowance, is reported as revenue in the statement of activities; however, this change does not provide current financial resources and is, therefore, not reported as revenue in the funds.

(25,421)

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

Compensated absences	\$ (58,432)	
Volunteer firefighter pension expense	(3,888)	
Accrued interest	1,760	
Amortization of premium on debt	95,895	
Amortization of deferred loss on refunding	<u>(27,058)</u>	8,277

Pension expense in the funds is recorded as contributions when made to the TMRS plan. Pension expense in governmental activities is recorded as the TMRS plan's pension expense for the measurement period. This is the effect between the two statements.

5,664

The issuance of long-term debt 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments		
Bonds	1,256,200	
Capital leases	11,473	
		<u>1,267,673</u>

Change in net position of governmental activities - statement of activities	<u><u>\$ 1,745,223</u></u>
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The accompanying notes are an integral part of these financial statements.

**City of Lake Worth, Texas**  
**Statement of Net Position**  
**Enterprise Fund**  
**September 30, 2018**

	<u>Water and Sewer Fund</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 94,753
Investments	1,794,444
Receivables	
Accounts (net of allowances for uncollectible accounts of \$2,617)	337,138
Other	3,192
Prepaid expenses	3,160
Due from other funds	1,709
Total current assets	<u>2,234,396</u>
Noncurrent assets	
Restricted assets	
Investments	185,335
Capital assets	
Land	46,240
Construction in progress	15,040
Buildings and improvements	140,877
Water and sewer system	15,720,370
Machinery and equipment	2,045,530
Less accumulated depreciation	<u>(6,371,997)</u>
Total noncurrent assets	<u>11,781,395</u>
Total assets	<u>14,015,791</u>
<b>Deferred outflows of resources</b>	
Deferred outflows of resources - pension	10,169
<b>Liabilities</b>	
Current liabilities	
Payable from current assets	
Accounts payable	227,601
Accrued liabilities	17,444
Due to other funds	20,116
Due to other governments	7,770
Compensated absences	21,915
Current portion of bonds payable	149,700
Total current liabilities	<u>444,546</u>
Noncurrent liabilities	
Payable from restricted assets	
Customer deposits	185,335
Net pension liability	182,134
Bonds payable	164,000
Total noncurrent liabilities	<u>531,469</u>
Total liabilities	<u>976,015</u>
<b>Net Position</b>	
Net investment in capital assets	11,282,360
Unrestricted	1,767,585
Total net position	<u>\$ 13,049,945</u>

The accompanying notes are an integral part of these financial statements.

**City of Lake Worth, Texas**  
**Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**Enterprise Fund**  
**For the Fiscal Year Ended September 30, 2018**

	<u>Water and Sewer Fund</u>
Operating revenues	
Water services	\$ 1,552,094
Sewer services	998,927
Other operating revenues	<u>7,951</u>
Total operating revenues	<u>2,558,972</u>
Operating expenses	
Personnel services	458,541
Contractual services	187,774
Water purchases	618,002
Disposal charge - sewer	545,982
Supplies and maintenance	165,254
Other operating expenses	2,329
Depreciation	<u>368,483</u>
Total operating expenses	<u>2,346,365</u>
Operating income	<u>212,607</u>
Nonoperating revenues (expenses)	
Gain on disposal of assets	20,500
Intergovernmental income	170,205
Interest income	25,888
Miscellaneous	24,683
Interest expense	<u>(8,004)</u>
Total non-operating revenues (expenses)	<u>233,272</u>
Income before transfers	445,879
Transfers in	1,143,915
Transfers out	<u>(204,921)</u>
Total transfers	<u>938,994</u>
Change in net position	1,384,873
Net position, beginning of year	<u>11,665,072</u>
Net position, end of year	<u><u>\$ 13,049,945</u></u>

The accompanying notes are an integral part of these financial statements.

**City of Lake Worth, Texas**  
**Statement of Cash Flows**  
**Enterprise Fund**  
**For the Fiscal Year Ended September 30, 2018**

	<b>Water and Sewer Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 2,558,157
Cash paid to suppliers	(1,447,438)
Cash paid to employees	(458,326)
Net cash provided by operating activities	<u>652,393</u>
<b>Cash flows from noncapital financing activities:</b>	
Cash received from other funds	1,142,206
Cash paid to other funds	(187,634)
Net cash provided by noncapital financing activities	<u>954,572</u>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition of capital assets	(781,650)
Proceeds from disposal of capital assets	23,000
Principal payments on long-term debt	(142,800)
Interest paid	(8,004)
Net cash used in capital and related financing activities	<u>(909,454)</u>
<b>Cash flows from investing activities:</b>	
Change in investments	(711,293)
Interest income	25,888
Net cash used in investing activities	<u>(685,405)</u>
Net increase in cash	12,106
Cash and cash equivalents at beginning of year	<u>82,647</u>
Cash and cash equivalents at end of year	<u><u>\$ 94,753</u></u>
<b>Non-cash Capital and Related Financing Activities:</b>	
Acquisition of capital assets - Intergovernmental revenue	<u><u>\$ 170,205</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 212,607
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	368,483
Miscellaneous revenue	24,683
Increase in accounts receivable	(30,148)
Increase in prepaid expenses	(1,872)
Decrease in deferred outflows of resources	39,286
Increase in accounts payable and accrued liabilities	76,240
Decrease in net pension liability	(47,087)
Increase in compensated absences	5,551
Increase in customer deposits	4,650
Net cash provided by operating activities	<u><u>\$ 652,393</u></u>

The accompanying notes are an integral part of these financial statements.

**City of Lake Worth, Texas**  
**Statement of Fiduciary Net Position**  
**Fiduciary Fund**  
**September 30, 2018**

	<u>Insurance Trust Fund</u>
<b>Assets</b>	
Total assets	\$ -
<b>Liabilities</b>	
Total liabilities	-
<b>Net position</b>	
Held in Trust for employee insurance benefits	\$ -

The accompanying notes are an integral part of these financial statements.



**City of Lake Worth, Texas**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**For the Fiscal Year Ended September 30, 2018**

	<u>Insurance Trust Fund</u>
<b>Additions</b>	
Contributions:	
Employer	\$ 781,194
Employee	<u>185,981</u>
Total additions	<u>967,175</u>
<b>Deductions</b>	
Insurance benefit payments	<u>967,175</u>
Total deductions	<u>967,175</u>
Change in net position	-
Net position, beginning of year	<u>-</u>
Net position, end of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

# City of Lake Worth, Texas

## Notes to Financial Statements

### September 30, 2018

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

##### Financial Reporting Entity

The financial statements of the City of Lake Worth, Texas (the "City") are prepared in accordance with principles generally accepted in the United States of America (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The blended component unit, although a legally separate entity, is, in substance, part of the City's operation and so data from this unit is combined with the data of the primary government. The blended component unit has a September 30th year-end.

##### Blended Component Unit

*Lake Worth Crime Control & Prevention District* – The City created this entity to provide supplemental funding to the police department in order to provide funding for law enforcement. Funding for the Crime Control & Prevention District is generated from 0.25% sales tax. The governing body is currently made up of eight directors appointed by the City Council. The entity was subject to a five-year sunset provision in November 2008, in which it could be reinstated for a maximum of an additional 20 years. In November 2008, the citizenry voted to extend the Crime Control & Prevention District and related tax for an additional 10 years. The Crime Control & Prevention District provides all of its services to the City and upon its dissolution all assets shall be distributed to the City. The District is considered to be a component unit of the City and is treated as a special revenue fund of the City. The expenditures of the additional sales tax can only be used to provide supplemental funding to the police department in order to provide funding for law enforcement.

##### Government-wide and Fund Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. Government-wide statements report, except for City fiduciary activity, information on all of the activities of the City. The effects of interfund transfers have been removed from the government-wide statements but continue to be reflected on the fund statements. Governmental activities are supported mainly through tax revenues.

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues. Separate financial statements are provided for governmental and proprietary funds. The General Fund, the Street Maintenance Fund, the Debt Service Fund, and the Capital Projects Fund meet the criteria as major governmental funds. The major funds are reported in separate columns in the fund financial statements. The Crime Control District Fund and the Public Educational Government Channel Fund meet the criteria as non-major funds. The amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

##### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note A. Summary of Significant Accounting Policies (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences, net pension liabilities, and claims and judgments, are recorded only when the liability has matured and payment is due.

The City reports the following major governmental funds:

**The General Fund** is the general operating fund of the City and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**The Street Maintenance Fund** is reported as a special revenue fund of the City and is utilized for street improvements or maintenance expenditures within the City.

**The Debt Service Fund** accounts for the accumulation of financial resources for the payment of principal, interest, and related costs on long-term obligations paid primarily from taxes levied or collected by the City.

**The Capital Projects Fund** accounts for the proceeds of certificates of obligation used for the acquisition or construction of major capital improvements as established in the bond documents.

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 personnel 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.

The City reports the following major proprietary fund:

**The Water and Sewer Fund** is used to account for operations that are financed and operated in a manner similar to a private business enterprise - where the intent of the City is that the cost (expenses) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that for proprietary funds. The City's fiduciary fund is used to report employer and employee contributions, and investment income, if any, as well as benefits paid for health insurance.

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note A. Summary of Significant Accounting Policies (Continued)**

Budgets and Budgetary Accounting

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

1. On or before the first day of September of each year and at least thirty days prior to adoption of a tax rate for the current fiscal year, the City Manager submits to the City Council a balanced budget for the ensuing fiscal year.
2. The City Council holds one or more public hearings on the proposed budget prior to the final adoption.
3. The City Council adopts the proposed budget, with or without amendment, after public hearings and before the first day of the ensuing fiscal year.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, and Enterprise Fund.
5. Annual budgets for the General Fund, Special Revenue Funds, Debt Service Fund, and Enterprise Fund are adopted on a basis consistent with GAAP.
6. Unused appropriations of the above annually budgeted funds lapse at the end of each fiscal year.
7. The City Council may authorize additional appropriations during the year.
8. During the fiscal year, the Council authorized and approved amendments to the budget which provided for and approved all expenditures and transfers.

Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, bridges, sidewalks, curbs, and drainage systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10-40 years
Water and sewer mains and extensions	40-50 years
Drainage systems	10-40 years
Autos and equipment	5-15 years
Furniture and fixtures	7-10 years
Capital leases	Lease term

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note A. Summary of Significant Accounting Policies (Continued)**

The City has elected to use the modified approach for its infrastructure reporting in the government-wide statements. General infrastructure assets acquired before September 30, 2003 consisting of the road network assets acquired, or that received substantial improvements subsequent to October 1, 1980 are reported at estimated historical cost using the deflated replacement cost. Under the modified approach, the City does not record depreciation on this infrastructure. However, it must meet the following criteria: (1) keep a listing of all infrastructure assets, (2) establish and document the condition and levels at which the assets are being preserved, (3) make annual estimates necessary to maintain and preserve the eligible infrastructure at the conditions levels, (4) perform and summarize results of condition assessments for the eligible infrastructure every three years, (5) provide reasonable assurance that eligible infrastructure is being preserved approximately at or above the condition levels established. In addition to maintenance costs (expenditures which allow an asset to continue to be used during its originally established useful life), preservation costs (expenditures made to extend the original estimated useful life) are allowed under the modified approach to be expensed.

Long-term Obligations

In the government-wide financial statements, other long-term obligations (such as certificates of obligation and capital leases) are reported as liabilities. On certificates of obligation and bonds payable, premiums and discounts are deferred and amortized over the life of the debt. Certificates of obligation and bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs during the current period. The face amount of the debt issued and applicable premium or discount are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, and the debt repayment are reported as expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has deferred outflows of resources related to the loss on refunding and the pension plan reported in the Statement of Net Position. See additional information in Note K related to the pension plan.

In addition to liabilities, the statement of net position and balance sheet includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has deferred inflows of resources related to unavailable revenue from property taxes and other deferred revenue reported in the governmental fund balance sheet.

Fund Balance

The City adopted a fund balance policy in accordance with GASB statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Governmental fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws and regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through a resolution. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the City Manager.

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note A. Summary of Significant Accounting Policies (Continued)**

Except when expenditures are specifically budgeted and when multiple categories of fund balance are available for expenditure, the City will first spend the most restricted funds before moving down to the next most restrictive category with available funds but will have the option to spend budgeted funds first.

Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets—This category consists of all capital assets net of accumulated depreciation and reduced by outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets.

Restricted net position—This category consists of external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, enabling legislation, and constitutional provisions.

Unrestricted net position—This category represents net position, not restricted for any project or other purpose.

When both restricted and unrestricted net position is available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

Minimum Fund Balance Policy

The City's goal is to achieve and maintain an unassigned fund balance in the general fund equal to 25% of expenditures.

Concentration of Credit Risk

The City has property taxes receivable from residents and businesses all of whom are located in the City. Also, the City has utility charges receivable from residents and businesses located in the City and surrounding areas.

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. These risks are covered by the City's participation in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for liability, property, and workers' compensation insurance. These are self-sustaining risk pools operated on a statewide basis for the benefit of several hundred Texas cities and other public entities. The City pays annual premiums to the TMLIRP, which retains risk of loss up to \$1,000,000 for property and liability insurance and up to \$1,500,000 for workers' compensation and obtains independent coverage for losses in excess of these amounts. The City retains no risk except for deductible amounts ranging from \$1,000 to \$10,000.

There have been no significant reductions in coverage in the past fiscal year and there have been no settlements exceeding insurance coverage in the current year or the past three fiscal years.

Use of Estimates

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

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note A. Summary of Significant Accounting Policies (Continued)**

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' 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.

**Note B. Reconciliation of Government-wide and Fund Financial Statements**

The following is an explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position:

The governmental fund Balance Sheet includes a reconciliation between fund balance for total governmental funds and net position as reported in the government-wide Statement of Net Position. One element of that reconciliation explains "some liabilities, including general obligation bonds, capital leases payable, accrued interest payable, net pension liability, compensated absences, and volunteer firefighter total pension liability are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$15,962,249 difference are as follows:

Capital leases payable	\$ 12,886
General obligation bonds payable	12,009,300
Issuance premium	604,636
Accrued interest payable	45,992
Net pension liability	2,806,611
Volunteer firefighter pension obligation	73,547
Compensated absences	<u>409,277</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 15,962,249</u>

**Note C. Deposits, Securities, and Investments**

Chapter 2256 of the Texas Government Code (the "Public Funds Investment Act") authorizes the City to invest its funds under a written investment policy (the "Investment Policy") that primarily emphasizes safety of principal, availability of liquidity to meet the City's obligations, and market rate of return. The Investment Policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain investment instruments allowed under Chapter 2256 of the Texas Government Code.

The City's deposits and investments are invested pursuant to the Investment Policy. The Investment Policy includes a list of authorized investment instruments and a maximum allowable stated maturity of any individual investment. In addition, it includes an "Investment Strategy" that specifically addresses each fund's investment options and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, and public trust.

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note C. Deposits, Securities, and Investments (Continued)**

The City is authorized to invest in the following investment instruments provided that they meet the guidelines of the Investment Policy:

1. Obligations of the United States or its agencies and instrumentalities, excluding mortgage-backed securities;
2. Direct obligations of the State of Texas, or its agencies and instrumentalities;
3. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or respective agencies and instrumentalities, excluding mortgage-backed securities;
4. Collateralized Certificates of Deposit issued by a depository institution that has its main office or branch in the state of Texas that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor or as further described in the Investment Policy;
5. Eligible Local Government Investment Pools;
6. Regulated No-Load Money Market Mutual Funds; and
7. Repurchase agreements, reverse repurchase agreements, bankers' acceptances and commercial paper that are described in more detail in the Investment Policy.

All investments held by the City at September 30, 2018 were in LOGIC, TexSTAR, Lone Star Investment Pool, and TexPool.

**Public Funds Investment Pools**

**LOGIC**

The Local Government Investment Cooperative (LOGIC) is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. LOGIC's governing body is a five-member board of trustees and is comprised of employees, officers, or elected officials of participant government entities or individuals who do not have a business relationship with LOGIC and are qualified to advise it. A maximum of two advisory board members represent the co-administrators of LOGIC. The co-administrators are Hilltop Securities Inc. and J.P. Morgan Investment Management Inc. LOGIC is rated AAAM by Standard and Poor's.

LOGIC reports its financial statements in accordance with Financial Accounting Standards Boards, follows ASC 820 *Fair Value Measurement and Disclosure Requirements* in reporting its investments, and is categorized as Level 2. For pricing and redeeming shares, LOGIC maintains a stable net asset value of \$1.00 per share using the fair value method.

**TexSTAR**

Texas Short Term Asset Reserve Program (TexSTAR) is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexSTAR's governing body is a five-member board of directors consisting of three representatives of participants and one member employed by each co-administrator or an affiliate. The co-administrators are Hilltop Securities Inc. and J.P. Morgan Investment Management Inc. TexSTAR maintains an advisory board composed of participants in TexSTAR and other persons who do not have a business relationship with TexSTAR. Members are appointed and serve at the will of the board of directors. TexSTAR is rated AAAM by Standard and Poor's.



**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note C. Deposits, Securities, and Investments (Continued)**

TexSTAR reports its financial statements in accordance with Financial Accounting Standards Boards, follows ASC 820 *Fair Value Measurement and Disclosure Requirements* in reporting its investments, and is categorized as Level 2. For pricing and redeeming shares, TexSTAR maintains a stable net asset value of \$1.00 per unit using the fair value method.

*Lone Star*

The Lone Star Investment Pool (Lone Star) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is administered by First Public, LLC, with Standish Mellon Asset Management Company, LLC and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank and Trust provides custody services to Lone Star. All of the board of trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and non-members. Lone Star has three different funds: Government Overnight, Corporate Overnight, and Corporate Overnight Plus. The Government Overnight and Corporate Overnight Funds and are rated AAAM by Standard and Poor's, and the Corporate Overnight Plus Fund is rated AA+.

The City's investment in Lone Star is within the Government Overnight Fund, which values all investments at amortized costs and are operated in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Lone Star maintains a net asset value of \$1.00. There are no limitations or restrictions on withdrawals.

*TexPool*

Texas Local Government Investment Pool (TexPool) is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate the TexPool portfolios. Administrative and investment services are provided by Federated Investors, Inc. TexPool has established an advisory board composed equally of participants and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool. TexPool is rated AAAM by Standard and Poor's.

TexPool uses amortized cost to value portfolio assets and follows the criteria established by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, for use of amortized cost. The stated objective of TexPool is to maintain a stable average of \$1.00 per unit net asset value. There are no limitations or restrictions on withdrawals.

**Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure the assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices include within Level 1, that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note C. Deposits, Securities, and Investments (Continued)**

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

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

	Level 2	Total
Investments by fair value level:		
LOGIC	\$ 4,208,990	\$ 4,208,990
TexSTAR	3,458,170	3,458,170
Subtotal	<u>\$ 7,667,160</u>	
Investments measured at amortized cost:		
Lone Star		4,109,389
TexPool		3,985,209
Total Investments		<u>\$ 15,761,758</u>

As reported in the Statement of Net Position:

Governmental activities	
Investments	\$ 13,780,821
Restricted investments	1,158
Business-type activities	
Investments	1,794,444
Restricted investments	<u>185,335</u>
Total investments	<u>\$ 15,761,758</u>

Interest Rate Risk – Investments are exposed to interest rate risk if there are changes in market interest rates that will adversely affect the fair value of an investment. As of September 30, 2018, the City's investments included investment pools and therefore were not exposed to interest rate risk.

Credit Risk – State statute requires that investments in Local Government Investment Pools be rated AAA or the equivalent by a nationally recognized credit rating agency. As of September 30, 2018, TexPool, TexSTAR, Lone Star, and LOGIC investment pools were rated AAAM by Standard and Poor's.

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note C. Deposits, Securities, and Investments (Continued)**

Concentration of Credit Risk – In accordance with the City's Investment Policy, the City limits their exposure of concentration of credit risk by restricting investments in the following investment instruments:

	<u>Maximum Percentage of Portfolio</u>
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities of Government-Sponsored Corporations	80%
Authorized Local Government Investment Pools	100%
Fully Collateralized Certificates of Deposit	50%
SEC-Regulated No-Load Money Market Mutual Funds	10%

As of September 30, 2018, 100% of the City's portfolio was invested in Local Government Investment Pools.

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized with securities held by the pledging financial institution or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name. At September 30, 2018, the City's cash and cash equivalents were insured or collateralized with securities held by the City or by its agent in the City's name, and the City is in compliance with the Public Funds Collateral Act, Texas Government Code, Chapter 2257.

**Note D. Local Tax Revenues and Receivables**

Ad valorem taxes are levied each October 1 from valuations assessed as of the prior January 1 and are recognized as revenue when they become available beginning on the date of levy, October 1. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. In the governmental fund financial statements, taxes not expected to be collected within sixty days of the fiscal year end are recorded as unearned revenues and are recognized when they become available. Taxes collected prior to the levy date to which they apply are recorded as deferred inflows of resources and recognized as revenue of the period to which they apply.

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note E. Interfund Activity**

During the course of the fiscal year, interfund payables and receivables arise. The following were outstanding as of September 30, 2018:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Water and sewer fund	\$ 20,116
Water and sewer fund	General fund	1,709
Capital projects fund	General fund	4,925
Crime control district fund	General fund	500
General fund	Crime control district fund	1,931
Total		<u>\$ 29,181</u>

Interfund balances resulted from the timing difference between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers during the year were as follows:

	<u>Transfers Out</u>
General fund	\$ 789,503
Capital projects fund	624,090
Crime control district fund	73,604
Water and sewer fund	204,921
	<u>\$ 1,692,118</u>
	<u>Transfers in</u>
General fund	\$ 121,977
Debt service fund	426,226
Water and sewer fund	1,143,915
	<u>\$ 1,692,118</u>

Transfers are generally used (1) to transfer funds from the Water and Sewer Fund to the Debt Service funds to supplement debt payments, (2) to transfer funds from the various funds to the General fund to cover administrative costs, and (3) to transfer Water and Sewer fund construction in progress from the Capital Projects fund.

**Note F. Restricted Assets**

Restricted assets are held for customer deposits in the General Fund and the Water and Sewer Fund.

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note G. Capital Assets**

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

	Balance 10/1/2017	Transfers/ Additions	Transfers/ Deletions	Balance 9/30/2018
<b>Governmental activities</b>				
Capital assets using modified approach				
Infrastructure	\$ 24,073,960	\$ 207,537	\$ -	\$ 24,281,497
Total capital assets using modified approach	24,073,960	207,537	-	24,281,497
Capital assets not being depreciated				
Construction in progress	257,496	1,142,209	244,112	1,155,593
Land	1,685,569	-	-	1,685,569
Total capital assets not being depreciated	1,943,065	1,142,209	244,112	2,841,162
Other capital assets				
Buildings and improvements	12,244,453	247,373	-	12,491,826
Equipment and vehicles	6,530,270	995,191	309,000	7,216,461
Office furniture and fixtures	664,045	20,550	-	684,595
Total other capital assets	19,438,768	1,263,114	309,000	20,392,882
Less accumulated depreciation for:				
Buildings and improvements	2,774,482	296,371	-	3,070,853
Equipment and vehicles	4,195,690	430,016	180,845	4,444,861
Office furniture and fixtures	404,300	44,518	2,268	446,550
Total accumulated depreciation	7,374,472	770,905	183,113	7,962,264
Other capital assets, net	12,064,296	492,209	125,887	12,430,618
Governmental activities capital assets, net	<u>\$ 38,081,321</u>	<u>\$ 1,841,955</u>	<u>\$ 369,999</u>	<u>\$ 39,553,277</u>

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note G. Capital Assets (Continued)**

	Balance 10/1/2017	Transfers/ Additions	Transfers/ Deletions	Balance 9/30/2018
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 46,240	\$ -	\$ -	\$ 46,240
Construction in progress	746,023	842,689	1,573,672	15,040
Total capital assets not being depreciated	792,263	842,689	1,573,672	61,280
Other capital assets				
Water and sewer system	14,146,698	1,573,672	-	15,720,370
Building and improvements	140,877	-	-	140,877
Machinery and equipment	2,008,091	109,165	71,726	2,045,530
Total other capital assets	16,295,666	1,682,837	71,726	17,906,777
Less accumulated depreciation for:				
Water and sewer system	4,373,034	304,239	-	4,677,273
Building and improvements	49,998	4,203	-	54,201
Machinery and equipment	1,649,710	60,041	69,228	1,640,523
Total accumulated depreciation	6,072,742	368,483	69,228	6,371,997
Other capital assets, net	10,222,924	1,314,354	2,498	11,534,780
Business-type activities capital assets, net	<u>\$ 11,015,187</u>	<u>\$ 2,157,043</u>	<u>\$ 1,576,170</u>	<u>\$ 11,596,060</u>

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

<b>Governmental activities:</b>	
Mayor and council	\$ 3,660
General government	184,849
Police	173,318
Fire	52,180
Streets	90,601
Library	9,967
Parks and recreation	187,642
Maintenance	3,552
Senior center	9,687
Municipal court	1,942
Animal control	21,720
Permits and inspections	2,301
Information technology	29,486
Total governmental activities	<u>\$ 770,905</u>
<b>Business-type activities:</b>	
Water and sewer	\$ 368,483
Total business-type activities	<u>\$ 368,483</u>

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note H. Long-Term Liabilities**

Long-term debt of the City consists of general obligation bonds, utility system revenue bonds, and long-term capital leases. Long-term debt at September 30, 2018 consists of the following:

**Governmental activities**

General Obligation Bonds

General Obligation Refunding Bonds, Series 2009

- To refund the Combination Tax and Revenue Certificates of Obligation, Series 1999.
- Original balance of \$4,725,000 of which \$2,551,500 is related to governmental activities.
- Payable in annual installments through April 1, 2019 at 2.0% to 4.0%.
- Outstanding balance of \$159,300 at September 30, 2018.

General Obligation Refunding Bonds, Series 2011

- To refund the Combination Tax and Revenue Certificates of Obligation, Series 2001.
- Original balance of \$2,675,000.
- Payable in annual installments through September 1, 2021 at 2.0% to 3.0%.
- Outstanding balance of \$875,000 at September 30, 2018.

General Obligation Refunding Bonds, Series 2014

- To refund the Combination Tax and Revenue Certificates of Obligation, Series 2005.
- Original balance of \$4,235,000.
- Payable in annual installments through August 15, 2025 at 2.39%.
- Outstanding balance of \$2,795,000 at September 30, 2018.

General Obligation Refunding Bonds, Series 2017

- To refund the Combination Tax and Revenue Certificates of Obligation, Series 2008.
- Original balance of \$8,455,000.
- Payable in annual installments through September 30, 2029 at 2.0% to 4.0%.
- Outstanding balance of \$8,180,000 at September 30, 2018.

Capital Lease Arrangements

Dell Government Leasing

- To purchase hyper V servers.
- Principal price of \$23,772.
- Payable in annual installments of \$5,213 over four years, bearing interest at 8.47%.
- Outstanding balance of \$12,886 at September 30, 2018.

The annual requirements to amortize long-term debt as of September 30, 2018 are as follows:

Year Ending	General Obligation Bonds		Capital Lease	
	Principal	Interest	Principal	Interest
2019	\$ 1,299,300	\$ 357,274	\$ 6,171	\$ 687
2020	1,255,000	327,045	6,715	143
2021	1,290,000	296,101	-	-
2022	1,120,000	262,750	-	-
2023	1,145,000	235,190	-	-
2024-2028	5,805,000	670,143	-	-
2029-2033	95,000	3,800	-	-
Total	<u>\$ 12,009,300</u>	<u>\$ 2,152,303</u>	<u>\$ 12,886</u>	<u>\$ 830</u>

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note H. Long-Term Liabilities (Continued)**

**Business-type activities**

General Obligation Bonds

General Obligation Refunding Bonds, Series 2009

- To refund the Combination Tax and Revenue Certificates of Obligation, Series 1997A and B.
- Original balance of \$4,725,000 of which \$2,173,500 is related to business-type activities.
- Payable in annual installments through April 1, 2019 at 2.0% to 4.0%.
- Outstanding balance of \$135,700 at September 30, 2018.

Utility System Revenue Bonds

Utility System Revenue Bonds, Series 2009

- For the construction of a new sewer line along Telephone Road.
- Original issue of \$290,000.
- Payable in annual installments through February 1, 2030 at 0%.
- Outstanding balance of \$178,000 at September 30, 2018.

The annual requirements to amortize long-term debt as of September 30, 2018 are as follows:

Fiscal Year Ending	General Obligation Bonds		Utility System Revenue Bonds		Total
	Principal	Interest	Principal		
2019	\$ 135,700	\$ 2,714	\$ 14,000	\$	152,414
2020	-	-	14,000		14,000
2021	-	-	15,000		15,000
2022	-	-	15,000		15,000
2023	-	-	15,000		15,000
2024-2028	-	-	75,000		75,000
2029-2033	-	-	30,000		30,000
Total	<u>\$ 135,700</u>	<u>\$ 2,714</u>	<u>\$ 178,000</u>	<u>\$</u>	<u>316,414</u>

Future minimum lease payments for the capital lease are as follows:

	Governmental Activities
Scheduled future minimum lease payments	\$ 13,716
Amount representing interest	(830)
Present value of future minimum capital lease payments (principal payoff)	<u>\$ 12,886</u>



**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note H. Long-Term Liabilities (Continued)**

The following is an analysis of equipment leased under capital leases as of September 30, 2018:

	Governmental Activities
Equipment	\$ 51,683
Less accumulated depreciation	(28,301)
Total	<u>\$ 23,382</u>

The following is a summary of the changes by type of long-term liabilities for the year ended September 30, 2018:

	Balance 10/1/2017	Additions	Retirements	Balance 9/30/2018	Due Within One Year
<u>Governmental activities</u>					
Certificates of obligation	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ -
General obligation bonds	13,065,500	-	1,056,200	12,009,300	1,299,300
Premium on bonds issued	700,531	-	95,895	604,636	89,863
Capital leases	24,359	-	11,473	12,886	6,171
Net pension liability	3,459,832	(4,103)	649,118	2,806,611	-
Compensated absences	350,845	443,319	384,887	409,277	409,277
Volunteer firefighter total pension liability	69,659	3,888	-	73,547	-
Total governmental activities	17,870,726	443,104	2,397,573	15,916,257	1,804,611
<u>Business-type activities</u>					
General obligation bonds	264,500	-	128,800	135,700	135,700
Utility system revenue bonds	192,000	-	14,000	178,000	14,000
Net pension liability	229,221	846	47,933	182,134	-
Compensated absences	16,364	27,500	21,949	21,915	21,915
Total business-type activities	702,085	28,346	212,682	517,749	171,615
Total	<u>\$ 18,572,811</u>	<u>\$ 471,450</u>	<u>\$ 2,610,255</u>	<u>\$ 16,434,006</u>	<u>\$ 1,976,226</u>

**Note I. Compensated Absences and Sick Leave**

If an employee separates from the City, has completed a minimum of twenty years of continuous service with the City, and qualifies for retirement as defined by the Texas Municipal Retirement System, the employee will be eligible for pay for one-half of accumulated sick leave, or 240 hours, whichever is less. However, for the remaining employees, sick leave is recorded when paid and employees are not compensated for unused sick leave. Vacation is earned in varying amounts. Unused vacation leave is carried forward from one year to the next up to certain limits. The City has accrued for the estimated liability for compensated absences in the governmental and business-type activities in the government-wide financial statements and in the proprietary fund financial statements. The City's aggregate liability for compensated absences as of September 30, 2018 was \$431,192.

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note J. Restricted Net Position / Restricted Fund Balance**

The following have been classified as other restricted net position on the governmental activities column of the government-wide statement of net position and as other restricted fund balances in the governmental funds balance sheet.

Child safety	\$ 12,493
Court technology	9,822
Court security	69,979
Fire LEOSE	493
Police department donations	11,188
Fire department donations	430
Library donations	275
Senior center donations	1,287
Animal control donations	<u>1,463</u>
 Total Other Restricted Net Position/ Other Restricted Fund Balance	  <u><u>\$ 107,430</u></u>

Child safety – Citations written for offenses in school zones and passing school buses are assessed a fee that is to be used for guards at school zones and other expenditures permitted by law.

Court technology – On all citations written after the Ordinance adopted by the City, a fee is assessed that is to be used to purchase or enhance most court technological equipment, software, devices, apparatus, and any other expenditures legally permitted by law.

Court security – All citations are assessed a fee that is to be used for court security services, equipment, devices, and other expenditures legally permitted by law.

Police and Fire LEOSE – This money has been restricted for police and fire training.

Police department donations – This money has been restricted to assist families in need during the holidays to purchase food and gifts.

Fire department donations – This money has been restricted to the benefit of the fire department.

Library donations – This money has been restricted to the benefit of the library.

Senior center donations – This money has been restricted to the benefit of the senior center.

Animal control donations – This money has been restricted to the benefit of animal control.

The government-wide statement of net position reports \$4,222,730 of restricted net position, \$3,813,879 of which is restricted by enabling legislation.

# City of Lake Worth, Texas

## Notes to Financial Statements

### September 30, 2018

#### **Note K. Defined Benefit Pension Plan**

##### Plan Description

The City 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' defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

##### Benefits Provided

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

Employee deposit rate	6.00%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating

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.

##### *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	40
Inactive employees entitled to but not yet receiving benefits	55
Active employees	91
Total	186

##### 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.

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note K. Defined Benefit Pension Plan (Continued)**

Employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 13.41% and 13.35% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018 were \$714,470, 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 NPL was determined by an actuarial valuation as of that date.

*Actuarial assumptions:*

The TPL in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% 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. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, Gabriel Roeder Smith & Company, Consultant & Actuaries, 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 Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note K. Defined Benefit Pension Plan (Continued)**

The target allocation and best estimates of real rates of return for each major asset class as of September 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
U.S. Equities	17.50%	4.55%
International Equities	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	4.15%
Real Return	10.00%	4.15%
Real Estate	10.00%	4.75%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	7.75%
Total	<u>100.00%</u>	

***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.

Changes in the NPL	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2016	\$ 18,667,322	\$ 14,978,269	\$ 3,689,053
Changes for the year:			
Service cost	765,394	-	765,394
Interest	1,263,382	-	1,263,382
Difference between expected and actual experience	354,838	-	354,838
Contributions - employer	-	697,051	(697,051)
Contributions - employee	-	321,577	(321,577)
Net investment income	-	2,076,598	(2,076,598)
Benefit payments, including refunds of employee contributions	(666,507)	(666,507)	-
Administrative expense	-	(10,758)	10,758
Other changes	-	(546)	546
Net changes	<u>1,717,107</u>	<u>2,417,415</u>	<u>(700,308)</u>
Balance at 12/31/2017	<u>\$ 20,384,429</u>	<u>\$ 17,395,684</u>	<u>\$ 2,988,745</u>

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note K. Defined Benefit Pension Plan (Continued)**

***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 Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's NPL	\$6,407,313	\$2,988,745	\$239,189

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at [www.tmr.com](http://www.tmr.com). The City's plan's fiduciary net position has been determined on the same basis as that used by TMRS. The TMRS plan is reported on the accrual basis of accounting. Benefits are recorded when payable in accordance with TMRS' plan terms. Refunds are recorded and paid upon receipt of an approved application for refund. Investments are reported at fair value.

**Pension Expense, 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 \$715,615.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 136,888	\$ -
Changes in actuarial assumptions	-	(33,201)
Difference between projected and actual investment earnings	-	(459,545)
Contributions subsequent to the measurement date	519,091	-
Total	<u>\$ 655,979</u>	<u>\$ (492,746)</u>

\$519,091 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 year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2019	\$ 8,145
2020	(24,855)
2021	(198,125)
2022	(158,561)
2023	17,538
Total	<u>\$ (355,858)</u>

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note L. Other Postemployment Benefits**

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an other postemployment benefit, or OPEB.

**Contributions**

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

The City's contributions to the TMRS SDBF for the years ended September 30, 2018, 2017, and 2016 were \$8,407, \$7,863, and \$7,873, respectively, which equaled the required contributions each year.

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

<u>Plan/ Calendar Year</u>	<u>Annual Required Contribution Rate</u>	<u>Actual Contribution Rate</u>	<u>Percentage of ARC Contributed</u>
2016	0.04%	0.17%	100.00%
2017	0.04%	0.15%	100.00%
2018	0.04%	0.16%	100.00%

**Note M. Volunteer Firefighter Benefits**

**Pension - Length of Service Awards Program (LOSAP)**

The City's financial statements are for the year ended September 30, 2018; however, the information contained in this note is based on information for the Length of Service Awards Program as of October 1, 2017, which is the date of the most recent actuarial valuation and the measurement date of the total pension liability.

The City provides pension benefits for all eligible volunteer firefighters of the City through a single-employer defined benefit LOSAP. The program began on October 1, 1990 and was established and can be amended by City Council. The program provides municipally-funded pension-like benefits at no cost to eligible volunteer firefighters. The City is the sponsor of the program. The City no longer offers LOSAP to new volunteer firefighters.

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note M. Volunteer Firefighter Benefits (Continued)**

Program Description

Participation, vesting, and service credit

Volunteer firefighters who began service prior to 2003 and had reached the age of 18 and who had completed one year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is 62. In general, an active volunteer firefighter is credited with a year of firefighting service for each plan year by attending at least 70% of all training sessions and business meetings and responding to at least 45% of all non-medical related incidents including major accidents. Medically qualified firefighters must respond to at least 25% of all incidents.

Benefits

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$10 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed twenty. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

Contributions

The City provides annual contributions that satisfy the required amount to fund this program. Administrative costs are financed through investment earnings.

Plan membership

The most current actuarial valuation was completed as of October 1, 2017. The membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	2
Terminated plan members entitled to, but not yet receiving benefits	7
Active plan members	<u>0</u>
Total	<u><u>9</u></u>

Fiduciary Investment and Control

Service credit is determined by the City Council, based on information certified to the City by the fire department. The fire department must maintain all required records on forms prescribed by the City.

The City Council has retained and restricted Volunteer Firemen's Insurance Services to assist in the administration of the program. The restricted program administrator's functions include providing basic specimen forms of documents (Master Document, Adoption Agreement, Explanation of Benefits and other necessary forms and applications), annual plan valuation, calculation of annual recommended deposit, calculation of required premium to purchase/maintain life insurance policies, annual plan certification by independent enrolled actuary, annual summary of benefits for each plan participant, and benefit calculation for plan participant at termination, disability, entitlement, or death. Disbursements of program assets for the payment of benefits or administrative expenses must be approved.

Authority to invest program assets is vested in the Mass Mutual Life Insurance Company. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule. Because the program assets are not in an irrevocable trust, they are included in the General Fund as other assets.



**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note M. Volunteer Firefighter Benefits (Continued)**

The City is required to retain an actuary to determine the amount of the City's contributions to the plan. Portions of the following information are derived from a report prepared by the actuary dated October 16, 2018.

Actuarial Assumptions and Funding Methods

The entry age normal actuarial cost method was used to determine total pension liability (TPL) and the annual required contribution (ARC) to fund the LOSAP. The following assumptions were used to determine the TPL and ARC:

Assumed Interest – 4.75%. The assumed rate reflects the actuary's best estimate of long-term investment results.

Pre-Retirement Mortality Table – 1984 Unisex Pensioners -2. This represents the possibility that some participants may die prior to reaching entitlement age.

Post-Retirement Mortality Table – 1984 Unisex Pensioners -2. This represents the typical life expectancy after attaining entitlement age.

Turnover – None. A turnover table assumes that a percentage of participants will terminate prior to being vested.

Funding Method – Entry age normal frozen initial liability. Under this funding method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age. The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability. Under this method, the actuarial gains (losses) are reflected as they occur in a decrease (increase) in the unfunded actuarial accrued liability.

There are no changes in assumptions or other inputs or changes in benefit terms that affected measurement of the total pension liability since the prior measurement date.

<u>Changes in the TPL</u>		
Balance at 10/1/2016	\$	69,659
Service costs		1,090
Interest on total pension liability		5,006
Benefit payments		(3,000)
Other changes		792
Balance at 10/1/2017	\$	<u>73,547</u>

For the year ended September 30, 2018, the City recognized pension expense of \$6,945.

Insurance

In addition to the pension plan, an insurance policy is provided by the City for volunteer firefighters who qualify for the LOSAP, which provides the greater of \$10,000 or the present value of the participant's accrued benefits under the LOSAP.

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note N. Operating Leases**

The City of Lake Worth leases the following equipment:

- The City leases copiers from NovaCopy with a \$704 monthly lease payment for 60 months beginning November 1, 2014 through October 31, 2019.
- The City leases a copier from Canon with a \$218 monthly lease payment for 60 months beginning August 1, 2015 through July 31, 2020.
- The City leases computers from Dell Financial Services with a \$2,959 annual lease payment for 4 years beginning November 1, 2014 through October 31, 2018.
- The City leases a cloud-based server from Dell Financial Services with a \$6,036 annual lease payment for 5 years beginning August 1, 2014 through July 31, 2019.
- The City leases computers from Var Technology Finance with a \$12,784 annual lease payment for 4 years beginning May 10, 2017 through May 9, 2021.

Net future minimum lease payments under the operating leases for the City of Lake Worth equipment as of September 30, 2018 are as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2019	\$ 29,885
2020	15,665
2021	<u>7,457</u>
Total	<u><u>\$ 53,007</u></u>

Payments on the above leases of \$32,844 were included in equipment rent expense for the year ended September 30, 2018.

**Note O. Other Commitments and Contingencies**

The City of Lake Worth has the following commitments and contingencies at September 30, 2018:

- The City contracted for garbage disposal with Progressive Waste Solutions on March 7, 2016 for 60 months. The City bills directly the residential customers a set monthly rate and pays Progressive Waste Solutions monthly. In addition, the City receives a 6% franchise fee from Progressive Waste Solutions. The franchise fee is based upon the amount Progressive Waste Solutions charges the City for residential customers plus the amount billed by Progressive Waste Solutions to commercial customers. For the fiscal year ended September 30, 2018, the City expensed \$188,034 for sanitation expense.
- The City has a contract with the City of Fort Worth, Texas, for the purchase of treated water and for sewage treatment. The contract for water, dated November 16, 2010 for a 20-year period, is used to supplement the water wells operated by the City. The contract for sewer is dated June 29, 2017 for a 20-year period. Charges are incurred when actual delivery occurs, and the rates are adjusted periodically. For the fiscal year ended September 30, 2018, the City's expenses in the Water and Sewer fund for water and sewer treatment were \$618,002 and \$545,982, respectively.

**City of Lake Worth, Texas**  
**Notes to Financial Statements**  
**September 30, 2018**

**Note O. Other Commitments and Contingencies (Continued)**

- The City has various contracts with Protection One Alarm Monitoring, Inc. for alarm system maintenance, camera systems, and access controls. The various contracts are for a 5-year period. The monthly commitment is \$1,210. For the fiscal year ended September 30, 2018, the City expensed \$9,504 for the alarm system maintenance, \$912 for the camera systems, and \$4,104 for the access controls.
- The City has a contract with Charter Business for internet services at the City's library. The contract, dated October 16, 2013, has a 48-month period. The monthly commitment is \$700. For the fiscal year ended September 30, 2018, the City expensed \$8,400 for the library internet.
- The City has two contracts with AT&T for managed internet service and switched Ethernet service at City Hall. The contract for managed internet service, dated June 13, 2017, has a 24-month period and a monthly commitment of \$1,373. The switched Ethernet service contract, dated January of 2017, has a 60-month period and a monthly commitment of \$876. For the fiscal year ended September 30, 2017, the City expensed \$16,476 and \$10,515 for managed internet service and switched Ethernet service contracts, respectively.

**Note P. Economic Dependency**

Since the City's largest revenue in the General and Crime Control District funds is sales tax, the City's revenue may vary according to the strength of the economy of the Dallas-Fort Worth metropolitan area.

In the Water and Sewer fund, the City contracts with the City of Fort Worth, Texas for water purchases; this supplements the amounts produced from City wells and sanitary sewer treatment. During the current fiscal year, the City paid \$618,002 and \$545,982 for treated water and sewer treatment service, respectively, totaling \$1,163,984 which is 49% of the City's Water and Sewer fund total operating expenses.

**Note Q. Subsequent Events**

The City evaluated subsequent events through March 5, 2019, the date the financial statements were available to be issued, and nothing significant requiring disclosure was noted.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**City of Lake Worth, Texas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**- Budget and Actual -**  
**General Fund**  
**For the Fiscal Year Ended September 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Favorable</b>
				<b>(Unfavorable)</b>
<b>Revenues</b>				
Taxes	\$ 8,107,642	\$ 8,647,594	\$ 8,821,729	\$ 174,135
Fines	464,225	514,100	543,366	29,266
Permits and fees	157,860	192,462	206,181	13,719
Intergovernmental	-	362,267	379,719	17,452
Charges for services	222,700	215,075	218,476	3,401
Investment earnings	76,665	157,851	179,945	22,094
Miscellaneous	369,216	458,035	482,817	24,782
Total revenues	9,398,308	10,547,384	10,832,233	284,849
<b>Expenditures</b>				
Mayor and council	31,858	32,744	17,136	15,608
General government	1,266,642	1,204,802	1,150,249	54,553
Police	2,269,360	2,308,207	2,263,789	44,418
Fire protection	1,795,199	1,921,982	1,947,284	(25,302)
Streets	902,342	854,220	822,946	31,274
Library	255,793	251,435	248,133	3,302
Parks and recreation	485,405	497,848	464,528	33,320
Maintenance	196,527	191,601	185,648	5,953
Senior center	126,645	129,634	123,568	6,066
Municipal court	243,888	242,318	239,579	2,739
Animal control	90,866	101,119	95,554	5,565
Emergency management	16,225	14,373	13,881	492
Permits and inspections	380,152	501,397	391,203	110,194
Informational technology	519,138	539,973	485,957	54,016
Capital outlay	93,500	6,150,585	2,104,084	4,046,501
Debt service				
Principal	30,473	33,475	11,472	22,003
Interest	3,763	3,763	1,894	1,869
Total expenditures	8,707,776	14,979,476	10,566,905	4,412,571
Excess (deficiency) of revenues over (under) expenditures	690,532	(4,432,092)	265,328	4,697,420
Other financing sources (uses)				
Transfers in	1,112,743	121,977	121,977	-
Transfers out	(994,915)	(833,379)	(789,503)	43,876
Total other financing sources	117,828	(711,402)	(667,526)	43,876
Change in fund balance	808,360	(5,143,494)	(402,198)	\$ 4,741,296
Fund balance, beginning of year	11,607,015	11,607,015	11,607,015	
Fund balance, end of year	\$ 12,415,375	\$ 6,463,521	\$ 11,204,817	

The accompanying notes are an integral part of these financial statements.

**City of Lake Worth, Texas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**- Budget and Actual -**  
**Street Maintenance Fund**  
**For the Fiscal Year Ended September 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Sales tax	\$ 1,090,000	\$ 162,526	\$ 162,526	\$ -
Investment earnings	14,000	24,000	35,676	11,676
Miscellaneous	1,200	673	756	83
Total revenues	1,105,200	187,199	198,958	11,759
<b>Expenditures</b>				
Streets	341,778	312,395	182,739	129,656
Capital outlay	110,000	170,383	170,382	1
Total expenditures	451,778	482,778	353,121	129,657
Excess (deficiency) of revenues over (under) expenditures	653,422	(295,579)	(154,163)	141,416
Other financing uses				
Transfers out	(116,640)	-	-	-
Change in fund balance	536,782	(295,579)	(154,163)	\$ 141,416
Fund balance, beginning of year	2,184,485	2,184,485	2,184,485	
Fund balance, end of year	\$ 2,721,267	\$ 1,888,906	\$ 2,030,322	

The accompanying notes are an integral part of these financial statements.

**City of Lake Worth, Texas**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Last Four Fiscal Years\*\***

**Texas Municipal Retirement System (TMRS)**

Measurement Date - December 31st*:	2017	2016	2015	2014
<b>Total Pension Liability (a)</b>				
Beginning Balance	\$ 18,667,322	\$ 17,446,907	\$ 16,274,524	\$ 14,951,418
Service cost	765,394	725,539	660,172	618,120
Interest	1,263,382	1,186,749	1,144,131	1,054,569
Difference between expected and actual experience	354,838	(235,459)	(36,943)	40,840
Changes of assumptions	-	-	(75,228)	-
Benefit payments, including refunds of employee contributions	(666,507)	(456,414)	(519,749)	(390,423)
End of Year Balance	<u>\$ 20,384,429</u>	<u>\$ 18,667,322</u>	<u>\$ 17,446,907</u>	<u>\$ 16,274,524</u>
<b>Plan Fiduciary Net Position (b)</b>				
Beginning Balance	\$ 14,978,269	\$ 13,590,899	\$ 13,230,933	\$ 12,109,051
Contributions - employer	697,051	632,864	589,336	546,093
Contributions - employee	321,577	303,290	283,336	281,189
Net investment income	2,076,598	918,562	19,522	692,850
Benefit payments, including refunds of employee contributions	(666,507)	(456,414)	(519,749)	(390,423)
Administrative expense	(10,758)	(10,373)	(11,891)	(7,232)
Other changes	(546)	(559)	(588)	(595)
End of Year Balance	<u>\$ 17,395,684</u>	<u>\$ 14,978,269</u>	<u>\$ 13,590,899</u>	<u>\$ 13,230,933</u>
<b>Net Pension Liability (a) - (b)</b>				
Beginning Balance	\$ 3,689,053	\$ 3,856,008	\$ 3,043,591	\$ 2,842,367
Service cost	765,394	725,539	660,172	618,120
Interest	1,263,382	1,186,749	1,144,131	1,054,569
Difference between expected and actual experience	354,838	(235,459)	(36,943)	40,840
Changes of assumptions	-	-	(75,228)	-
Contributions - employer	(697,051)	(632,864)	(589,336)	(546,093)
Contributions - employee	(321,577)	(303,290)	(283,336)	(281,189)
Net investment income	(2,076,598)	(918,562)	(19,522)	(692,850)
Administrative expense	10,758	10,373	11,891	7,232
Other changes	546	559	588	595
End of Year Balance	<u>\$ 2,988,745</u>	<u>\$ 3,689,053</u>	<u>\$ 3,856,008</u>	<u>\$ 3,043,591</u>
Plan's fiduciary net position as a percentage of the total pension liability	85.34%	80.24%	77.90%	81.30%
Covered payroll	\$ 5,089,054	\$ 4,885,784	\$ 4,722,263	\$ 4,675,481
Net pension liability as a percentage of covered payroll	58.73%	75.51%	81.66%	65.10%

\* The amounts presented above are as of the measurement date of the collective net pension asset (liability).

\*\* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of these financial statements.

**City of Lake Worth, Texas**  
**Schedule of Employer Contributions and Related Ratios**  
**Last Four Fiscal Years\*\***

**Texas Municipal Retirement System (TMRS)**

<b>Year Ended September 30th*:</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
The City's actuarially determined contribution	\$ 714,470	\$ 664,926	\$ 599,053	\$ 587,081
The amount of contributions recognized by the plan in relation to the actuarially determined contribution	714,470	664,926	599,053	587,081
The difference between the City's actuarially determined contribution and the amount of contributions recognized by the plan in relation to the City's actuarially determined contribution	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,345,289	\$ 5,052,716	\$ 4,789,048	\$ 4,794,736
The amount of contributions recognized by the plan in relation to the City's actuarially determined contribution as a percentage of covered payroll	13.37%	13.16%	12.51%	12.24%

**Notes to Schedule of Contributions**

*Valuation Date:*

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

*Methods and Assumptions Used to Determine Contribution Rates:*

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	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 scale BB

*Other Information:*

There were no benefit changes during the year.

\* The amounts presented above are as of the City's fiscal year-end.

\*\* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of these financial statements.



**City of Lake Worth, Texas**  
**Schedule of Changes in Total Pension Liability and**  
**Schedule of Total Pension Liability and Related Ratios**  
**for Volunteer Firefighters**  
**Last Two Fiscal Years \*\***

**Length of Service Awards Program (LOSAP) for Volunteer Firefighters**

**Schedule of Changes in Total Pension Liability**

<b>Measurement Date - October 1st*:</b>	<b>2017</b>	<b>2016</b>
Beginning Balance	\$ 69,659	\$ 66,997
Service cost	1,090	1,306
Interest on total pension liability	5,006	4,735
Benefit payments	(3,000)	(3,440)
Other changes	792	61
Ending Balance	<u>\$ 73,547</u>	<u>\$ 69,659</u>

**Schedule of Total Pension Liability and Related Ratios**

<b>Measurement Date - October 1st*:</b>	<b>2017</b>	<b>2016</b>
Total pension liability	\$ 73,547	\$ 69,659
Covered payroll	\$ -	\$ -
Total pension liability as a percentage of covered payroll	N/A	N/A

**Notes to Above Schedules**

The plan assets are not included in an irrevocable trust but are included in the General Fund as other assets.

See Note M. Volunteer Firefighter Benefits in the Notes to the Financial Statements for information about factors that significantly affect trends in the amounts reported.

\* The amounts presented above are as of the measurement date of the collective net pension asset (liability).

\*\* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of these financial statements.

# City of Lake Worth, Texas

## Schedule for Governments Using Modified Approach for Infrastructure

Condition Rating	Percentage	Goal	Square Feet of Roadway		Square Feet of Roadway		Square Feet of Roadway	
			February 28, 2017		September 30, 2014		September 30, 2012	
			Number	Percentage	Number	Percentage	Number	Percentage
At least 1	0%		562,945	9.1222%	200,527	3.2896%	-	0.0000%
At least 2-4	30%		1,192,517	19.3241%	463,370	7.6014%	819,206	13.4595%
At least 5-7	60%		2,438,939	39.5217%	2,514,021	41.2417%	2,589,127	42.5392%
At least 8-10	10%		1,976,734	32.0319%	2,917,902	47.8673%	2,678,120	44.0013%

The City adopted a one-quarter sales tax effective July 1, 2005 to help keep their roads in compliance with their goals.

### Comparison of Estimated-to-Actual Maintenance/Preservation

	2018	2017	2016
Estimated	\$ 1,166,615	\$ 1,155,567	\$ 1,267,301
Actual	1,005,685	964,848	1,079,561

At least every three years the City will perform an examination of their roads and rate the status. The City did not rate the roads in the 2018, 2016, 2015, or 2013 fiscal years. The status of the City's roads are rated according to the following criteria:

Surface Rating	Visible Distress	General Condition Treatment Measures	Surface Rating	Visible Distress	General Condition Treatment Measures
10 Excellent	None	New Construction	5 Fair	Moderate to severe raveling (loss of lines and coarse aggregate). Longitudinal cracks (open 1/2") show some slight raveling and secondary cracks. First signs of longitudinal cracks near wheel path or edge. Transverse cracking and first signs of block cracking. Slight crack raveling (open 1/2"). Extensive to severe flushing or polishing. Some patching or edge wedging in good condition.	Surface aging, sound structural condition, needs seal coating or non-structural overlay.
9 Excellent	None	Recent overlay, like new	4 Fair	Severe surface raveling. Multiple longitudinal and transverse cracking with slight raveling. Block cracking (over 25-50% of surface). Patching in fair condition. Slight rutting or distortions (1" deep or less).	Significant aging and first signs of need for strengthening. Would benefit from recycling or overlay.
8 Very Good	No longitudinal cracks except reflection of paving joints, occasional transverse cracks, widely spread (40' or greater).	Recent seal coat or new road mix. Little or no maintenance required.	3 Poor	Closely spaced longitudinal and transverse cracks often showing raveling and crack erosion. Block cracking over 50% of surface. Some alligator cracking (less than 25% of surface). Patches in fair to poor condition. Moderate rutting or distortion (1" or 2" deep). Occasional potholes.	Need patching and major overlay or complete recycling.
7 Good	Very slight or no raveling, surface shows some traffic wear. Longitudinal cracks (open 1/4") spaced due to reflection or paving joints. Transverse cracks (open 1/4") spaced 10 feet or more apart and little or slight cracking. No patching or very few patches in excellent condition.	First signs of aging maintain with routine crack filling	2 Very Poor	Alligator cracking (over 25% of surface). Severe distortions (over 2" deep). Extensive patching in poor condition and potholes.	Severe deterioration, need reconstruction with extensive base repair.
6 Good	Slight raveling (loss of line) and traffic wear. Longitudinal cracks (open 1/4" - 1/2") due to reflection and paving joints. Transverse cracks (open 1/4" - 1/2") some spaced less than 10 feet. Slight to moderate flushing or polishing. Occasional patching in good condition.	Show signs of aging, sound structural condition could extend life with seal coat.	1 Failed	Severe distress with extensive loss of surface integrity.	Failed, needs total reconstruction.

The accompanying notes are an integral part of these financial statements.

## **SUPPLEMENTARY INFORMATION**

**City of Lake Worth, Texas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2018**

	Crime Control District Fund	Public Educational Government Channel Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 25,203	\$ -	\$ 25,203
Investments	613,537	74,946	688,483
Accounts receivables	-	2,069	2,069
Due from other governments	74,012	-	74,012
Due from other funds	500	-	500
Prepaid expenses	1,884	-	1,884
Total assets	<u>\$ 715,136</u>	<u>\$ 77,015</u>	<u>\$ 792,151</u>
<b>Liabilities and fund balances</b>			
Liabilities:			
Accounts payable	\$ 4,935	\$ -	\$ 4,935
Accrued liabilities	29,722	-	29,722
Due to other funds	1,931	-	1,931
Total liabilities	36,588	-	36,588
Fund balances:			
Non-spendable for prepaid expenses	1,884	-	1,884
Restricted for:			
Crime control	676,664	-	676,664
Public educational government channel	-	77,015	77,015
Total fund balances	678,548	77,015	755,563
Total liabilities and fund balances	<u>\$ 715,136</u>	<u>\$ 77,015</u>	<u>\$ 792,151</u>

The accompanying notes are an integral part of these financial statements.

**City of Lake Worth, Texas**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended September 30, 2018**

	Crime Control District Fund	Public Educational Government Channel Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Sales tax	\$ 1,044,652	\$ -	\$ 1,044,652
Investment earnings	9,198	1,268	10,466
Miscellaneous	51,233	7,735	58,968
Total revenues	1,105,083	9,003	1,114,086
<b>Expenditures</b>			
Police	811,156	-	811,156
Capital outlay	94,281	-	94,281
Total expenditures	905,437	-	905,437
Excess of revenues over expenditures	199,646	9,003	208,649
Other financing uses			
Transfers out	(73,604)	-	(73,604)
Changes in fund balances	126,042	9,003	135,045
Fund balances, beginning of year	552,506	68,012	620,518
Fund balances, end of year	\$ 678,548	\$ 77,015	\$ 755,563

The accompanying notes are an integral part of these financial statements.

**OVERALL COMPLIANCE AND  
INTERNAL CONTROLS SECTION**



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and City Council  
City of Lake Worth, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lake Worth, Texas, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Lake Worth, Texas' basic financial statements, and have issued our report thereon dated March 5, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Lake Worth, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lake Worth, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lake Worth, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Lake Worth, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Snow Garrett Williams". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

Snow Garrett Williams  
March 5, 2019



## Lake Worth City Council Meeting – March 12, 2019

### Agenda Item No. F.2

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**From:** Corry Blount, Chief of Police and  
Debbie Whitley, Asst. City Manager/Director of Finance

**Item:** Discuss and consider approval of the expenditure of confiscated property revenue received January 23, 2019 for equipment for the Police Department.

**Summary:**

On January 23, 2019 the City received confiscated property revenue in the amount of \$9,105. Per state law, these funds must be spent for the benefit of Police Department operations. Staff is requesting approval to spend the funds on equipment needed by the department but not included in the current year budgets. As of now, specific items we wish to purchase with these funds include a larger rifle storage rack, a rowing machine (for use in new hire fitness testing and ongoing annual fitness testing), TASER devices, pepper ball launchers and other miscellaneous minor equipment or departmental supplies.

**Fiscal Impact:**

The revenue received was not budgeted, so budgeted revenue will increase by \$9,105 to offset the additional expenditures being requested, for a net budgetary impact of zero.

**Attachments:**

N/A

**Recommended Motion or Action:**

Move to approve the expenditure of confiscated property revenue received January 23, 2019 for equipment for the Police Department.